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**ACHIEVING GERSHON EFFICIENCIES**

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**Responsible Cabinet Member(s) – Councillor John Williams, Leader and Cabinet Collectively**

**Responsible Director(s) -Corporate Management Team**

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**Purpose of Report**

1. This report recommends a strategy for achieving Gershon efficiencies and invites endorsement of our first Annual Efficiency Statement (AES) to meet national requirements.

**Summary**

2. All public sector organisations must make Gershon<sup>1</sup> efficiencies over the next 3 years. For local authorities, this has been termed the Efficiency Review. Gershon and the Efficiency Review are now used interchangeably in this report.
3. Local authorities are required to make 2.5% per annum efficiency savings in accordance with prescribed minimum standards. The Comprehensive Performance Assessment (CPA) rating in 2005 and onwards will be heavily dependent on delivering and providing evidence of Gershon efficiencies.
4. The MTFP shows that prudent use of £6 million of reserves over the next four years will still result in a budget gap in every year from 2006/07. At the same time, the Gershon requirement for Darlington is that we must evidence 7.5% savings over 3 years or £5.7 million, of which £2.85 million must be cashable. £325k was identified as a change fund in the 2005/2009 MTFP in recognition of the fact that investment would be required to deliver medium term savings through re-engineering services rather than salami slicing of budgets.
5. Though realising savings for the MTFP is the biggest driver, we must also keep sight of the fact that our approach to Gershon and hence value for money will have the single largest impact on future CPA ratings.
6. The main requirements of Gershon are summarised in this report. It is apparent that there is considerable overlap between Gershon requirements, best value, procurement and service and financial planning. In fact Gershon has been described as 'best value with teeth'. For our purposes, it is important to note that it will require delivery in areas where the authority's performance to date has not been strong - best value step change, procurement etc. This is a major reason for proposing that our approach is run as a programme, where we are clear on the benefits to be attained and monitor progress in year.
7. There is much existing work that can be delivered under the Gershon banner and we need to ensure that the potential to deliver efficiencies is identified in all major projects. This report

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<sup>1</sup> So called because they originate from the recommendations of Sir Peter Gershon's report on behalf of the Treasury.

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suggests that our approach to Gershon be incorporated in our next phase of organisational development, which simultaneously therefore addresses the areas for development identified in our recent corporate assessment report<sup>2</sup>.

8. The first government deadline we need to meet is to submit an Annual Efficiency Statement (AES) to the Office of the Deputy Prime Minister (ODPM) by 15 April 2005. This report also invites members to consider a draft AES.

### **Information and Analysis**

9. The main issues addressed by this report are:
  - (a) Gershon requirements
  - (b) Impact on CPA
  - (c) Annual efficiency statements
  - (d) Relationship between Gershon and the Medium Term Financial Plan (MTFP)
  - (e) Way forward
  - (f) Draft AES for 2005/06.

### **Gershon Requirements**

10. As set out in the Spending Review 2004, local government is required to achieve efficiency gains of at least £6.45 billion by 2007/08. Over the next three years each local authority is expected to achieve 2.5% per annum efficiency gains compared to their 2004/05 baseline.
11. Detailed guidance<sup>3</sup> was published by the ODPM on 28 January. A very brief summary is presented in this report.
12. Efficiency is about raising productivity and enhancing value for money. Efficiency gains are achieved by one or more of the following:
  - (a) reducing inputs (money, people, assets etc.) for the same outputs;
  - (b) reducing prices (procurement, labour costs etc.) for the same outputs;
  - (c) getting greater outputs or improved quality (extra service, productivity etc.) for the same inputs;
  - (d) getting proportionally more outputs or improved quality in return for an increase in resources.
13. The guidance is clear that savings accruing from cuts will not count as efficiencies. A cut is characterised as a significant reduction in the availability or quality of a particular service that the public receive and value.
14. From 2006 a council's appointed auditors will review the robustness of the process by which the authority identifies and calculates its efficiency gains. Further guidance is expected on how to carry out 'quality crosschecks' in each area where efficiency has been reported. Where quality has fallen, there will be further external assessment to assess whether the claimed efficiencies are actually cuts.

