

**REPORT TO: BEST VALUE SUB COMMITTEE - 26 JUNE 2006**  
**REPORT ON: EFFICIENT GOVERNMENT**  
**REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)**  
**REPORT NO: 391-2006**

## **1 PURPOSE OF REPORT**

- 1.1 This report advises members of efficiency savings achieved by the Council over the 3 years 2005/06 to 2007/08 and included in the 3 Year Revenue Budget Volume 2006-2009.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee notes the efficiency savings achieved by Dundee City Council, as detailed in Appendix 1 to this report.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The financial efficiency savings identified in this report have already been included in the 3 Year Revenue Budget Volume 2006-2009.
- 3.2 Appendix 1 analyses the Efficiency Savings between cash and non-cash over the Efficient Government workstreams for each financial year. The cumulative savings are as follows:

	<b>£M</b>
Cash Efficiency Savings	4.783
Non-Cash Efficiency Savings	<u>0.883</u>
<b>TOTAL EFFICIENCY SAVINGS</b>	<u><b>5.666</b></u>

- 3.3 The total cash efficiency savings incorporated in the 3 Year Revenue Budget 2006-2009 (excluding Procurement) are £4.123m compared to the Scottish Executive indicative target of £4.984m. This position is before the initiation of the 2007/08 Revenue Budget exercise when Departments will be asked to bring forward further proposals for efficiency savings.

## **4 LOCAL AGENDA 21 IMPLICATIONS**

None.

## **5 EQUAL OPPORTUNITY IMPLICATIONS**

None.

## 6 BACKGROUND

- 6.1 The Scottish Executive has established an efficient government programme. This was formally launched by the Minister of Finance and Public Service Reform in October 2004, with the publication of an efficient government plan. Since then the Scottish Executive has put in place a programme structure and revised its efficiency targets.
- 6.2 A target has been set for the Scottish Public Sector to achieve £745m per annum cash releasing savings and £300m in equivalent time release savings by 2007 - 2008. Within this figure £325m of cash releasing savings are expected from local government (4% of GAE).
- 6.3 It is estimated that Dundee City Council's share of the Scottish Local Government cash releasing savings target over the financial years 2005/06 to 2007/08 is approximately £4.984m.
- 6.4 The definition of efficiency savings aims to ensure it is not about cuts in services but reducing the cost or time taken to deliver the service. The following definitions can be used:
- Cash Release Savings : same output less resources (staff, assets, support costs)
  - Time Release Savings : more output with same resources (reduced time to produce one unit or transfer of time spent on non frontline service activity to service output)
- 6.5 The efficient government plan establishes five workstreams where the majority of planned savings are expected to be found. These are:
- 1 Procurement
  - 2 Managing Absence
  - 3 Asset Management
  - 4 Shared Support Services
  - 5 Streamlining Bureaucracy
- 6.6 To manage these programmes, the Executive has established two new sections; the Efficient Government Delivery Unit and a Public Sector Reform and Efficiency Division. The workstreams 4 and 5 above are being handled by the latter as the Scottish Executive expect this to lead to significant reform of how the public sector operates especially in relation to greater sharing of resources between Councils, Community Planning partners and local and central government.
- 6.7 Members will be aware that the Scottish Executive had set up an Efficient Government Fund totalling £60m (Report No 400-2005). The bids made by Councils and other organisations are still under determination by the Executive. The Scottish Executive has confirmed, however, that a further £31m will be made available from 2006 onwards to further develop efficiency projects and the Modernising Government Fund (MGF) funded projects in relation to Customer First.
- 6.8 The Policy & Resources agreed a report (561-2005) in October 2005 setting out a Dundee City Council efficient government programme. This expanded the remit of the Best Value Sub Committee to include efficient government matters.

## 7 PROGRESS TO DATE

7.1 Significant work is being undertaken both locally and nationally on the implementation of a more efficient procurement strategy. The Council has become an associate member of the ABC Buying Consortium and now has access to online catalogues of nationally tendered contracts for a wide variety of goods and services.

Any savings generated through this arrangement are being retained by departments to enable them to absorb the significant increases in energy costs now being incurred.

7.2 Dundee City Council has embraced the challenge of the Scottish Executive efficient government initiative and has developed a Council efficiency programme to initiate reviews, projects and programmes to identify and deliver efficiency savings.

