

# Focus on efficiency

Policy and Resources

September 5<sup>th</sup> 2014

# Purpose of presentation

- Policy and Resources Committee's view is that first call to meet a shortfall in the 15/16 budget should be efficiency savings
- The Council has been pursuing an efficiency agenda for a number of years
- This presentation gives an overview of the impact to date, work underway, and potential future activity

# Norfolk is growing

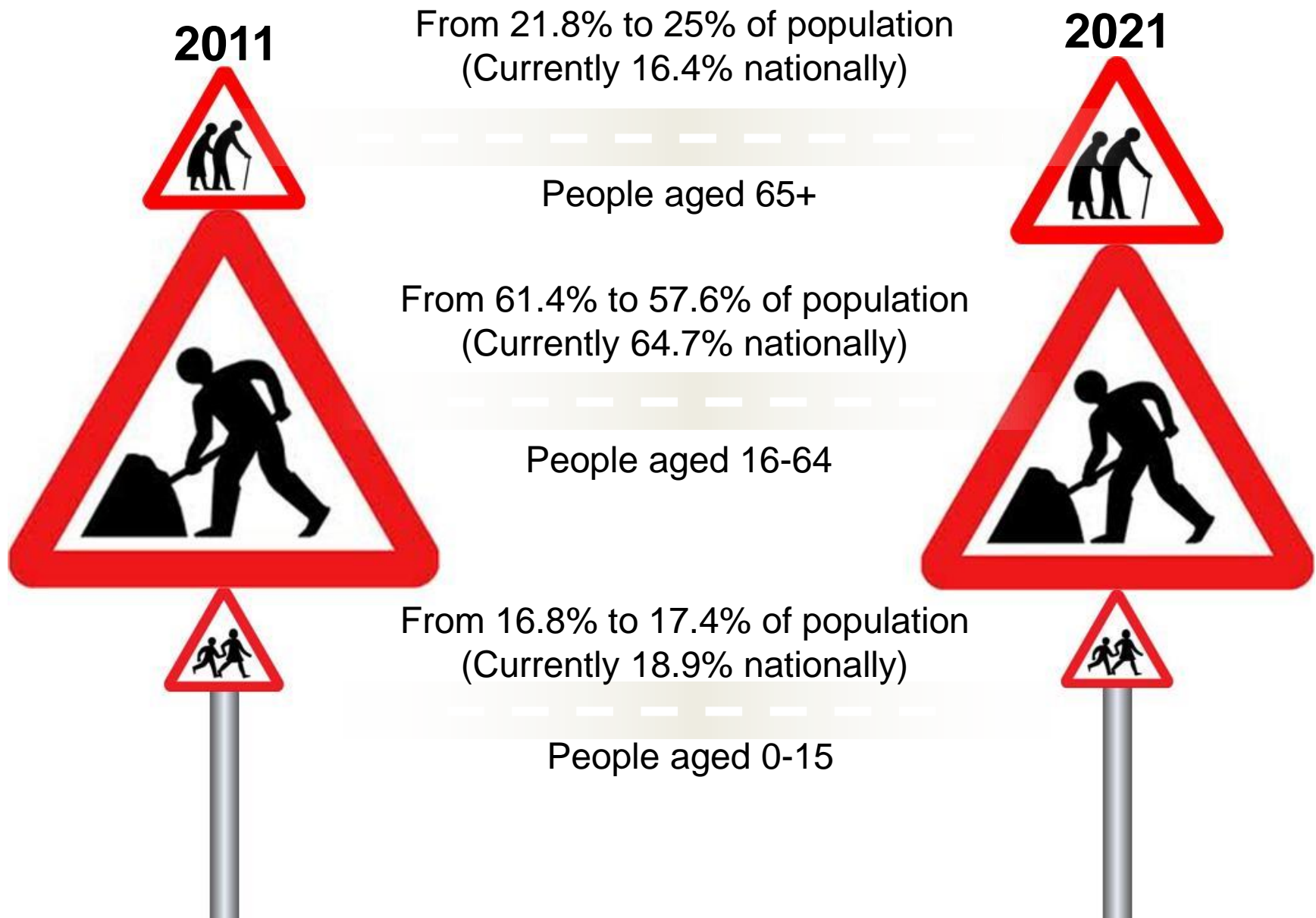
There are now over  
865,000 people in Norfolk