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<sup>2</sup> Darlington Borough Council, Corporate Assessment Report, April 2005

<sup>3</sup> Delivering Efficiency in Local Services.

15. It should be noted that the ODPM will not prescribe efficiency indicators, nor the proportion of savings to come from each service area (though schools and the police are to be treated separately). It is for each authority to plan and deliver efficiencies based on local circumstances. Obviously it will be important to relate this to the council's overall objectives.

### **Impact on CPA**

16. Under the 2002 methodology, use of resources was one of the smallest contributors to the service block of CPA. More than half of authorities already score 4/4. This will change dramatically in the 2005 methodology:
- (a) use of resources has been elevated to a level 1 service i.e. acquiring the weighting previously held by social services and education;
  - (b) the criteria will be harder - currently a score of 3 means adequate performance. This will be 2 in the new methodology;
  - (c) a value for money component has been added to the use of resources block - this is new and makes the use of resources block more demanding;
  - (d) it will not be possible to score 3 overall for use of resources unless value for money scores at least 3. In other words value for money is the most important element of use of resources. No authority can be rated excellent unless use of resources scores 3;
  - (e) the focus for use of resources is moving away from systems and processes to exploration and judgement of the difference that financial management makes to service improvement.
17. The above criteria are still subject to consultation and further detail is expected. However, we need to be fully aware of the current proposal. The efficiency guidance states that assessment of efficiency will take place in 2006. However, use of resources will be rescored in 2005 and it would seem likely that an initial judgement will be made about the authority's value for money.
18. It is therefore apparent that performing well on value for money is critical to performing well on CPA generally.

### **Annual Efficiency Statements**

19. The main assessment of value for money will be based on rating and evaluating an Annual Efficiency Statement. This takes two forms:
- (a) a forward plan summarising expected efficiencies to be made and breaking this down into cashable, non cashable and cumulative statements;
  - (b) a 'backward' look reporting on actual progress i.e. efficiencies secured against the plan.
20. It should also be noted:
- (a) that a 'backward' look is required for 2004/05;

- (b) that all authorities that are not rated excellent must also provide half year updates on progress.

21. The outline timetable is shown below:

<b>Date</b>	<b>Requirement</b>
<b>15 April 2005</b>	AES submitted for forward look for 2005/06.
<b>15 June 2005</b>	AES submitted for backward look for 2004/05.
<b>17 November 2005</b>	Half year update for non-excellent authorities.
<b>14 April 2006</b>	AES submitted for forward look for 2006/07.
<b>16 June 2006</b>	AES submitted for backward look for 2005/06.
<b>17 November 2006</b>	Half year update for non-excellent authorities.

22. Templates have been provided for the backward look part of the AES. This is summarised in outline form below. Forward parts of AES are not prescribed, but it would seem sensible to design it with the backward look in mind. The forward look outlines the strategy for obtaining efficiency gains, the key actions that will be taken and the efficiency gains that are expected to result from them:

<b>Area</b>	<b>Quality cross check met?</b>	<b>Annual efficiency gain (of which cashable)</b>	<b>Cumulative efficiency (of which cashable)</b>
<ul style="list-style-type: none"> <li>• Adult social services</li> <li>• Children's services</li> <li>• Culture and sport</li> <li>• Environmental services</li> <li>• Local transport</li> <li>• Non-school education services</li> <li>• Supporting people</li> </ul>			

**Other cross cutting efficiencies not covered above**

- Corporate services
- Procurement
- Productive time
- Transactions
- Other forms of efficiency

**Total**

23. There is guidance available on how to calculate the baseline from which the efficiencies are measured and the types of efficiency that count towards the Gershon targets. This is covered in the guidance and technical note. The methodology for quantifying non-cashable

gains is more problematic and is currently being developed by working parties set up by ODPM. Recent guidance suggests that non-cashable savings will not be expected to feature in the 2005-06 forward look AES.

