

**FALKIRK COUNCIL  
EFFICIENCY STATEMENT  
2010/2011**

**1. INTRODUCTION**

- 1.1 This is the fifth efficiency statement published by Falkirk Council. We are required to publish this statement, along with all other Local Authorities in Scotland, to demonstrate a commitment to ensuring our services are delivered efficiently and to meeting the changing needs of our communities. The purpose of publishing this statement is to add to the accountability arrangements for each Council locally and nationally. This fits well with the Council's commitment to ensuring we provide the best quality services at a cost our communities and citizens expect. In addition to this, we are committed to ensuring we provide information to our citizens on how we are managing our resources in providing services and meeting their aspirations for our area.
- 1.2 Last year in addition to achieving efficiencies, the Council also had to achieve significant levels of savings i.e. £10m. In 2010/11 we achieved £4.8m of efficiency savings on top of the £5.3m of efficiency savings we derived in 2009/10. We achieved over £6m of efficiency savings in 2008/09 in addition to £5.5m achieved in 2007/08 and £5m in 2006/07. Over the last five years the Council has therefore realised £26.6m in efficiency savings.
- 1.3 This statement sets out the Council's approach to efficient government; the specific efficiencies gained for the financial year 2010/11 and then describes the key areas to be targeted for 2011/12.

**2. OUR APPROACH TO EFFICIENT GOVERNMENT AND BEST VALUE**

- 2.1 The Council's commitment to the principles of efficient government and best value is an active one, best illustrated through the practical actions we are undertaking to secure better services for our citizens. We are confident that while we continue to make positive improvements in the services we deliver, we do so within a culture of best value. We will continue to embrace our improvement agenda, learning from best practice elsewhere and continually challenging ourselves about the quality and cost of the services we provide.
- 2.2 In our latest Assurance and Improvement Plan (AIP), our external auditors recognised that like all public sector organisations the Council faces significant financial pressures as a result of the economic downturn and the outcome of the national spending review. The AIP recognised that the Council has shown an understanding of the financial challenges it faces and has made early progress in addressing these. It has established a clear strategy for managing its overall spending based around four themes: efficiency, prioritisation, costs of employment and income generation. While acknowledging that the financial climate may impact on the Council's ability

to deliver its outcome targets and maintain service performance into the future.

- 2.3 The Council has a well established, structured and controlled system for planning and budgeting that seeks to target resources towards agreed policy priorities.
- 2.4 In common with all other Councils in Scotland, we are striving to balance the investment needs of Services, with the level of funding available from the Scottish Government. A growing population, along with an increased number of older people who require services, increasing school rolls, pay and pension pressures, homelessness, looked after children and the challenges associated with equal pay claims are all key factors which will have a significant influence on budgets. In addition, the effects of the recession in terms of increased demands for certain services, impact on income generation and the requirement to regenerate our local economy means we have to make sure the resources we have are delivering more with less.
- 2.5 To achieve this we have targeted a number of areas where we can either identify significant savings or have recognised a need to utilise our resources more effectively.

### ***Procurement***

- 2.6 The Council spends around £200m per annum on a wide variety of goods, services and works. Through our Procurement Strategy we recognise the strategic importance of effective and efficient procurement, in enabling the Council to deliver our goals.
- 2.7 The Council's values determine how we go about our business and conduct our affairs. Over the past year procurement activity has been successful in supporting the Council's values of *Public Service*, *Performance* and *Partnership*.
- 2.8 During 2010/11 the Council improved its Procurement Capability Assessment (PCA) score and is now achieving conforming status. The Council's Procurement Board continues to drive and embed procurement improvement across the Council.
- 2.9 The Council continues to adopt and implement procurement best practice, through:
- More effective market engagement e.g.: the advertising of our tenders on the Public Contracts Scotland Portal, by holding 'meet the buyer' events throughout the year and joining the Supplier Development Programme.
  - Use of the Scottish Procurement "Procurement Journey" toolkit
  - Improved supplier and contractor management systems have also improved service reliability and quality.

- Collaboration at a national, sectoral and regional level.
- Expanding the use of more efficient “purchase to pay” systems e.g.: procurement cards.
- Increased emphasis on Sustainable procurement e.g.: the continued use of specific contractual clauses such as the adoption of Community Benefits as “business as usual” continues to deliver training and employment opportunities (c100 placements) to residents in the Falkirk Council area even through the recession.
- Adopted a Public Social Partnership approach to specify and then procure specific services. This approach has proved beneficial even in its pilot phase and thus we will over the coming months identify areas of service that would be appropriate to review in this way.