Norfolk has had annual population  
increases over the last 5 years,  
increasing by 23,700 from 2009 to  
2013

That's 61,000 more than  
ten years ago

# Norfolk's ageing population



# Disability and carers



There have been significant increases in people claiming disabled benefits (up 23%) and carers benefits (up 25%) over the last 5 years

There has been an increase over the last decade in people with a limiting long-term health problem or disability (up by 18,100, or 11.8%) and significantly more people are providing unpaid care for more hours per week.



# Households

In the decade to 2011 there were:



29,000 more households (up 8.5%)

71,500 more cars/vans (up 17.5%)

More households have access to  
a car/van



# NCC's Customer Service Centre in 2013-14



Over 300,000  
calls answered



Average time to  
answer calls - 51  
seconds



Over 41,000  
emails received



Each month over  
80% of contacts  
by phone\*

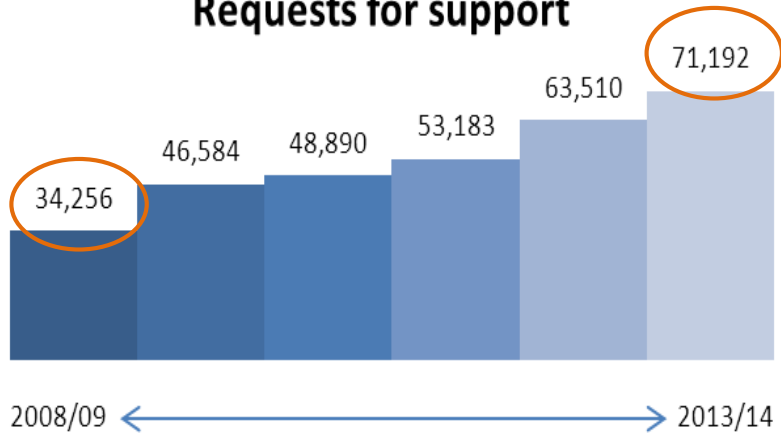
\* Remainder by text, web, email etc



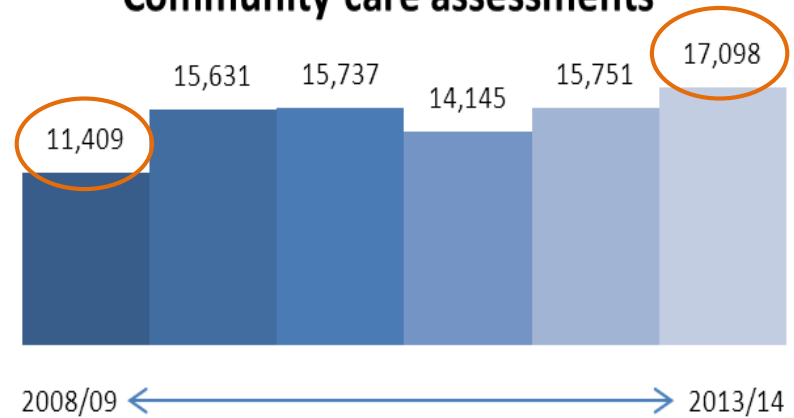
34% of contacts related to  
social care (Adults and  
Children's)

# Demand for Adult Social Care

## Requests for support



## Community care assessments



2008/09  
Assessments  
(11,409)

Care package  
provided  
(7,201)

Advice and  
information  
given  
(4,164)

Declined  
support (44)

2013/14  
Assessments  
(17,098)