7.3 Examples of projects being undertaken within this programme are listed below:-

Procurement  
 Asset Management Plan  
 Managing Absence  
 Housing Repairs Management  
 Housing Rent Arrears  
 Housing Letting  
 Smart Card Initiative  
 Flexible/Mobile Working  
 Customer Contact Centres

7.4 The Council has submitted Stage 1 and 2 bids in partnership with other Tayside Authorities, to the Efficient Government Fund (EGF). COSLA, SOLACE, the Executive and the Improvement Service have now agreed that the EGF should move away from a challenge fund into a more managed exercise to deliver agreed strategic projects collaboratively across Scotland. The main themes that the fund will initially support are as follows:

- Procurement
- Development of Shared Services
- Revenues and benefits
- Collaborative workforce planning, recruitment and development
- Shared ICT

7.5 A new National Board including representation from COSLA, SOLACE, the Scottish Executive and the Improvement Service will supervise and direct developments supported by the Fund. Pathfinder projects will be supported to develop the themes to produce scalable solutions applicable across Scotland.

7.6 It is planned to introduce a pro forma to capture upfront the efficiency savings that any new relevant projects and initiatives will achieve. This will enable the Council to publish an estimated future efficiency savings figure.

7.7 The attached appendix details efficiency savings split between cash efficiency savings reflected in the 3 Year Revenue Budget Volume 2006-2009 and non-cash efficiency savings.

**8 CONSULTATION**

8.1 All Chief Officers have been consulted on the contents of this report.

**9 BACKGROUND PAPERS**

Building a Better Scotland (Efficient Government Plan) : Scottish Executive  
(November 2004)

Efficient Government Fund : Letter Scottish Executive (September 2004)

Efficient Government Programme description : Scottish Executive (3 February 2005)

Report No 561-2005 Policy and Resources Committee (17 October 2005)

Efficient Government Fund: Letter Scottish Executive (20 April 2006)

**DAVID K DORWARD**  
**DEPUTE CHIEF EXECUTIVE (FINANCE)**

**07 JUNE 2006**

**Pro Forma 1**  
**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Education**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Rationalisation of Nursery School provision to reflect current rolls and ensure more efficient use of resources.	39	269	333
Early Merger of PPP Schools	0	120	809
	<b>39</b>	<b>389</b>	<b>1,142</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Social Work**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Disband Rowans Resource team - services to be accessed through existing Youth Justice services.	114	228	228
Close Linlathen Family Support Centre and transfer staffing resources to Other Family Centres.	0	184	184
Cease contract with Ardler Information Point - service users to access a range of alternative provision across the City.	0	24	24
More efficient use of Recreational Budgets.	0	10	10
	<b>114</b>	<b>446</b>	<b>446</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Planning & Transportation**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Reduction in cost of Bus Shelter Repairs due to investment in new bus shelters across the City.	20	20	20
Reduction in staffing costs due to efficiency retivals.	0	31	31
Saving in public advertising costs.	0	10	10
	<b>20</b>	<b>61</b>	<b>61</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Economic Development**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
<u>Dundee Airport</u> Efficiency savings in supplies and services.	9	11	11
<u>Directorate &amp; Admin</u> Savings in costs of postages and cleaning supplies.	2	2	2
<u>Mainstream</u> Savings in Supplies & Materials	1	2	2
Reduction in Car Mileage	3	3	3
<u>Property Management</u> Reduction in Water Charges due to energy efficiency measures	18	25	25
Energy Management savings	0	3	3
Saving in Survey Fees	4	4	4
	<b>37</b>	<b>50</b>	<b>50</b>



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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Leisure & Communities**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Staff savings through merger of Leisure & Arts and Communities.	0	110	110
Additional Leisure Active income due to increasing memberships following marketing of City wide facilities.	100	100	100
Efficiencies arising from a review of Security and Cemetery Sections.	0	17	17
Savings in chemicals, energy and water charges achieved through the installation of 2 UV lamps.	23	23	23
Savings in water charges due to successful negotiation of credit for evaporation of water from Scottish Water.	36	50	50
Saving on cost of bedding materials.	0	24	24
Grass cutting in parks to be undertaken by existing Leisure and Arts staff.	13	26	26
Savings in property costs at Camperdown.	0	6	6
Caird Hall Box Office: additional agency commission on sale of tickets due to increased level of activity.	2	9	9
Residual water charges saving from Camperdown Borehole Project.	6	6	6
Increased income at Ancrum due to increased activity.	10	10	10
Savings in staff costs achieved through rationalisation of staffing structures and redeployment of staff into vacant posts.	88	203	203
	<b>278</b>	<b>584</b>	<b>584</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Waste Management**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Saving in cleaning costs due to demolition of railway footbridge.	8	16	16
Aimer Square Public Convenience - replace with Automatic Public Convenience.	10	25	25
Savings on cost of materials.	32	50	47
Reduction in administration staff due to computerisation of systems.	9	18	18
Closure of Castle Street Public Convenience and replace with Automatic Public Convenience.	0	58	59
	<b>59</b>	<b>167</b>	<b>165</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Environmental Health & Trading Standards etc**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Phasing out of uniforms for administration staff.	2	2	2
Cancellation of subscription to Barbour Index.	7	7	7
Savings in supplies and services.	10	10	10
Savings on staff costs.	5	23	23
	<b>24</b>	<b>42</b>	<b>42</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Chief Executive**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Reduction in Staff Costs	4	4	4
Saving in Supplies and Services	4	16	16
	8	20	20