2.10 Procurement improvement has enabled the Council realise significant cash savings of c£2m. These savings have been delivered across all Council activities and include Care, Telephony, Water Services, Building Materials, Transportation and Facility Management and Property Services.

### ***Physical Asset Management***

2.10 The Council has a broad and diverse asset portfolio with a total value of over £0.7 billion. It includes Council housing, operational buildings and an industrial and commercial portfolio, as well as roads, bridges, street lighting and public open space. Our approach to the management of these community resources contributes to ensuring that our area looks better, feels better and thinks differently. This has included carrying out a critical review of service operational property from a best value perspective to ensure resources are most appropriately targeted to enhance service delivery.

2.11 Asset management is a key priority for the Council and a critical means of providing better services. Our Asset Management Strategy – Better Assets, Better Services, recognises that customer and employee expectations in the provision of services and facilities are of the highest order. Significant efforts are required by the Council to ensure that our portfolio matches these expectations.

2.12 We are working to ensure that our assets are modern and ‘fit for purpose’ - meeting ever more exacting standards of efficiency, compliance and sustainability. By adopting best practice in asset management, the Council aims to maximise the benefits from its extensive range of land, property, and other assets, gain efficiency savings, as well as optimise investment decisions, modernise working practices and gain better service provision.

2.13 In 2010/11 we reported that around 5% of Council Buildings were assessed as being in bad condition (life expired) or had bad suitability. None were assessed as ‘bad’ on both counts. While this is something we would want to improve this does compare reasonably well with other authorities. The

report also highlighted the level of investment the Council makes to ensure our assets are fit for purpose.

- 2.14 We have recently vacated private rented premises formerly occupied by our Education Service, achieving efficiencies in excess of £120,000. Our asset management strategy is being updated to accommodate new guidance and will roll forward.
- 2.15 In addition we are working with the Health Service, Police and Fire Service to review all public sector assets in the Falkirk Council area to ensure that we are utilising the whole public sector estate to best and most efficient effect. The work has already produced a comprehensive review of all premises utilised or owned by the public sector in the area, and we are now examining ways we can ensure maximum value from these assets.

### ***Workforce Management***

- 2.16 Falkirk Council understands that in order to provide the highest quality services, we must ensure that we have the highest quality staff that are available to provide the best services to all of our communities. This is reflected in our workforce strategy 'Better People, Better Services'. We know that our level of absence management has for a number of years been higher than the Scottish average. To address this we have implemented a range of measures to ensure our employees are healthy, happy and here.
- 2.17 Our approach to absence management is a holistic one, taking account of all areas which potentially impact on absence. From health and safety, including the development of a comprehensive Health, Care and Safety Strategy, to a wide package of flexible working arrangements aimed at improving employee attendance to a target level of 4%. We have over a number of years seen a significant reduction in absence across the Council to the point where we are nearly meeting our 4% target. We have specific areas of service where absence is higher and are working with these to examine how we can achieve reductions whilst supporting employees to come to work when it is appropriate that they do so.
- 2.18 In addition to continuing to review our approach to absence management, we are now in the process of reviewing our workforce strategy to ensure it meets the changing needs of the Council in the current financial climate. We recognise that we must change the shape of our workforce to respond to such challenges whilst continuing to employ and retain a highly motivated and skilled workforce who are committed to the delivery of first class services.
- 2.19 We have sought to improve the services we deliver by joining areas of service delivery where this makes sense to do so. We have recently approved a new structure for our services that we will be implementing over the coming months. We do recognise that there are challenges in moving to a more streamline management structure and must ensure that employees are supported through this transition.

