

Operational efficiency programme



Final report



The hard facts

- Gershon efficiency savings £26.5 billion between 2004 and 2007.
- The comprehensive spending review 2007 set a further target of £30 billion
- Pre-budget report November 2008 - an additional £5 billion of savings for 2010-2011.



The five strands

- Back office operations and IT led by Dr Martin Read
- Collaborative procurement, led by Martin Jay
- Asset management and sales, led by Gerry Grimstone
- Property, led by Lord Carter of Coles and
- Local incentives and empowerment , led by Sir Michael Bichard

Local incentives and empowerment strand



- **Encourage the good:** By identifying successful or promising initiatives and reforms to delivery systems that can be extended further, rather than creating new programmes or imposing rigid solutions which are neither locally owned nor appropriate for the challenges they seek to address

Local incentives and empowerment strand



- **Eliminate the barriers:** by reducing bureaucratic burdens on the front line and stopping programmes that do not add value to create space for those that do.

Performance is key but.....



- **Performance frameworks for public agencies**, which provide strong incentives, rewards and drivers for service delivery but which are often designed and delivered in silos
- **Financial regulations and ring-fences** which when they prescribe the specific activities to be funded by central grants, can prevent the sharing of spending on joint aims in a local partnership or increase the complexity of doing so
- **Inspection assessment and regulation regimes**, which are vital for ensuring that national standards are being met and to challenging the quality of services, but if seen as end in themselves can restrict local flexibility and responsiveness
- **Commissioning frameworks** in different sectors, each with their own reporting and monitoring requirements, which create complexity in organisations jointly commissioning services to meet local needs and
- **Accountability and reporting to the centre** which can often take priority over local accountability to the public and to partner agencies.



Impact on services

- What are the funding pressures?
New duties under best value
- Consultation costs v effective evidence of increases in participation
- Participatory budgeting v shared or collaborative procurement, managing local expectations
- New NI set
- Local use of assets v property reviews?



Labour's next moves

- Asset Sales
- Asset Transfer Unit (since Jan 09)
- Attack on non-core business activities
- National Care Service
- Apprenticeships

Change of Government



- End of targets and inspection
- Localisation
- General power of competence
- Discretionary power to levy business rate discounts
- No more Unitaries – more sharing
- Attack on the Quangos

LOCAL SERVICES

LOCAL SOLUTIONS



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