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Press Office**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Savings in advertising, publicity and marketing.	7	11	11
	<b>7</b>	<b>11</b>	<b>11</b>

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**Cash Savings**

DUNDEE CITY COUNCIL

REVENUE BUDGET 2005-2008

EFFICIENCY SAVINGS

Department: Personnel

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Savings in Supplies & Services	13	13	13
Saving in Staff Costs - APTC	9	32	32
	<b>22</b>	<b>45</b>	<b>45</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Information Technology**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Reduction in use of spares due to improved technology.	12	12	12
Savings in use of wireless technology.	0	0	15
Savings in Ingres licences - Open Source.	0	0	50
	<b>12</b>	<b>12</b>	<b>77</b>

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**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

Department: **Support Services**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
<u>Admin &amp; Legal Services</u>			
Savings in Books & Materials	3	3	3
Savings in Supplies & Services	3	3	3
Savings in Staff Costs	29	29	29
<u>Licensing Board &amp; Committee</u>			
Saving in Supplies & Services	1	2	2
<u>Electoral Registration</u>			
Saving in Supplies & Services	1	2	2
<u>Registrar</u>			
Reduction in Supplies & Services	3	6	6
<u>District Court</u>			
Saving in Supplies & Services	1	2	2
Saving in Staff Costs	0	1	1
	<b>41</b>	<b>48</b>	<b>48</b>



**Pro Forma 1**  
**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Architectural Services**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
The Best Value Review of Architectural Services carried out in 2005, identified a 5% saving in fees which will generate efficiency savings, collectively to other departments.	140	280	280
	<b>140</b>	<b>280</b>	<b>280</b>

**Pro Forma 1**  
**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Finance General**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Staff slippage (non-filling posts).	10	35	35
Saving in conference costs.	0	5	5
Saving in supplies & services.	0	8	8
Reduction in contract car hire costs.	0	2	2
Saving in costs of actuarial valuation reports.	0	1	1
Increased income from outside bodies.	0	25	25
Additional Internal Audit fee (Joint Boards).	0	30	30
Review of Staffing Structure.	37	22	7
Public Sector Funds Recovery - Accounts Payable Audit.	61	0	0
Purchase Ledger - faxed remittance now e-mailed.	1	1	1
	<b>109</b>	<b>129</b>	<b>114</b>

**Pro Forma 1**  
**Cash Savings**

DUNDEE CITY COUNCIL

REVENUE BUDGET 2005-2008

EFFICIENCY SAVINGS

Department: Finance Revenues

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Saving in staff costs due to improved productivity.	33	34	35
	<b>33</b>	<b>34</b>	<b>35</b>

**Pro Forma 1**  
**Cash Savings****DUNDEE CITY COUNCIL****REVENUE BUDGET 2005-2008****EFFICIENCY SAVINGS****Department: Other Housing**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
<u>Lily Walker Centre</u> Changing furniture store to In-House store at Faraday Street producing corporate saving.	5	5	5
<u>Travelling Peoples Site</u> 75% grant funding secured to improve site and thus increase occupancy.	8	8	8
<u>Miscellaneous</u> Housing staff restructure has reduced internal recharge to Other Housing.	29	21	21
Internal recharge from HRA - expenditure now budgeted to fall in line with stock reductions.	6	13	13
	<b>48</b>	<b>47</b>	<b>47</b>

**Pro Forma 1**  
**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: DCS - Land Services Client**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Open Spaces - reduce property costs - less maintenance of buildings.	5	5	5
Garden Maintenance - reduction in budget as number of gardens maintained has reduced.	10	10	10
Playgrounds - reduced maintenance costs due to rationalisation of playgrounds.	5	5	5
	<b>20</b>	<b>20</b>	<b>20</b>