### *Modernising the Way We Work*

- 2.20 The Council has a track record of using technology to improve the way we deliver services and enhance the lives and opportunities of people within our communities.
- 2.21 Our priorities for modernisation are found in two key documents – 21<sup>st</sup> Century Action Plan and an underpinning ICT Strategy. Our 21<sup>st</sup> Century Action Plan guides the modernisation agenda for all our services focusing on a number of key areas:
- ❖ Improving public access to information.
  - ❖ Integrating front and back office systems and processes to improve performance and a stronger customer focus.
  - ❖ Improving citizen consultation and communication.
  - ❖ Achieving the Government's Electronic Service Delivery (ESD) targets.
  - ❖ Delivering better customer services.
- 2.22 In addition to continuing to expand the services we deliver online, we have continued to expand the use of our integrated online booking system. Once this has been fully implemented it will allow people to book council facilities and services online. To complement this we will shortly be implementing an electronic payment system that will allow payments to be made for services and bookings and be attributed to the correct service account automatically.
- 2.23 We highlighted last year a number of improvements in the way we manage our properties. This year we further enhanced our housing service through the implementation of Homespot. Homespot is Falkirk Council's Choice Based way of letting homes. Homes available for let are advertised and applicants can decide which homes they wish to be considered for on line or through accessible terminals in one stop shops. We advertise our vacant properties every two weeks and people can apply for them on line, through a housing office or using a free phone telephone system. These services complement the increasing use of our repairs by appointment service which has dramatically increased the efficiency of our service to our tenants.
- 2.24 The Council continues to develop our eplanning system which allows planning applications to be made online as well as providing applicants with more information on the process. We said this last year and though the system has been further developed this year with the addition of online development planning efficiency savings are not yet apparent.
- 2.25 We have been actively pursuing improvements identified in the way we deliver some key back office services. These include the use of electronic payslips and HR / payroll 'self-service' to assess where they can provide us with efficiencies; both in the way we work and the resources we utilise to deliver services.

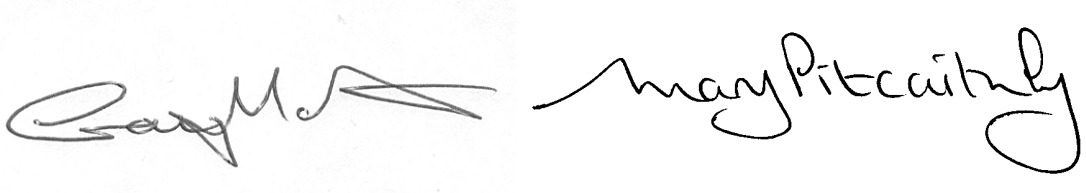
## **Continuous Improvement**

- 2.26 In order to ensure we continue to identify areas for efficiency and improvement, the Council has adopted a system of self assessment – PSIF (Public Sector Improvement Framework). We have identified specific areas to review and have already undertaken 8 self assessments including a corporate review. These assessments have resulted in improvement plans being agreed and these will be progressed throughout this year.
- 2.27 We have a programme to cover all areas of service within the next four years. We have also undertaken a self assessment on our community planning partnership and will be using that assessment as a basis for reviewing and improving our arrangements for partnership working.

## **3. KEY AREAS FOR 2011 /2012 AND ONWARDS**

- 3.1 The Council will continue to focus on delivering efficiency savings in order to ensure we provide the highest quality services at a cost our communities and citizens expect. Efficiencies are becoming increasingly important not just to improve the levels of service we can provide, but also as a means of achieving financial savings. Over the coming years as public spending reduces significantly, all areas of service will be subject to scrutiny and the requirement to be as efficient and effective as is possible.
- 3.2 We have to be clear what are efficiencies i.e. those areas where by streamlining processes etc we can deliver the same quality of service to the same number at a lower cost or more people at the same cost.
- 3.3 Specific areas we will look to identify and derive efficiencies from include:
- Better and more effective procurement in line with the Council's Procurement Strategy and Improvement Plan;
  - A reduction in costs with a more joined up service delivery both internally and with our partners;
  - Managing our physical assets;
  - Ensuring we understand and target services to meet the needs of our most vulnerable customers;
  - Ensuring we modernise the way we work; and
  - Continuing the integrated service agenda, streamlining bureaucracy and improving the performance of our services.
- 3.4 To ensure we are fully focused on efficiencies we have for the first time included within our service plans, areas for efficiency for this and the coming years. Each service has been asked to identify where they will seek to improve efficiency over the next year.
- 3.5 We recognise that we will be under increasing resource pressures with increased customer expectations and needs. We also know we must have the

right workforce and with the right skills for the future. All our Services and employees have a part to play in ensuring we meet these challenges in the coming year and beyond and ensure that Falkirk continues to be the 'Place to Be'.

The image shows two handwritten signatures in black ink. The signature on the left is 'Craig Martin' and the signature on the right is 'Mary Pitcaithly'. Both signatures are written in a cursive, flowing style.

