



Subject:	Efficiency Programme 2018/19 – 2019/20
Date:	18 August 2017
Reporting Officer:	Ronan Cregan, Director of Finance and Resources
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	To provide an update to Members on the development of the efficiency programme to support the delivery of the savings targets of £2.5m and additional income of £0.5m for 2018/19 – 2019/20.
2.0	Recommendations
2.1	The Committee is asked to; <ul style="list-style-type: none">Note the update on the efficiency programme and to agree to include this agenda item as part of the Party Group Briefings in August.
3.0	Main report
3.1	The Council has already delivered over £20m of recurring cash savings. These have been used to minimise the burden on the ratepayer and to support capital investment in leisure and office accommodation. This means, however, to deliver further savings, is a greater challenge with longer delivery

	times. For this reason, officers have been working with IESE, a not for profit local government support organisation with expertise in delivering efficiency savings, to complete a detailed revenue analysis and forensic testing of commercial income / expenditure opportunities.
3.2	This work was completed at the end of July and the initial findings and recommendations have been prepared outlining the key areas where expenditure savings and additional income should be focused to deliver the efficiency savings targets for 2018/19 – 2019/20.
3.3	A brief summary of the proposed areas of focus is included in the following paragraphs. It is proposed that detailed Party Group Briefings on the work to be undertaken in each area would take place over the coming weeks.
3.4	Bulky Household Waste Collection: The collection of bulky household waste will cost the council £460k in 2017/18. There is no charge for this service, whereas a number of other councils in Northern Ireland currently levy a collection charge.
3.5	Commercial Waste: The commercial waste service is planned to make a surplus towards council overheads of around £600k in 2017/18. There may be scope to grow the contribution from this service in future years.
3.6	Pest Control: The provision of the pest control service is planned to cost the council £287k in 2017/18. Belfast is the only council in Northern Ireland which delivers this service direct to its residents free of charge.
3.7	North Foreshore: The film studio operation on the north foreshore has now been established and will generate income growth of approximately £160k to be included in the 2018/19 revenue estimates.
3.8	Hospitality: The Committee decision to remove the provision of hospitality for City Hall events will provide further savings of £14k to be included in the 2018/19 revenue estimates.
3.9	Sponsorship / Events: There is scope to increase the income potential for sponsorship and charging for events in the City through a collective commercial approach to these activities.
3.10	Council Tourism Venues: A more commercial approach to the operation of Belfast Zoo, Belfast Castle, Malone House and St George's Market, would provide potential to reduce the operating deficit for these facilities.
3.11	Fleet Management: Implementation of the revised structures in the fleet management unit could improve effectiveness of the operations and generate savings of £200k approx. in 2018/19.
3.12	Catering: A review of income generation in the provision of catering in the City Hall and the CWB is currently being conducted.
3.13	Bike Scheme: A briefing on the review of the Bike Scheme has already been provided to Members and a further report will be brought back to Committee.
3.14	Procurement: The implementation of a strategic approach to procurement contracts and spend management will provide the opportunity to maximise contract savings.

3.15	Agency and Overtime: The level of overtime worked and use of agency staff are still issues for the organisation. These two key cost drivers cannot be tackled without addressing productivity issues and service redesign. The bulk of overtime and agency costs are incurred by the City and Neighbourhood Services Department and a reduction in these costs is included in the objectives of the department's improvement programme.
3.16	Customer Focus / Corporate Support Models: The use of technology and review of channels and processes for the provision of customer interfaces and support to front line services could release efficiency savings. A business case for this approach is currently being prepared.
3.17	Advertising: A collective commercial approach to the procurement of advertising and the maximisation of income for advertising on council assets could reduce council spend and generate additional income.
3.18	Voluntary Redundancy: The VR programme in support of the new organisational structures will generate cash efficiency savings.
	Next Steps
3.19	More detail on each of these areas will be provided to Members at the August Party Group Briefings. Further reports with specific saving recommendations will be brought to the Strategic Policy and Resources Committee from September onwards.
	<u>Financial and Resource Implications</u>
3.20	Savings from the efficiency programme will be incorporated in the revenue estimates as part of the rate setting process.
	<u>Equality or Good Relations Implications</u>
3.21	There are no equality implications with this report.
4.0	Appendices – Documents Attached
	None