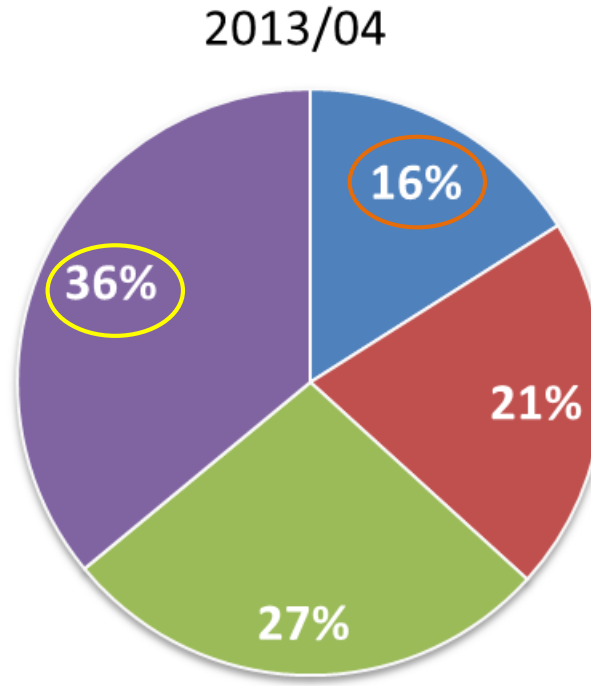
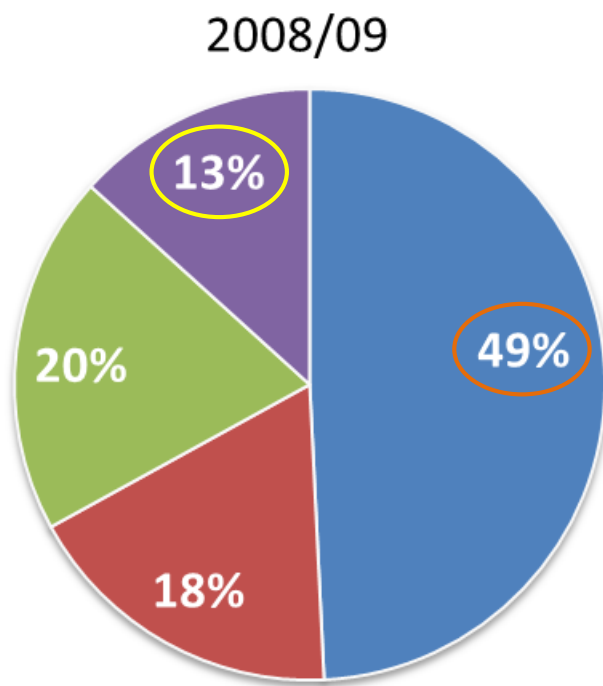
Care package  
provided  
(8,547)

Advice and  
information  
given (8,407)

Declined  
support (144)



