

FALKIRK COUNCIL
EFFICIENCY STATEMENT
2008/09

1. INTRODUCTION

- 1.1 This is the third 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 meet the changing need 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 We have achieved over £6 million of efficiency savings last year. This is in addition to £5.5 million achieved in 2007/08.
- 1.3 This statement sets out the Council's approach to efficient government, the efficiencies gained for the financial year 2008/09 and then describes the key areas to be targeted for 2009/10.

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 As recognised by Audit Scotland and the Accounts Commission in the Audit of Best Value and Community Planning, published in May 2008, we have a culture of efficient, high quality, cost-effective services, which put the needs of our customers first and respond to feedback, and while we have had considerable success in some areas, we recognise that in others there is still scope for improvement.
- 2.3 The Audit report recognised that, over the past decade, we have consistently provided high quality services and invested in the area's infrastructure while keeping Council Tax levels affordable. Currently our Council Tax is the second lowest in mainland Scotland and our rents remain below average, despite the substantial investments we have made in the fabric of our houses.

We have, over the last number of years, had consistent performance in our Statutory Performance Indicators with over a third of these being in the highest quartile. We recognise however that there is always scope for further improvement.

- 2.4 The Council has a well established, structured and controlled system for planning and budgeting that seeks to target resources towards agreed policy priorities.
- 2.5 Since 1996 Falkirk Council generally had the lowest or second lowest Council Tax in mainland Scotland prior to the agreement to freeze tax levels as part of the Concordat between the Scottish Government and CoSLA, and therefore remains well below the Scottish average Band D level. This demonstrates that financial prudence has consistently been a cornerstone of the Council's financial strategy.
- 2.6 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 and the introduction of the single status agreement, 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 support our local businesses means we have to make sure the resources we have are delivering more with less.
- 2.7 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

- 2.8 The Council spends around £100m 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.
- 2.9 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*.
- 2.10 **Public Service** has been improved through the establishment of a Procurement Board. This has provided a stronger model of governance with reporting directly to the Chief Executive.
- 2.11 We have increased access to information on contract opportunities through further development of the Purchasing Web site, the advertising of our

tenders on the Public Contracts Scotland Portal and by holding ‘meet the buyer’ events throughout the year.

- 2.12 **Performance** has been improved through the realisation of over £500k of cash savings across a range of contracts including Telecommunications, Gas Servicing, and Scaffolding. New contractor and supplier management models have also improved service reliability and quality. Cash savings in excess of £750k are projected for 2009 - 2010.
- 2.13 Process costs savings have been achieved through a programme of innovation to continue the growth in the use of procurement cards and other payment methods.
- 2.14 The Sustainable Falkirk Strategy sets out key economic and environmental priorities to which procurement has a central role. The continued use of specific contractual clauses, during 2008/09, and the adoption of Community Benefits as “business as usual” delivered over 1900 weeks of training and employment opportunities to residents in the Falkirk Council area.
- 2.15 **Partnership** activity has developed and we continue to purchase jointly with our Joint Buying Arrangement partners. In addition, we have worked closely with Procurement Scotland to support our participation in a number of national contracts. Our Procurement Officers are actively working with partners from across Scotland to further extend collaborative buying programmes. We continue to liaise with Scotland Excel and towards the end of 2009 will re-evaluate the business case for our participation in this.
- 2.16 One area of significant improvement in procurement has been the development of a framework agreement for purchasing Care at Home services. The tool that makes the framework work is the Central Matching service. All requests for new care packages come through a central team who use the framework to identify the most appropriate purchasing option. This is a more streamlined approach to purchasing care services and allows for better monitoring of adherence to all elements of the framework.
- 2.17 We are better able to monitor spend and to make budget projections more accurate – thus giving the ability to better manage budget spend over the year(s). This should see better use of financial resources and a reduction overall in spend on Care at Home services – based on like for like volume of care being purchased.
- 2.18 In addition central monitoring will ensure that the standards of care are monitored more closely, ensuring our most vulnerable citizens get the most appropriate services to meet their continuing needs.

Physical Asset Management

- 2.19 The Council has a broad and diverse asset portfolio with a total value of over £0.5 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.

- 2.20 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. We must 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 can 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. During 2008/09 we participated in Audit Scotland’s Audit of Asset Management in Council’s and are currently engaged in a benchmarking exercise in order to evaluate the Council’s relative performance in order to prioritise the necessary actions consistent with the aims and objectives of our Asset Management Plan.
- 2.21 This report highlighted that fewer than 5% of the Council’s buildings were in poor condition and with poor suitability. 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.

Absence Management

- 2.22 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. 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. 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%. While we have not yet reduced absence to the level we would want, we have made significant reductions.
- 2.23 In addition to continuing to review our approach to absence management, we have also developed a comprehensive Human Resources Workforce Strategy. This is to ensure that we are able to recruit, retain and develop our workforce to meet our future service delivery needs, and shape jobs to ensure they are fit for purpose and attractive to employees.

- 2.24 For the first time last year, we tendered for a shared service joint occupational health and employee counselling contract with Stirling and Clackmannanshire Councils.