### **Relationship between Gershon and the MTFP**

24. It must be borne in mind that, even if Gershon requirements had not been introduced nationally, we would still require efficiency savings in order to bridge the budget gap that is predicted in the MTFP in future years. In fact our local requirements are greater than the national targets for cashable savings.
25. The authority generates efficiency savings year on year. Some are explicitly referenced in the MTFP, others exist at departmental and service level. In order to produce our first AES, officers responsible for financial management, under the direction of the Assistant Director of Accounting Services and Local Taxation, have estimated these efficiencies for 2005/06. This is presented in **Appendix 1**.
26. There is great potential for confusion if the following is not remembered as we implement Gershon. Because Gershon is working from a 2004/05 baseline, our AES will refer to savings that have already been accounted for in the MTFP. This means that bridging the budget gap requires savings above those estimated in the first AES. In other words, year one of the AES should satisfy ODPM requirements. However we should not take comfort from this and seek to deliver further efficiencies in the manner suggested below.

### **Way Forward**

27. There are exciting opportunities to develop an approach to Gershon that will simultaneously deliver the savings needed locally for the MTFP whilst meeting national requirements.
28. However the risks of non or partial delivery are high - in terms of the budget, CPA and adverse impact on staff and stakeholders. We cannot afford to be surprised by the end of year reports so we need to have good performance management in place for the programme.
29. To progress this, a distinction has been made between:
  - (a) preliminary work - to get this started before the beginning of the next financial year; meet our initial AES requirements and initiate the programme;
  - (b) the Gershon programme.
30. Analysis of the requirements of Gershon identified the potential to link this to:
  - (a) our community strategy and corporate plan;
  - (b) the strengths and areas for development identified in the corporate assessment report;
  - (c) the next phase of organisational development in recognition of the degree of cultural change required for us to be successful;
  - (d) the MTFP.

31. This approach is summarised by the overall strategy proposed in **Appendix 2** which attempts to explain how Gershon will work in practice in Darlington.

### **Draft AES for 2005/06**

32. The key components we are required to submit to the ODPM in the first AES are:

- (a) strategy
- (b) key actions
- (c) expected efficiency gains.

33. In terms of strategy, it is proposed that we outline our strategy as follows:

- (a) stating that, as an excellent authority we had identified savings in 04/05 and 05/06: These are estimated to be approximately £1.7 million<sup>4</sup>;
- (b) our strategic approach to achieving efficiencies in and after 06/07. This is outlined in **Appendix 2**.

34. There is still work to do to translate the descriptions of where savings might be realised into key actions for the 2005/06 AES. In the longer term, we have indicated through **Appendix 2** the key actions that will deliver savings. Expected efficiency gains for 05/06 are summarised and supported by detailed initiatives at **Appendix 1**.

### **Outcome of Consultation**

35. This report builds on the consultation undertaken with the Procurement Task Group (Resources Scrutiny Committee). Consultation with the Centre of Excellence (the regional champion of the efficiency review) lead to the director citing our approach as good practice.

### **Legal Implications**

36. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

### **Section 17 of the Crime and Disorder Act 1998**

37. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

## **Council Policy Framework**

38. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

39. For the purpose of the 'call-in' procedure this does represent an urgent matter. It is in view of the submission date.

## **Conclusion**

40. Our approach to developing the first AES provides the opportunity to link national and local requirements and address our CPA corporate assessment. This approach, whilst necessarily hurried has already received favourable comment.