# Demand for Adult Social Care

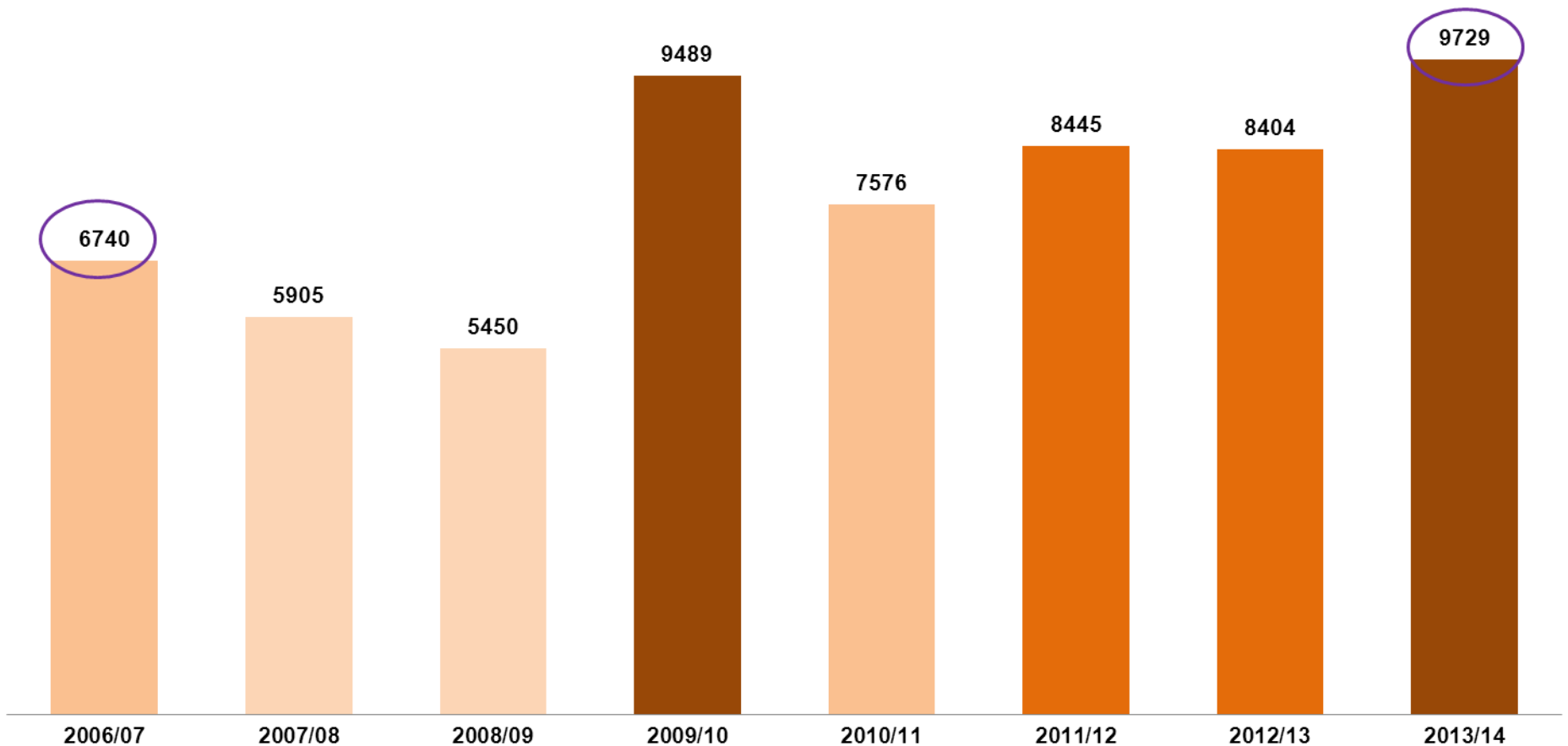


**Intensity of home care provision per week:**

- 0 to 2 hours
- 2 to 5 hours
- 5 to 10 hours
- More than 10 hours

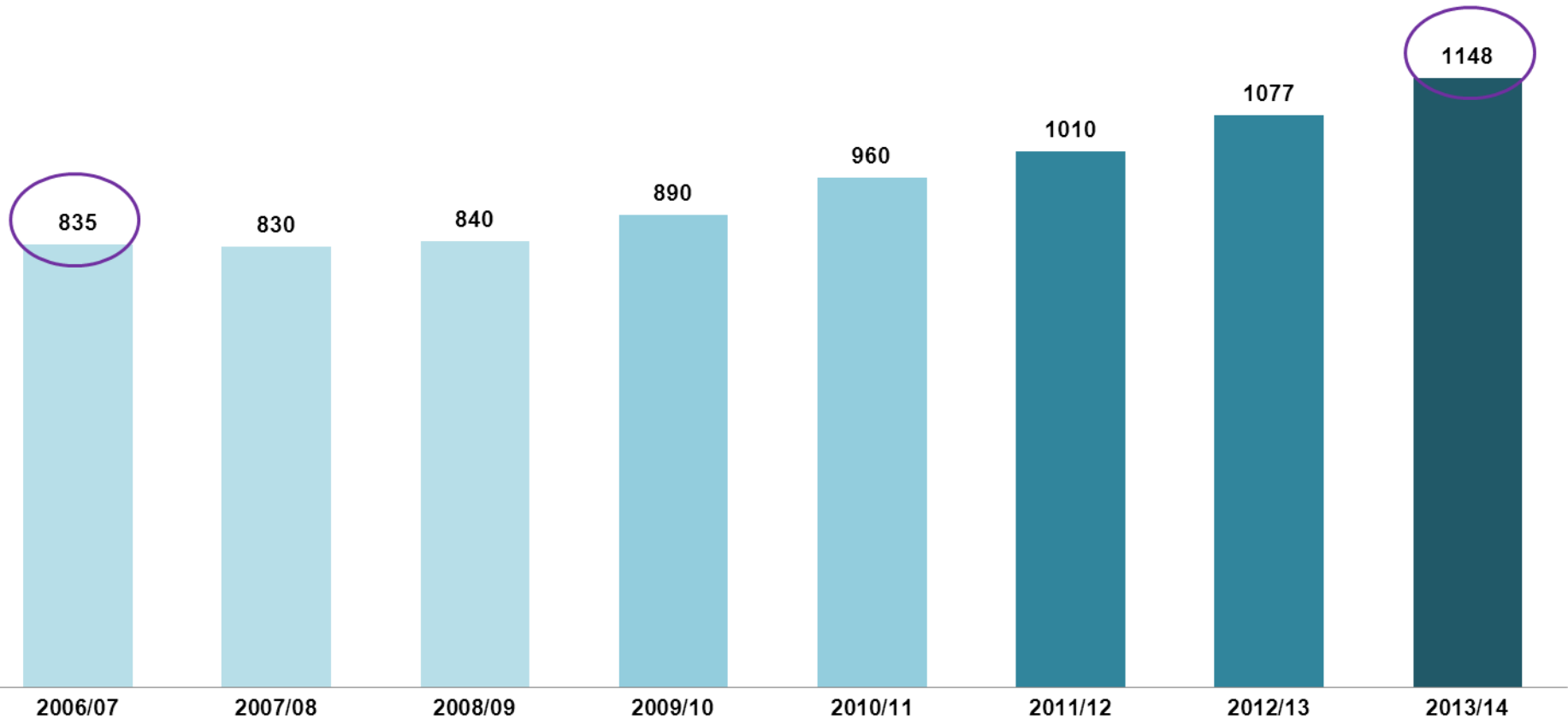
# Demand for Children's Social Care

Number of Referrals during the year

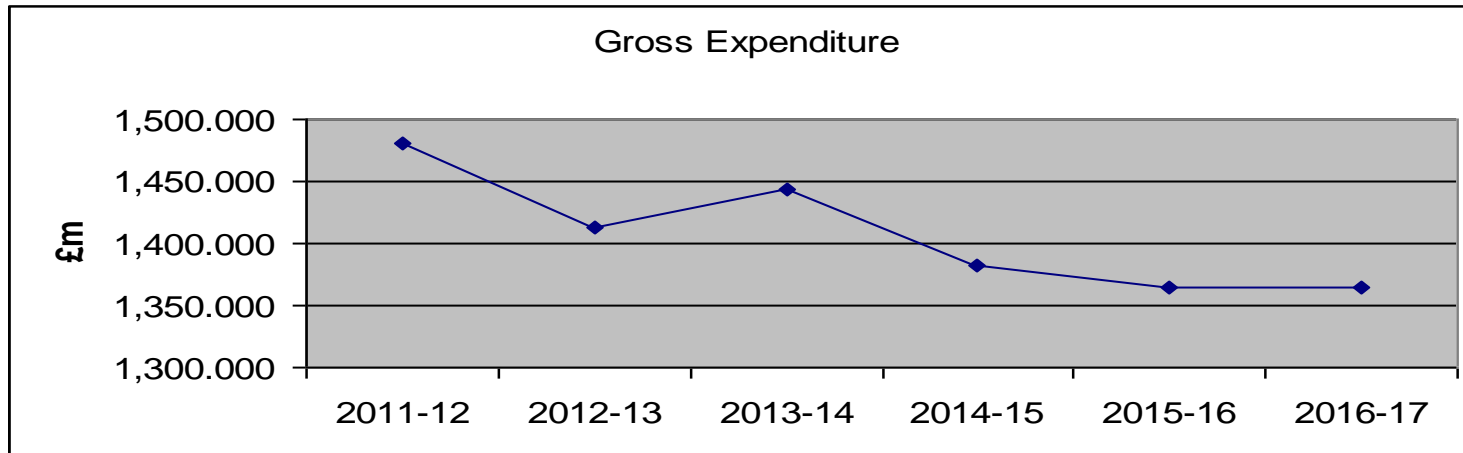


# Demand for Children's Social Care

Number of children who were looked after at 31st March



# Resources - £



- By 2016-17 our gross expenditure will have reduced by £116.456m primarily as a consequence of Government grant reductions
- Legislative change, demand pressures, cost of living increases and structural transfers of responsibilities add to the impact of this reduction