Modernising the Way We Work

- 2.25 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.
- 2.26 Our priorities for modernisation are found in two key documents – 21st Century Action Plan and an underpinning ICT Strategy. Our 21st 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.
- 2.27 In addition to continuing to expand the services we deliver online, we have started to introduce an 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 are now looking to consolidate an electronic payment system that will allow payments to be made and then attributed to the correct account automatically.
- 2.28 The Council has also introduced a 'repairs by appointment' system which now accounts for around 38% of all response repairs. Over 99% of all repairs have been carried out at the appointed time with 80% of these repairs completed first time. An 'On the Spot' repairs service was also introduced last year also allows customers to have additional small repairs which had not originally reported to be carried out when tradesmen are at the property. In addition we purchased a new computerised repairs diagnostic tool kit which provides staff with better information and guidance on repairs. This complements a web based repairs system that enables tenants to report repairs online through the Council's web site.
- 2.29 By establishing a central team to process housing applications, maintain the housing list and match applicants with suitable vacancies, we have improved service delivery by reducing timescales for processing information and ensuring consistency. We have established a dedicated voids team to reduce the turn around time for void properties, thereby improving rent loss and controlling costs.
- 2.30 The Council also launched our ePlanning system which allows planning applications to be made online as well as providing applicants with more information on the process.

Shared Services

- 2.31 As part of our continued efforts to improve the way we deliver services, we were proactive in our response to the Government's Efficient Government Agenda. Following our work on shared services with 4 other Councils 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 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.
- 2.32 Most local authorities in Scotland are currently working with the Improvement Service on assessing where there are opportunities for making improvements in the way we deliver services. This Diagnostic Project has involved interviewing all senior managers of the Council, looking at how employees spend their time and what ideas they have for improving the way they deliver and manage services. While this work is ongoing, over the next few months we will have identified some key areas for service improvement.
- 2.33 We have worked to ensure full integration of our Mobile Emergency Care service within the Customer First Team. This ensures effective and efficient service delivery to the most vulnerable people in our communities.

Service Reviews

- 2.34 The Council has reviewed the way we conduct strategic service reviews. This has resulted in introducing a strategic framework for assessing which reviews we undertake and the expectations we have from those reviews. One of the key criteria for undertaking such reviews is assessing the scope for making savings. The key reviews we are undertaking this year include:
- ❖ Further developing our procurement strategy;
 - ❖ The way we commission and deliver services for looked after children especially those who require residential care;
 - ❖ Customer services;
 - ❖ Property management; and
 - ❖ Community assets.
- 2.35 These are complementary to progressing our local improvement plan noted previously in this statement. We have also recently agreed to undertake a comprehensive self assessment. This will assist us in identifying areas that we require to improve in the future. This is in addition to follow up work on the areas identified as part of our Diagnostic Pathways exercise.

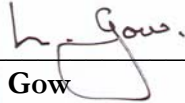
3. KEY AREAS FOR 2009 /2010 AND ONWARDS

- 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. As mentioned before we are about to undertake a comprehensive self assessment process which will identify areas for

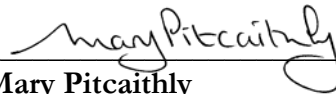
improvement across the Council. These areas will complement our future improvement programme including:

- ❖ Better and more effective procurement;
- ❖ Managing our physical assets;
- ❖ Continuing to reduce our absence;
- ❖ Ensuring we modernise the way we work; and
- ❖ Continuing the integrated service agenda, streamlining bureaucracy and improving the performance of our services in line with efficient government imperatives.

3.2 We recognise that we will be under increasing resource pressures with increased customer expectations and needs. All our services and employees have a part to play in ensuring we meet these challenges in the coming year and beyond.



Cllr Linda Gow
Leader of Falkirk Council



Mary Pitcaithly
Chief Executive of Falkirk Council

FALKIRK COUNCIL – EFFICIENCY GAINS 2008/09

Theme	Description of Efficiency Measure	Cash Releasing (Recurring) £'000	Time Releasing	Impact on service delivery and performance/ other information
PR	Purchase of Care Packages	220		Ongoing review of purchase of care packages leading to a reduction in procurement costs with no impact on service delivery
PR	Savings in the procurement of the Waste Disposal Contract	75		Re-tendering of the contract led to a change in supplier and reduced costs
PR	Savings in the procurement of materials for Building Maintenance	100		Improved procurement methods have led to a reduction in the price of materials
PR	Savings in Supplies & Services across all Services	87		Reduced costs through improved procurement measures
PR	Schools procurement savings	467		Schools asked to improve procurement and make efficiencies from their devolved budgets
WP	Re-prioritisation of various Education initiatives	600		Re-prioritisation of the workforce has led to savings with no impact on service delivery
WP	Increased vacancy management targets	121		Increased vacancy management targets within Services has led to some posts not being filled but with no loss of service
WP	Reduction in overtime	194		More efficient ways of working
WP	Removal of miscellaneous employee cost budgets	44		More efficient ways of working
WP	Reduced use of sub-contractors	100		More efficient use of in-house workforce
AM	Increased rental income	110		Actively pursuing higher level of rental income through reviews
TOTAL				