## **Recommendation**

41. It is recommended that :-
- (a) the authority embrace Gershon and publicly state that our next stage of organisational development 'leading edge' be the prime means through which we deliver Gershon efficiencies in the medium-long term;
  - (b) that appendices 1 and 2 be used, after appropriate editing, to form the basis of our first AES by the deadline of 15 April 2005.

## **Reasons**

42. The recommendations are supported by the following reasons :-
- (a) to identify a strategic approach to achieving the efficiencies described in our Medium Term Financial Plan;
  - (b) to meet Government requirements.

**Lorraine O'Donnell**  
**Head of Policy**

## **Background Papers**

Sir Peter Gershon's Report  
Darlington Borough Council, Corporate Assessment Report, April 2005  
Delivering Efficiency in Local Services

Lorraine O'Donnell : Extension 2013  
Cp

**DRAFT ANNUAL EFFICIENCY STATEMENT  
FORWARD LOOKING 2005-06 – SUMMARY**

	£000
Adult Social Services	209
Children's Services	155
Culture and Sport	25
Environmental Issues	339
Local Transport	88
LA Social Housing	108
Non-school Education Services	282
Supporting People	40
Corporate Services	135
Procurement	164
Productive Time	130
Transactions	40
Miscellaneous Efficiencies	0
<b>TOTAL</b>	<b>1,715</b>



	<b>Detail</b>	<b>Category Total</b>
	£000	£000
<b>Adult Social Services</b>		
Westfields House	30	
Cash limit budgets (Social Services)	32	
Reprovision of transport service	25	
Reduce number of Assistant Directors by one	72	
Review of services commissioned under SLA	50	
		209
<b>Children's Services</b>		
Staff turnover (Social Services)	55	
Childrens external placements	100	
		155
<b>Culture and Sport</b>		
Dolphin centre events	25	
Dolphin centre refurbishment	0	
		25
<b>Environmental Issues</b>		
DLO profits - to corporate resources	120	
DLO profits - covering departmental pressures	73	
Administration savings	42	
Zonal cleaning	30	
Reducing vehicle numbers	20	
Building cleaning profits	40	
Growth in properties	14	
		339
<b>Local Transport</b>		
Non-contractual inflation (D&E)	50	
Advertising on street lighting columns	38	
Street Lighting	0	
		88
<b>LA Social Housing</b>		
Professional fees	90	
Wardens call	14	
Office rationalisation	4	
		108
<b>Non-school Education Services</b>		
Director early retirement (Education)	54	
Education Psychology service	10	
Reduction in costs due to re-negotiated arrangements e.g bus rather than taxi	50	
Removal of Transport and Admissions Manager	38	
Reduction in Girobank Charges - Security Company to collect school meals cash in future	10	
School Effectiveness service Reduction of 2 posts	112	
Youth Services	8	
		282
<b>Supporting People</b>		
Salary savings	40	
		40

<b>Corporate Services</b>			
Accounting Services restructure	30		
Payroll centralise / rationalise	17		
Town Hall cleaning	12		
Non-contractual inflation (Corporate Services)	30		
Staff Turnover (Corporate Services)	31		
ICT - increased volume of hardware & systems	0		
Joint Working - Teesdale DC, net gain	15		
			135
<b>Procurement</b>			
Mobile phones - 2005-06	17		
Energy 2005-06	30		
Stationery, IT consumables, furniture	50		
ICT	17		
Temporary staffing	50		
			164
<b>Productive Time</b>			
Sickness absence 2005-06	130		
			130
<b>Transactions</b>			
Local Taxation - increased collection, net gain	40		
			40
<b>TOTAL PLANNED / PROJECTED EFICIENCY GAINS 2005-06</b>			<b>1,715</b>

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## EFFICIENCY REVIEW FORWARD LOOK

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1. This statement explains Darlington Borough Council's approach to the efficiency review in the following sections:
  - (a) An innovative approach
  - (b) Building on our strengths
  - (c) Addressing areas for development
  - (d) Organisational development
  - (e) A leading edge authority
  - (f) Priorities for improvement
  - (g) Conclusion.