# Efficiency and effectiveness

- Successive Administrations have had a focus on driving efficiency at the Council
- Achieved a lot, but still more to do
- Residents expect the Council to be as efficient as possible in how it runs its business
- Residents also want services that are effective as well as efficient

# Efficiency strategy 2011-14

- Big Conversation identified £140m shortfall
- Of that, £54m was delivered through a range of efficiency and cost-cutting which aimed to have minimal impact on service users

# Main themes 2011-14

- Reduced costs of staffing – changing shift patterns, modernising allowances; reduced redundancy; re-deployment
  - Avoiding over £5m, continued reduction in sickness levels
- Streamlining and removing management layers
  - Non-Schools Workforce Reduction of 29%
- Buildings – closing offices; sharing offices
  - Reducing floor area by 303,125m<sup>2</sup> with 57 disposals generating capital receipts amounting to £7.191m – (need %)
- Increased income and charges
  - Up 10%
- Better procurement - Saving £21.485m
- Self-serve - e.g. libraries, shared services

# Efficiency strategy 2014-17

- Putting People First – agreed planned savings of £122m
- Identified £88m in efficiencies
- Strategy reflected:
  - Continued rigour on day-to-day cost-reduction by all teams, plus
  - a shift to thematic ‘whole-council’ programmes designed to accelerate change



# Saving energy

- Energy saving – our estate. Reduction in cost while prices have risen.

Year	Energy Cost	% change year on year
2008-09	17,749,887	
2009-10	14,849,334	-16%
2010-11	13,249,398	-11%
2011-12	12,232,309	-8%
2012-13	14,413,211	+18%



## Street lighting

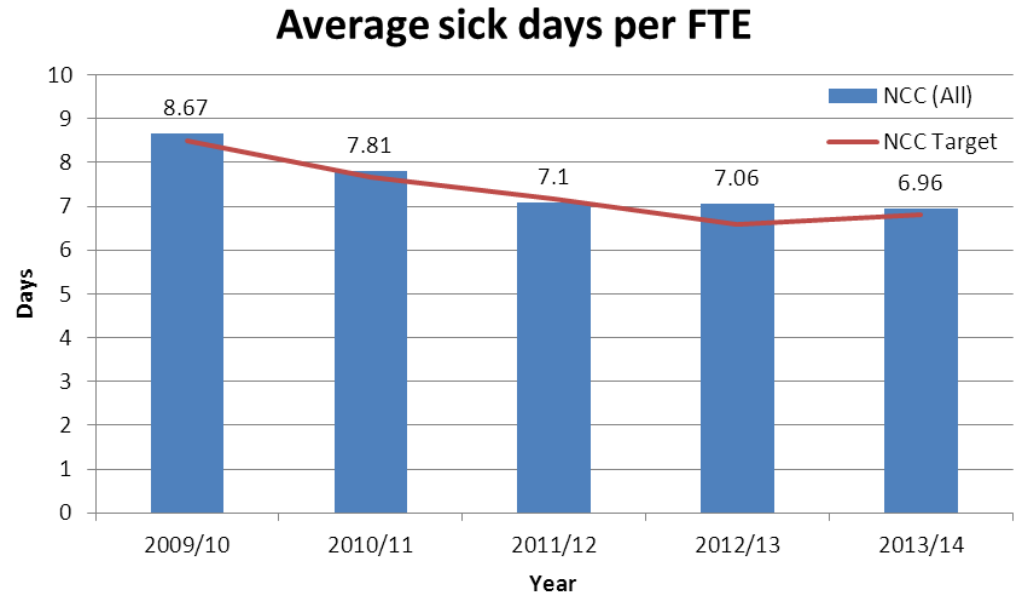
In total, since April 2008, when NCC street lighting initiatives started we have saved  
6,316,594 kWh in energy 3,345 tonnes of CO2 £615,718 in energy bills.

