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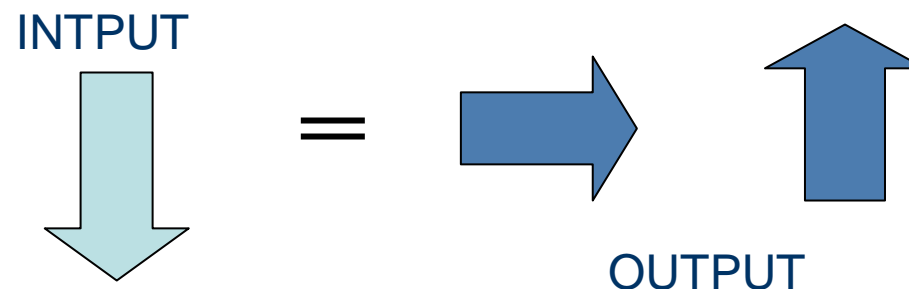
Identifying, Monitoring & Reporting Efficiencies

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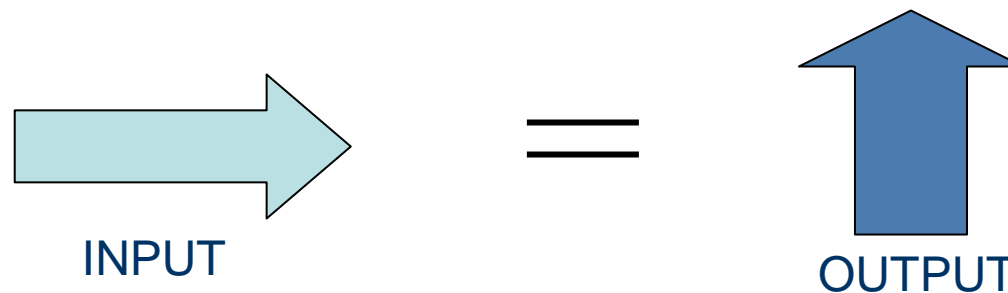
Efficiency As Defined By Previous Administration

- Achieving the same or a higher level of output on a lower level of input (cashable - 'cash releasing')



Efficiency As Defined By Previous Administration

- Achieving a higher level of output on the same level of input (non-cashable – ‘time releasing’)



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The Background To IS Involvement

- 2006 IS research - good progress on EG - estimate £122m gains but little evidence of PM monitoring of efficiencies; need to integrate budgeting & performance monitoring systems
- COSLA leaders agreed to develop a single efficiency statement template & supporting performance framework:
 - 'light touch'
 - consistent
 - appropriate
 - useful

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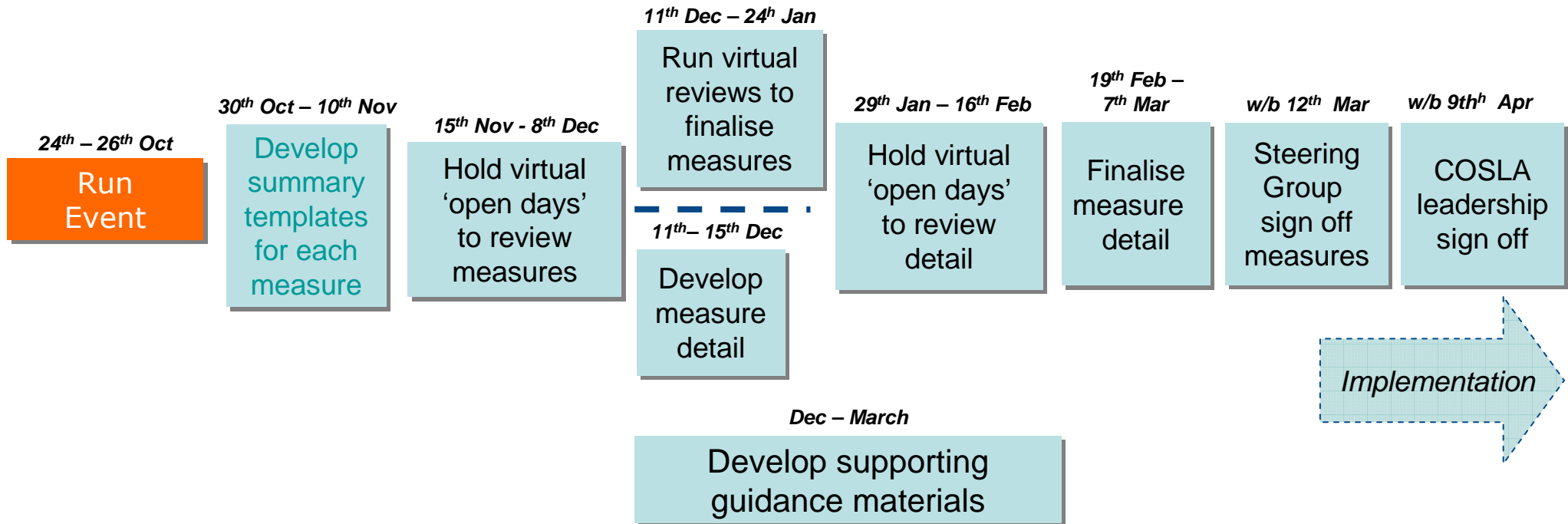
Local Government Efficiency Monitoring: IS/ COSLA Project

- Early summer 2006 IS commission collaborative project
- October 2006 IS/ COSLA collaborative event held – 60+ representatives from 27 councils

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Developing The Measures

Oct 06 – April 07



Identify & Roll-Out Improvement Initiatives

On-Going Stakeholder Management

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Local Government Efficiency Monitoring: IS/ COSLA Project