Theme:

PR: Procurement; WP: Workforce Planning; AM : Asset Management; SS: Shared Services; SB:Streamlining Bureaucracy; O: Other

FALKIRK COUNCIL – EFFICIENCY GAINS 2008/09

Theme	Description of Efficiency Measure	Cash Releasing (Recurring) £'000	Time Releasing	Impact on service delivery and performance/ other information
AM	Reduction in property costs	45		Savings in maintenance and through pro-active energy management
SB	Training of Social Work staff	360		Efficient use of training resources allowing training programme to be fully developed below budgeted cost
SB	Reduction in Bad Debt	12		Better management of the function from the in house team
SB	Reduction in Enforcement and Sampling costs	40		Current levels of service maintained at reduced costs
O	Increased income	73		Increased income from Legal Fees and Transport Planning with no increase in costs
O	Increase in Council Tax Income	250		Exercise carried out to identify households not entitled to claim Single Person Discount
O	Debt Rescheduling	386		Saving in interest paid
PR	Mobile Phone Contract	65		Reduction in costs due to tendering exercise
O	Replacement cooling system within computer suite	2		Modern and efficient cooling system using less energy plus increase Business Continuity resilience
PR	Telephone Contact	50		Reduction in costs due to tendering exercise
O	Wireless technology for wide area network	12		Reduction in cost of 3 rd party WAN Links using wireless technology while increasing bandwidth
TOTAL		3,413		

Theme:

PR: Procurement; **WP:** Workforce Planning; **AM :** Asset Management; **SS:** Shared Services; **SB:**Streamlining Bureaucracy; **O:** Other

FALKIRK COUNCIL – EFFICIENCY GAINS 2008/09

Theme	Description of Efficiency Measure	Cash Releasing (Non-recurring) £'000	Time Releasing	Impact on service delivery and performance/ other information
PR	Savings in various Supplies & Services across all Divisions	53		Reduction in costs with no loss of service
WP	Increased Staffing Savings from Vacancy Management	683		Reduced staffing levels with no effect on service delivery
WP	Reduced overtime costs	9		More efficient ways of working
AM	Increased Rental Income	266		Actively pursuing higher property rental levels, reduction of voids and faster turnaround of vacant properties
SB	Re-phasing of Capital Works	203		Re-phasing of works have led to one-off savings in the year
SB	Reduction in miscellaneous employee costs	20		Reduction in costs with no loss of service
O	Increased income in various Services	471		Increased income has generated additional surplus in Trading Accounts at no additional cost to the Council
O	Savings in Landfill Tax	600		More efficient recycling has led to a reduction in costs
O	Savings in Waste Disposal Costs	400		More efficient recycling has led to a reduction in costs
O	Interest Earned	164		Additional income from interest received
TOTAL CASHABLE NON-RECURRING		2,869		
TOTAL CASHABLE RECURRING		3,413		
TOTAL EFFICIENCY GAINS		6,282		

Certified By: 

Leader of Falkirk Council

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Chief Executive of Falkirk Council

Theme:

PR: Procurement; WP: Workforce Planning; AM : Asset Management; SS: Shared Services; SB:Streamlining Bureaucracy; O: Other

EFFICIENCY INDICATORS 2008/09

Unit Cost Measures

		2008/09 £	2007/08 £
CHN 1	Unit cost of education management and support services per school child	315	285
CHN 2	Unit cost of delivering educational and social services for children & young people	5,183	4,098
CHN 3	The average cost per child transported	816	887
CHN 4	Average cost of residential care for children	135,136	98,718
SW 1	Unit cost of care management and assessment for cases that have been open during reporting year	373	358
SW 2	Average cost for basket of services (home care, residential care, day care and respite care) per case	8,200	7,894
SW 3	Unit cost of providing equipment and adaptations per case for full year	117	120
RG 2	Average repairs and maintenance expenditure per house per year	1,252	1,245
RG 3	Average supervision and management expenditure per house per year	819	745
CS 1	Cost of council tax collection per property	11.04	9.97
CS 2	Cost of human resources per 1,000 employees	230,260	226,510
CS 3	Workstations supported per support specialist	357	357
CM 1	Percentage utilisation of assets	Data not available	Data not available
CM 4	Cost per square metre of utilisation of property	Data not available	Data not available
EC 1	Gross cost of municipal waste collection per premise	69.36	64.59
EC 2	Maintenance cost per kilometre maintained for all road types	3,387	3,283
EC 4	Gross cost of municipal waste disposal per tonne	53.10	43.43
CL 1	Unit cost per visit to museums, libraries and sports and leisure facilities	7.51	7.49

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%	1.5%
CM 2	Cost of corporate and democratic core as a % of relevant expenditure	0.7%	0.7%
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	17,167	14,265
PP 1	Gross cost of trading standards services per 1,000 population	2,237	2,316
PP 2	Gross cost of environmental health services per 1,000 population	17,728	15,048

Sickness Absence

CM 3	The number of days lost through sickness absence expressed as a percentage of the total working days available	4.94%	5.44%
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