**Pro Forma 1**  
**Cash Savings****DUNDEE CITY COUNCIL****REVENUE BUDGET 2005-2008****EFFICIENCY SAVINGS**Department: **Corporate**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Procurement savings.	100	150	200
Savings as a result of new mobile phones contract.	0	41	41
Income from Salary Sacrifice Schemes.	0	90	90
Savings in recruitment advertising.	0	30	30
Dundee Discovery Card (cash savings from deleted processes).	105	125	125
<b><u>Insurance &amp; Risk Management</u></b>			
Reduced subsidy from insurance fund in respect of better than forecast claims performance (reflected in 2004/05 accounts).	75		
Tender savings - renegotiated insurance cover.	175		
G8 fee income.	35		
Reduced insurance/provision costs.		260	260
	<b>490</b>	<b>696</b>	<b>746</b>

**Pro Forma 1**  
**Cash Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

Department: Housing Revenue

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
<u>DCS/Housing Repairs Partnership</u> Improved service under Best Value requirements using cost plus basis of charging.	300	300	300
<u>Maintenance of Stairlighting</u> Efficiency savings through maintenance carried out In-House, replacing existing contract with Hydro Electric.	0	15	15
<u>Staffing Restructure</u> Streamlined service by reducing staff by 11 to date. Further restructuring still to take place. Saving unknown at present.	180	180	180
<u>Stationery</u> Efficiency through centralisation of purchasing.	30	30	30
<u>Capital Programme Procurement</u> Savings on capital costs through partnership arrangement with contractors.	400	375	325
	<b>910</b>	<b>900</b>	<b>850</b>

**Pro Forma 2**  
**Non-Cash, Time Released Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Planning & Transportation**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
<u>Street Lighting Partnership</u>			
Reduction in complaints/calls from the public.	38	38	38
Reduction in the average cost to repair a street light.	60	60	60
<u>E-Planning Project</u>			
Only implemented during 2005/06 and 2006/07 but should result in non-monetary savings from 2006/07 onwards (unable to quantify yet).			
	<b>98</b>	<b>98</b>	<b>98</b>



**Pro Forma 2**  
**Non-Cash, Time Released Savings**

**DUNDEE CITY COUNCIL****REVENUE BUDGET 2005-2008****EFFICIENCY SAVINGS**

Department: Leisure & Communities

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
Improved use of Gladstone MRM Leisure Management System.	6	6	6
Rolling programme of Vehicle Replacement in Parks.	20	20	20
Improved procurement methods for materials.	6	6	6
Digital Dictation pilot.	19	19	19
Recycling of materials (eg bowling greens surfaces, sand etc).	20	20	20
Improved use of Intranet to provide information.	23	23	23
Transfer of Cemeteries to Operations to improve communications and improve customer services.	5	5	5
Extended use of the XPT system.	4	4	4
Improved energy efficiency to conserve energy.	15	15	15
Introduction of work scheduling within the Parks Section.	73	73	73
Improved use of Internet for the processing of transactions eg payments, bookings.	5	5	5
Improved use of training to ensure staff operate procedures more effectively.	10	10	10
Computerisation of Cemetery records.	5	5	5
	<b>211</b>	<b>211</b>	<b>211</b>

**Pro Forma 2**  
**Non-Cash, Time Released Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Waste Management**

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
<u>Street Sweeping</u> Proposal to integrate shrub beds and open spaces cleaning from Land Services to Waste Management (2006/07).	0	42	42
<u>IT Developments</u> Online refuse collection days/types/order replacements Trade Waste invoicing - data base built.	4	4	5
<u>Bin Store</u> Erection of bin store provides more efficient stocktaking/control and monitoring of bins. Time and stock savings.	10	10	11
	<b>14</b>	<b>56</b>	<b>58</b>

**Pro Forma 2**  
**Non-Cash, Time Released Savings**

**DUNDEE CITY COUNCIL**

**REVENUE BUDGET 2005-2008**

**EFFICIENCY SAVINGS**

**Department: Corporate**

<b>Brief Description of Efficiency Saving</b>	<b>Amount of Saving</b>		
	<b>2005/06 £000</b>	<b>2006/07 £000</b>	<b>2007/08 £000</b>
Dundee Discovery Card (consolidated process for registering and production).	90	96	100
Website Transactions (saving on benchmark unit cost of call or counter transaction).	9	27	81
	<b>99</b>	<b>123</b>	<b>181</b>

**Pro Forma 2**  
**Non-Cash, Time Released Savings**

DUNDEE CITY COUNCIL

REVENUE BUDGET 2005-2008

EFFICIENCY SAVINGS

Department: Housing Revenue

Brief Description of Efficiency Saving	Amount of Saving		
	2005/06 £000	2006/07 £000	2007/08 £000
<u>New Area Housing Office</u> Rationalisation of buildings with improved service delivery by combining Whitfield and Happyhillock offices into one new office.	0	185	185
<u>Contact Centres</u> Improved delivery by bringing various housing services under one roof.	0	150	150
	<b>0</b>	<b>335</b>	<b>335</b>