### **An Innovative Approach**

2. In Darlington, our approach to the efficiency review is not 'tick box', externally imposed or peripheral. We are relying neither on reinventing best value with its associated bureaucracy, nor creative accountancy. The efficiency review is at the heart of our corporate planning process, is the next natural step of our organisational development and therefore is fundamentally linked to our delivery of improved outcomes for local people.
3. This statement sets out how the efficiency review will benefit from key strengths in Darlington – partnership working; robust community and corporate planning mechanisms and a highly developed performance culture. At the same time it will enable us to address our areas for development: value for money, re-engineering of core services and implementation of our ambitious procurement strategy to ensure that we provide services in the most effective manner.
4. We have built a delivery programme that will, in the medium term, more than address Gershon efficiencies. We have identified the savings that we require as set out in our Medium Term Financial Plan 2005-2009. Our approach to the efficiency review is to:
  - (a) Effect cultural change in the organisation to seek out good practice, enhance our ability to challenge the status quo and achieve greater innovation in service design;
  - (b) In so doing we shall continue to work very closely with partners. Our well regarded Local Strategic Partnership (LSP) is an excellent vehicle for considering partnership efficiencies;
  - (c) Identify all the major, corporate initiatives that we are implementing over the next 3-5 years and assign a Gershon target to each – this is how we expect to generate the majority of efficiencies beyond 2005/06;
  - (d) Build in an enhanced approach to project and programme management to ensure that efficiencies and other benefits are managed effectively and delivered to time;
  - (e) Seek opportunities to collaborate with other organisations through the Regional Centre of Excellence;

- (f) Build in challenge from the beginning by securing early external opinion and challenge at the onset of the overall programme.
5. In simple terms, the efficiency review is therefore an overarching strategy driving the design and implementation of our major corporate projects and programmes. This is explained in more detail below.

### **Building on Strengths**

6. Darlington has many strengths, as might be expected of an excellent authority. How our approach to Gershon has been linked to these strengths is shown below:
- (a) Strong partnership working

*"Partnership working continues to be a strength in Darlington and a widely owned community strategy is now in place."*<sup>5</sup>

Darlington Partnership will address Gershon requirements from May 2005 and incorporate efficiency projects into the Community Strategy Action Plan. The LSP has a very successful track record in addressing cross-cutting issues. Joint planning days already exist between the council and the PCT and these will be used to develop partnership projects.

- (b) Robust and aligned strategic plans.

*"The council's new service planning framework makes the links between strategies, plans and priorities. The council has sound arrangements for allocating resources through its service planning and medium term financial planning arrangements."*<sup>5</sup>

The council already has robust and linked service and financial planning processes. Gershon objectives have been linked to the council's corporate objectives (see below). A corporate approach to identifying and validating Gershon efficiencies is under development by an inter-departmental team, which will then be incorporated into service and financial planning.

<ul style="list-style-type: none"> <li>• <b>Shaping a better Darlington</b></li> </ul>	By improving efficiency and identifying resources for reinvestment in priority areas Gershon will support the eight themes of the Community Strategy.
<ul style="list-style-type: none"> <li>• <b>Providing excellent services</b></li> </ul>	By re-engineering and seeking out and applying best practice, Gershon will support the authority's aim of providing excellent services.
<ul style="list-style-type: none"> <li>• <b>Putting the customer first</b></li> </ul>	Gershon reviews will strive to improve customer satisfaction and involve customers wherever possible.
<ul style="list-style-type: none"> <li>• <b>Ensuring access for all</b></li> </ul>	In identifying efficiency savings, Gershon reviews will consider the impact of change on the targeted groups identified in the social inclusion strategy.