Productivity – add mileage reduction target on this slide

## Sickness absence

Sickness absence has gone down by 1.7 days per FTE over the last 5 years.

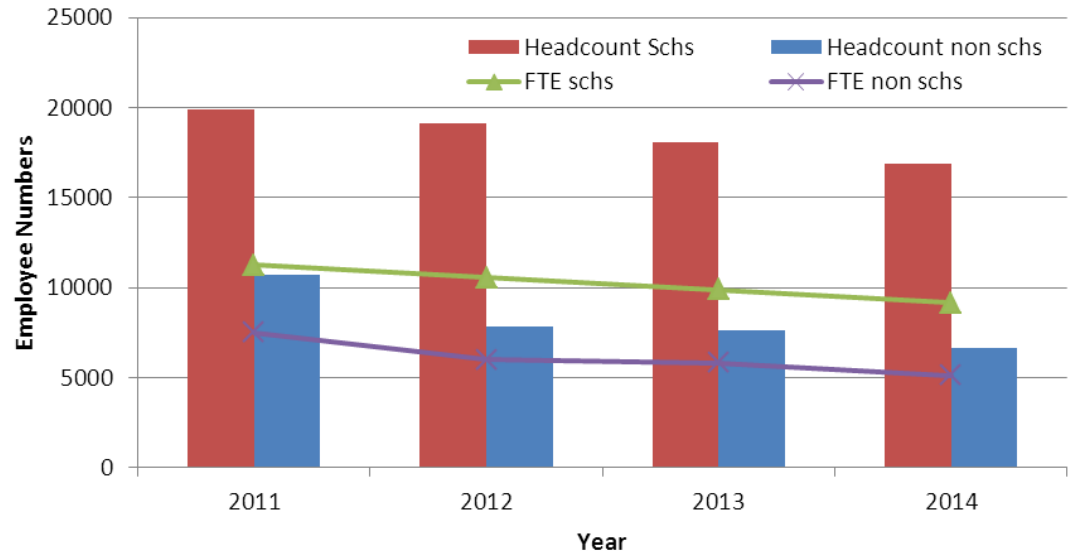
9,528 fewer days' sickness absence were taken in NCC during 2013/14 compared to 2012/13 - **equating to approximately £605k**



## Staff – cost reductions

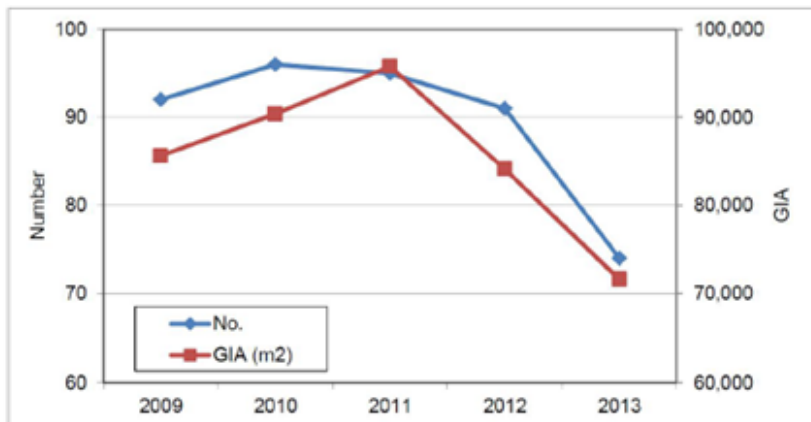
- Further management reviews
- Reduction in staff numbers
- Shift to on-line process for recruitment
- Cost-effective learning – more e-learning
- Effective re-deployment retaining skills and avoided £326,787 redundancy costs (non schools)

### Headcount and full time employees



# Our estate

- We currently have 73 offices and spend £6m a year running them
- We are progressively reducing the property we hold – both office accommodation and operational properties
- One Public Estate – next phase