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**Cllr Craig Martin**  
**Leader of Falkirk Council**

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**Mary Pitcaithly**  
**Chief Executive of Falkirk Council**



**FALKIRK COUNCIL – EFFICIENCY GAINS 2010/11**

<b>Theme</b>	<b>Description of Efficiency Measure</b>	<b>Cashable (Recurring)</b>	<b>Time Releasing</b>	<b>Impact on service delivery and performance/ other information</b>
		£'000	£'000	
PR	Reduced Payments to Social Work Voluntary Organisations	258		Re-design of Service – same outcomes achieved at reduced cost
PR	Increase in Number of Respite Care Places	100		Increased number of places at reduced cost
PR	Re-design of Residential Child Care Service	100		Same level of service at reduced cost
PR	Reduction in Advertising Costs	15		Reduction in newspaper recruitment advertising
PR	Reduction in Postage Costs	9		New contract in place at a lower cost
PR	Reduction in Cost of Collection Costs for Council Tax/NDRI	28		Same level of provision of service at reduced cost
PR	Procurement of Infrastructure and Bus Services	129		Efficiencies in procurement of infrastructure improvements and bus contracts
WP	Savings in cost of vehicle hire	20		Reduction in usage with no loss of service
WP	Increased staffing savings from Vacancy Management	1,085		Reduced staffing levels through vacancy management with no loss of service
WP	Staffing savings	1,625		Mostly achieved through Voluntary Severance with no loss of service
WP	Reduction in Overtime Costs	119		Reduction in costs with no loss of service
WP	Other Staff Savings	91		Reduction in costs with no loss of service







**FALKIRK COUNCIL**

**IMPROVEMENT SERVICE**

**EFFICIENCY INDICATORS 2010/11**

**Unit Cost Measures**

		<b>2009/10</b>	<b>2010/11</b>
		<b>£</b>	<b>£</b>
CHN 1	Unit cost of education management and support services per school child	356	388
CHN 2	Unit cost of delivering educational and social services for children & young people	4,462	4,556
CHN 3	The average cost per child transported	858	822
CHN 4	Average cost of residential care for children	115,467	129,643
SW 1	Unit cost of care management and assessment for cases that have been open during reporting year	375	369**
SW 2	Average cost for basket of services (home care, residential care, day care and respite care) per case	8,325	8,957
SW 3	Unit cost of providing equipment and adaptations per case for full year	125	85
RG 2	Average repairs and maintenance expenditure per house per year	1,286	1,326
RG 3	Average supervision and management expenditure per house per year	696	696
CS 1	Cost of council tax collection per property	9.50	10.10
CS 2	Cost of human resources per 1,000 employees	240,462	230,888
CS 3	Workstations supported per support specialist	371	386
*	Average office floor space per member of staff	12.66	12.25
*	Gross Property Costs as a % of the Council's total revenue expenditure	3.67%	3.54%
EC 1	Gross cost of municipal waste collection per premise	74.28	83.27
EC 2	Maintenance cost per kilometre maintained for all road types	3,438	3,637
EC 4	Gross cost of municipal waste disposal per tonne	55.95	58.70
CL 1	Unit cost per visit to museums, libraries and sports and leisure facilities	6.40	6.39

**Total Cost Measures**

RG 1	The total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year	1.0%	1.0%
CM 2	Cost of corporate and democratic core as a % of relevant expenditure	0.71%	0.62%
CM 5	Percentage savings between current cost of a fixed basket of goods and services vs. historic cost	Data not available	Data not available
EC 3	Gross cost of council procured transport per 1,000 population	16,533	15,703
PP 1	Gross cost of trading standards services per 1,000 population	2,079	2,336
PP 2	Gross cost of environmental health services per 1,000 population	16,861	17,263

### Sickness Absence

CM 3	The number of days lost through sickness absence expressed as a percentage of the total working days available	4.9%	4.2%
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\* These indicators have been developed by Falkirk Council as replacements for the original indicators as noted below.

CM 1 Percentage utilisation of assets

CM 4 Cost per square metre of utilisation of property

\*\* Note re SW1 :- The calculation for this figure is based on net costs from Row 15 of LFR3, less support costs, divided by the total number of clients in receipt of a service during the year. Row 15 costs include more than purely Assessment and Review costs but, if the indicator is really looking for the unit cost of Assessment & Review, this cannot be calculated as we have no basis to ascertain costs specific to this function alone. Should we have quoted the Row 15 cost divided by clients in receipt of Assessment and/or review during the year, this would have given a unit cost of £679 for 10/11 with a comparative restated figure of £660 for 09/10, though this would not be comparing like with like. We would welcome clarification of IS requirements here.