<sup>5</sup> Comprehensive Performance Assessment, Corporate Assessment Report, April 2005

<ul style="list-style-type: none"> <li>• <b>Enhancing our capacity to improve</b></li> </ul>	<p>Through the identification of efficiency savings and redirection of spend, Gershon reviews will seek to enhance the authority's capacity and capability.</p>
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(c) Strong performance management

*"The council now has in place a strong performance management framework."*<sup>5</sup>

The council uses performance management software across the whole authority (the LSP uses the same software) so that community, corporate and service plans are managed seamlessly with views of performance tailored for Cabinet portfolio holders, scrutiny committees and departments etc. Progress on Gershon will be managed using this software. Performance management of major projects is being enhanced through the introduction of a more formalised approach to programme and project management.

(d) Political and organisational leadership

*"The council's political and managerial leadership is both experienced and stable. Councillors, managers and staff share a strong sense of common purpose."*<sup>5</sup>

The Gershon programme is led politically by Cllr Don Bristow, portfolio holder for resources who is also the member champion for e-government and procurement. The Gershon programme is led managerially by the Head of Policy, a member of the Corporate Management Team with responsibility for plans, performance management, consultation and best value.

### Addressing Areas for Development

7. The Audit Commission state that the hallmark of an excellent authority is that it knows where it needs to improve. Our recent corporate assessment confirmed our self assessment of the following areas for improvement which we shall address through our approach to the efficiency review:

- (a) Value for money – we have identified the main areas in which we predict that efficiencies will be gained through a more open and challenging approach to service delivery option appraisal;
- (b) Procurement – our revised procurement strategy was very well received. Implementing key elements of the procurement strategy will be central planks of our approach to Gershon;
- (c) Prioritisation – the overall programme described below is our prioritised set of the major changes we are seeking to make corporately as an organisation. We are not trying to review everything. We are focusing on those initiatives with the greatest potential to deliver efficiencies and improved outcomes for local people.

### Organisational Development

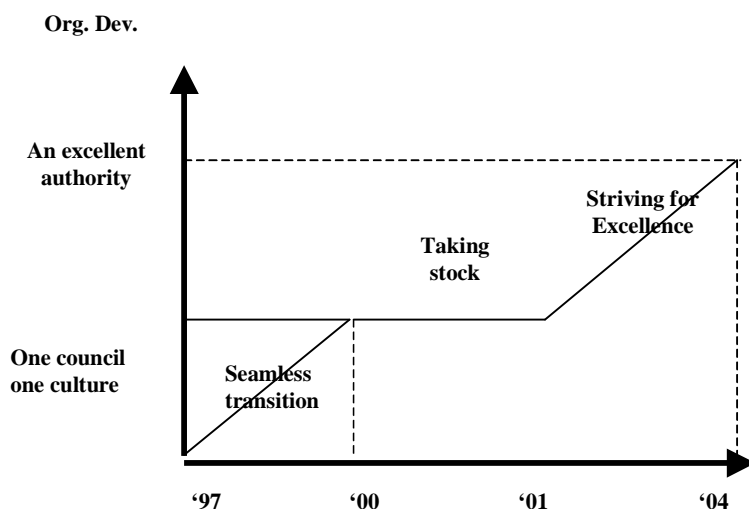
8. Darlington's approach to organisational development has been both successful and well-documented. For example it featured as the main case study in the LGA's publication *Route*

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*Map of Improvement.* To date it has followed three distinct processes as shown below:

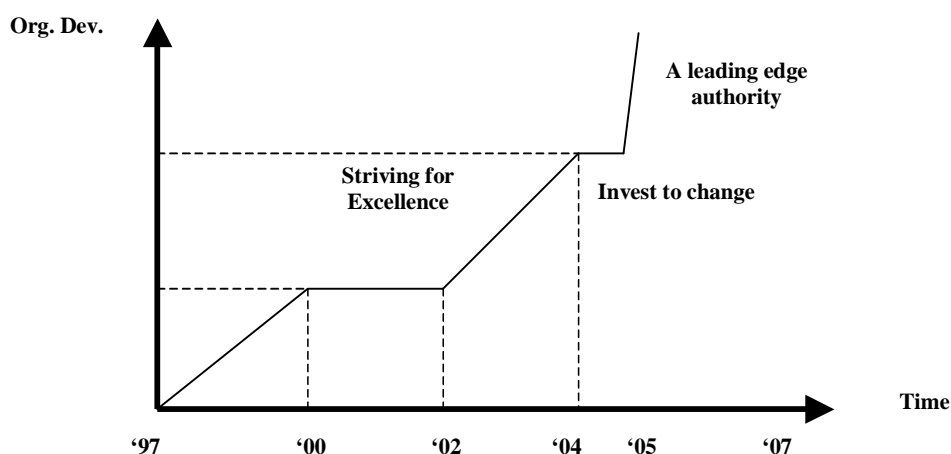
- (a) **Seamless transition** – On becoming the country’s third smallest unitary authority in 1997, seamless transition was our improvement goal. Bringing together two distinct cultures and running major services such as education for the first time were major challenges for us. Politically, anything other than seamless transition was not an option.
- (b) **Taking stock** – The next phase entailed taking stock of our progress as an organisation. We invited the Local Government Improvement Programme to undertake a peer review in Darlington in 2000. Other sources of opinion or evidence that were similarly useful were less voluntary! We had an Ofsted Inspection, Joint Review and six Best Value Inspections within a year. All of this gave us a fairly detailed picture of how Darlington looked to others and helped us launch the next phase of improvement.
- (c) **Striving for excellence** - This was the stage in organisational development where we stepped up a year. Striving for Excellence was launched as a holistic means of development, encapsulating people management, performance management and communications. This reflected our view that to deliver real improvement, the culture must support members and employees to perform. Developing this culture required visible leadership, managerial and member buy-in and an openness to communicate the key challenges.

Evidence of delivery and therefore of the effectiveness of our chosen improvement route can be seen across all of our major services. Even those for which improvement is still required, the story over the past few years is positive and the direction of travel is right. In early 2005 we were rated as an excellent authority.



- 9. Having become an excellent authority, we are aware that simply continuing to deliver services in the way we do now will not enable us to remain excellent for long. We need to change to address our areas for development, to free up resources to bridge our budget gap and for investment in frontline services.

10. Our approach to Gershon outlined above is therefore to invest to change in the year 2005/06, which through the successful delivery of the projects and programmes outlined below will secure Gershon efficiencies in forthcoming years. The savings identified in this statement for 2005/06, though considerable, are those identified before our wider programme delivers. This is shown in the diagram below.



### A Leading Edge Authority

11. Darlington's strengths of partnership working; tight geographical focus; the combination high performing public agencies (council, police authority and PCT) and strong private sector and voluntary and community involvement, together with the innovative approach to Gershon outlined above, means that there is a real opportunity for us to move from being an excellent to a leading edge authority.

### Priorities for Improvement

12. Our robust service and financial planning process led us to identify 10 major corporate 'priorities for improvement' which are the significant project and programmes that will change the organisation over the medium term (3-5 years). All of these projects/programmes have been linked to our community strategy goals and corporate plan objectives. Each is being managed through our developing corporate project management methodology. Key benefits, including Gershon efficiency projections and risks have been identified for each. This is summarised in **Figure 1**.

**Figure 1:** Diagram showing the linkages between the Community Strategy, Corporate Plan and the 10 priorities for improvement.