Offices

		Apr-09	Apr-10	Apr-11	Apr-12	Apr-13
Corporate Offices	No.	49	45	44	40	35
	GIA (m <sup>2</sup> )	69,192	68,676	69,506	57,983	51,594
Other	No.	43	51	51	51	39
	GIA (m <sup>2</sup> )	16,415	21,674	26,268	26,137	19,982
Total	No.	92	96	95	91	74
	GIA (m <sup>2</sup> )	85,607	90,350	95,774	84,120	71,576

# Whole Council themes

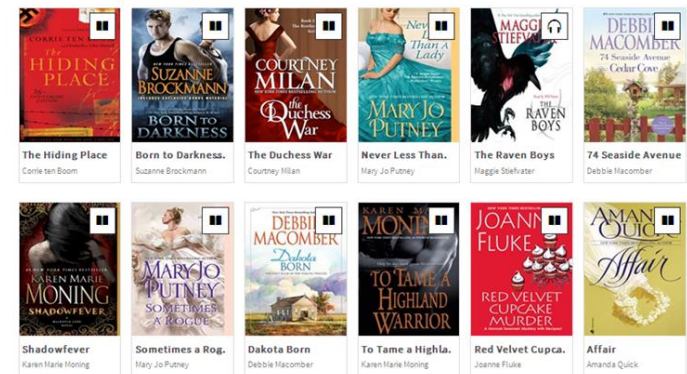
- While focus continues on driving down costs, four themes identified for future planning
  - Digital transformation – Better Ways of working
  - Procurement and commissioning
  - Income generation
  - Demand management

# Shift to on-line self-serve

- Increasing on-line use of libraries; fewer visits in person
- Virtual visits cost the Council less
- Since 2009/10 the cost of providing library services in Norfolk has fallen from £13.72 to £11.51 in 2013/14.



Most Popular Titles



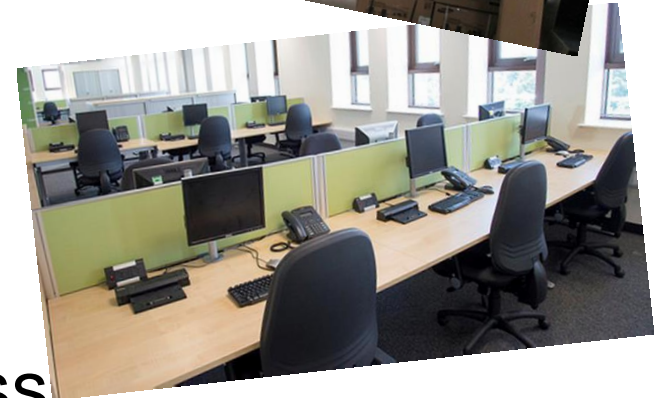
# Transport - changing the pattern

- Direct investment in supported services reduced by more than 50% in the past four years (revenue budget of £6.4m in 2008/9 compared to £3.2m in 2014/15).
- Number of bus journeys in Norfolk has remained relatively constant at the 30m trips per year range.
- However, our measure for access – has reduced from 84% in 2010 to 79% in 2014.



# Better ways of working

- Shift to open plan office style
- Supports mobile working
- New devices as part of the ICT refresh
- Virtual meetings instead of face to face
- Reduced need to travel
- Target for savings on business mileage £905k over 3 years





# Procurement and commissioning

- Majority of Council's services are outsourced – a spend of some £539m
- Includes significant services directly affecting the public
- Significant savings achieved through tendering and negotiation, for example highways - £5.9m
- Procurement is a critical lever; between 2014-17 anticipate in the region of £45m savings with a procurement element

# Income and trading

- Large scale commercially viable services already with Norse and other NCC wholly-owned companies – total turnover over £239.5m in 2012/13
- Strong track record in attracting external funding – museums, libraries, environment, economic development
- Planned income last year based on statutory charging - £97m
- Includes £37.6m where we can 'trade' by setting our own charges. Covers around 38 different services
- Work underway to understand traded costs and ensure proper commercial footing for any expansion