- Resulted in 25 high-level efficiency & productivity measures

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Unit Cost Measures

- CHN 1 Unit cost of education management and support services per school child
- CHN 2 Unit cost of delivering educational and social services for children & young people
- CHN 3 The average cost per child transported
- CHN 4 Average cost of residential care for children
- SW 1 Unit cost of care management and assessment for cases that have been open during reporting year
- SW 2 Average cost for basket of services (home care, residential care, day care and respite care) per case
- SW 3 Unit cost of providing equipment and adaptations per case for full year
- RG 2 Average repairs and maintenance expenditure per house per year
- RG 3 Average supervision and management expenditure per house per year
- CS 1 Cost of council tax collection per property
- CS 2 Cost of human resources per 1,000 employees
- CS 3 Workstations supported per support specialist
- CM 1 Percentage utilisation of assets
- CM 5 Cost per square metre of utilisation of property
- EC 1 Gross cost of municipal waste collection per premise
- EC 2 Maintenance cost per kilometre maintained for all road types
- EC 4 Gross cost of municipal waste disposal per tonne
- CL 1 Unit cost per visit to museums, libraries and sports and leisure facilities

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
- CM 2 Cost of corporate and democratic core as a % of relevant expenditure
- CM 5 Percentage savings between current cost of a fixed basket of goods & services vs. historic cost
- EC 3 Gross cost of council procured transport per 1000 population
- PP 1 Gross cost of trading standards services per 1,000 population
- PP 2 Gross cost of environmental health services per 1,000 population

Sickness Absence

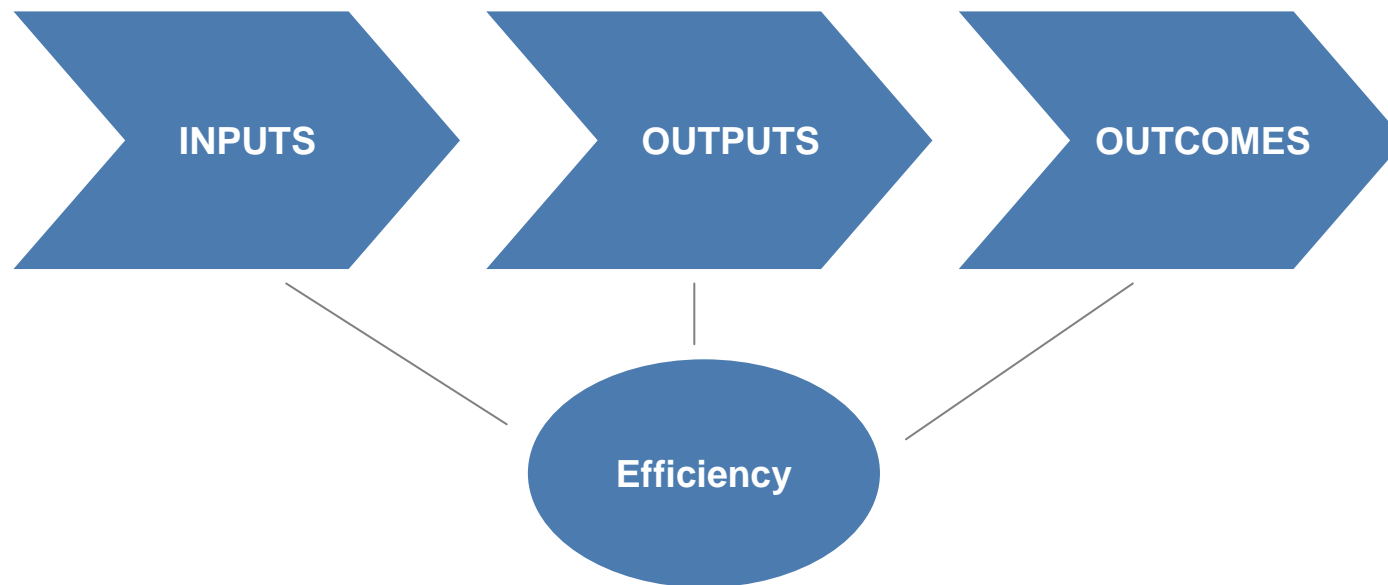
- CM 3 The number of days lost through sickness absence expressed as a percentage of the total working days available

Full Measure Details: www.improvementservice.org.uk

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The Aspiration

- Efficiency & effectiveness measures incorporated within balanced suite of performance measures



Efficiency Monitoring

- Individual councils have their own plans for the level of efficiency savings they wish to make
- The way in which councils deliver efficiency gains is a matter of local choice
- Project focus to develop a broad set of measures from which each council would be free to select & report



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Why Use The Measures ?

- Managing performance rather than just reporting on performance
- Proactive
- Identifying & focusing on critical areas to council
- Individual/ collective ownership & responsibility
- Shared support & practice sharing

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Reporting & Reviewing Efficiency

Reviewing measures

- Monthly review on exceptions basis
- Quarterly basis review all measures
 - Poor or unambitious target setting could be the cause of apparent good performance so needs to be identified & addressed
 - Provides opportunity to acknowledge performance

Ensure the focus is on critical areas



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Benchmarking Against Relevant Peers

- The objective of the efficiency monitoring project was not to produce annual league tables
- However, variations in performance between similar councils can provide
 - A focal point for sharing local experiences
 - Sharing leading practice
 - Fuller understanding of own performance

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Key Learning Points

- Efficiency & performance management must become 'part of the day job' – systems/ processes/ people
- Responsibilities & accountabilities need to be clear
- Improvement will need to be targeted & managed
- Keep things simple it's 1% measurement managing for improvement → 99%