<p><b>Community Strategy</b> Four visionary goals:</p> <ul style="list-style-type: none"> <li>• An area creating and sharing prosperity</li> <li>• A location for learning, achievement and leisure</li> <li>• A place for living safely and well</li> <li>• A high quality environment with excellent communications</li> </ul>	<p>Targets have been set for key indicators</p>
<p><b>Corporate Plan</b> Five corporate objectives:</p> <ul style="list-style-type: none"> <li>• Shaping a better Darlington</li> <li>• Providing excellent Services</li> <li>• Putting the customer first</li> <li>• Ensuring access for all</li> <li>• Improving our capacity to deliver</li> </ul>	<p>Targets have been set for key indicators</p>
<p><b>Corporate Priorities for Improvement</b></p> <p>Ten projects and programmes have been identified as DBC's medium term response to change drivers i.e. the things we need to change to ensure we deliver our Community Strategy and Corporate Plan, in accordance with our Medium Term Financial Strategy.</p>	<p>Targets are being set for each project and programme.</p>

More detail on the linkage of our high level strategies, service planning, the Medium Term Financial Plan and the performance management framework is available in the Corporate Plan/Best Value Performance Plan 2004-2007.

13. We have further distinguished between those change priorities that will immediately impact on and improve outcomes for local people and those that are largely 'behind the scene' i.e. supporting, directing and facilitating organisational change. These are shown in **Figure 2** below. Our appreciation of the scale of change involved i.e. the fact that we are embarking on re-engineering of the majority of the council's services, led to the realisation that this constituted our approach to Gershon. In other words our local ambition to become a leading edge authority more than fulfils Gershon requirements.



**Figure 2:** Diagram showing how the priorities for improvement identified above will enable us to become a leading edge authority

<p>Leading Edge - the next phase in Darlington's organisational development strategy. This phase requires us to anticipate and respond promptly to changes in our environment. We have been successful at 'catching up' with others - it is now time to lead.</p>	
<p>'External' changes - re-engineering major frontline services and significant developments that will directly improve outcomes for local people.</p>	<p>'Internal' changes - re-engineering the organisation to facilitate the external changes.</p>
<ol style="list-style-type: none"> <li>1. <u>Children's Services</u> - re-engineering children's Social Services and education and other services around the needs of the child. Taking a 'family' approach to children's services and championing life chances for Darlington's children.</li> <li>2. <u>Maximising educational attainment</u> - changing our approach to the development and management of schools' assets so that improving attainment is paramount.</li> <li>3. <u>Street Scene</u> - re-engineering our approach to street services to improve liveability i.e. making Darlington cleaner, safer and greener.</li> <li>4. <u>Call/Contact Centre</u> - re-engineering the council's services around the needs of the customer.</li> <li>5. <u>Feethams development</u> - re-developing parts of the town centre and unlocking the potential to re-design the council's physical assets.</li> </ol>	<ol style="list-style-type: none"> <li>6. <u>Single status/job evaluation</u> - developing a pay strategy that protects the authority from equal pay claims and makes the organisation fit for the future.</li> <li>7. <u>Depot relocation</u> - a significant economic regeneration programme requires movement of the council's depot. This is an opportunity for re-engineering and will be grasped as such.</li> <li>8. <u>CPA/JAR preparations</u> - we will continue to assess best practice and shape the authority to ensure that the organisation remains excellent.</li> <li>9. <u>Waste</u> - the waste disposal contract expires in 2007. There is therefore a major opportunity to re-engineer the authority's approach to waste management.</li> <li>10. <u>Gershon management</u> - as outlined above our approach to Gershon is embodied by the 'Leading Edge' programme. Effective management of this programme is crucial to the delivery of benefits across all 10 projects/programmes.</li> </ol>

14. Further detail on the key actions or sub-projects of our change programme is shown in **Figure 3** below.

### **Conclusion**

15. Our approach to Gershon and the Efficiency Review is to equate it with a major programme to change service delivery. This builds on existing strengths and, as the next natural step in our organisational development strategy, will enable us to address our areas for development. Because it has been designed in the context of our Community Strategy and Corporate Plan, it will, most importantly of all, enable us to further improve the quality of life of local people.

**Figure 3:** Further detail on the key actions of our Leading Edge programme.

