

## 2005-2008 Efficiency Technical Note

This technical note sets out how the Department for Culture Media and Sport will measure progress towards its efficiency target.

### Target

DCMS will realise total annual efficiency gains of £262million in 2007/8, of which at least half will be cashable, releasing resources for front line activities.

Of this total, £2 million efficiency gains are from the DCMS, £114 million are from its delivery agents and £146 million are facilitated from Local Authority cultural and leisure services.

### Policy Context

#### Building on success

In recent years, DCMS has demonstrated its success in streamlining organisations and delivering efficiencies. For example, we've merged 15 of our NDPBs into just 5 and started a reform programme of our major sponsored bodies.

These successes have been helped by the structure of the Department, which fits the Prime Minister's model of a small, strategic centre organised around the issues its delivery agents face on the ground<sup>1</sup>. These delivery agents are our NDPBs and The Royal Parks Agency, which are working all over England and Wales and with which DCMS enjoys a productive, arms-length relationship.

The Efficiency Review is an opportunity for us to further refine the structure of the Department, improve the way we work and extend our achievements. It is also an opportunity to share best practice for efficiency between the Department and its NDPBs.

In order to build further on these achievements, to meet the efficiency targets set out in the Chancellor's 2004 Budget, to ensure buy-in from across the Department and our NDPBs and to maximise the impact of the efficiency programme on our bodies and the Department's Strategic Priorities, we have set up an Efficiency Delivery Programme Structure that closely reflects DCMS's aims and objectives.

#### DCMS aims and objectives

Efficiency gains will free up resources for front line activities, contributing to the Department's Strategic Aim:

*To improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.*

Objectives and Performance Targets:

Objective I: Further enhance access to culture and sport for children and give them the opportunity to develop their talents to the full and enjoy the benefits of participation.

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<sup>1</sup> Speech by Tony Blair at The Civil Service Reform – Delivery and Values event, Tuesday 24 February 2004

1. *To enhance the take-up of sporting opportunities by 5 to 16-year olds so that the percentage of schoolchildren in England who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum increases from 25% in 2002 to 75% by 2006 and to 85% by 2008, and to at least 75% in each School Sport Partnership by 2008.*

(Joint target with the Department for Education and Skills)

2. *Halt the year-on-year increase in obesity among children under 11 by 2010, in the context of a broader strategy to tackle obesity in the population as a whole.*

(Joint target with the Department for Education and Skills and the Department of Health)

Objective II: Increase and broaden the impact of culture and sport, to enrich individual lives, strengthen communities and improve the places where people live, now and for future generations.

3. *By 2008, increase the take-up of cultural and sporting opportunities by adults and young people aged 16 and above from priority groups by:*

- *increasing the number who participate in active sports at least twelve times a year by 3%; and*
- *increasing the number who engage in at least 30 minutes of moderate intensity level sport at least three times a week, by 3%;*
- *increasing the number who participate in an arts activity at least twice a year by 2%; and*
- *increasing the number who attend arts events at least twice a year by 3%;*
- *increasing the number accessing museums and galleries collections by 2%; and*
- *increasing the number visiting designated historic environment sites by 3%.*

Objective III: Maximising the contribution which the tourism, creative and leisure industries can make to the economy.

4. *By 2008, improve the productivity of the tourism, creative and leisure industries.*

Objective IV: Modernising delivery by ensuring our sponsored bodies are efficient and work with others to meet the cultural and sporting needs of individuals and communities.

In previous years this objective has been supported by its own PSA target. It has now been replaced by the efficiency target detailed in this technical note.

## Programme Structure

In order to benefit from tried and tested means of monitoring and delivery, we have deliberately reflected the established model of PSA delivery planning in this document and our efficiency programme delivery structure.

Delivery of the Department's efficiency target is being managed as a programme, with 3 broad strands of work. Each strand is made up of constituent projects that contribute to the achievement of the target, either through directly generating efficiency gains (cash and non-cash) or by providing supporting infrastructure to ensure that gains are sustainable and effective. At the top of the programme structure, there is a Strategic Priority Steering Board, whose role it is to manage constituent work strands of the programme side-by-side to ensure that the common ground and synergies between them are fully exploited.

The work strands are:

- 1) Internal DCMS
- 2) NDPBs
- 3) Local Authorities

Under each of these strands are a number of targeted projects, tasked with finding, delivering and monitoring efficiency gains focussed on the six Gershon work streams: corporate services; procurement; public policy, funding and regulation; private policy, funding and regulation; transactional services; productivity. Not all the Efficiency Review work streams are relevant to the DCMS and its sectors. The programme will focus on those areas that will yield maximum gain.

The Department's efficiency gains will be delivered through the following projects:

### Workstrand 1. Internal DCMS efficiency gains

#### **Internal Budget Review (including headcount reductions)**

DCMS' administration budget is usually set on an incremental, historical basis following business planning. However, increasing pressure on internal programmes and research means budgets are often oversubscribed and it is difficult to meet priorities. This project will undertake a fundamental review of the Department's administration budget and set a limit on the Department's administration budget spend whilst still meeting the Department's operational and strategic priorities. This project will deliver savings of £1m in 2006-07 and £2m 2007-08.

### Workstrand 2. NDPB efficiency gains

#### **Museums, Galleries and the British Library**

A number of organisations within the scope of this project (notably the British Museum and British Library) have already made significant efficiency savings and redirected resources to the front line. Other museums and galleries are committed to ongoing reform. This project will share best practice to extend efficiency across the sector and measure and monitor progress. This project will obtain measurable and robust proposals from 19 NDPBs across the sector on how they will meet (and exceed where possible) the estimated trajectory of efficiency gains over the period.

## **Strategic Bodies**

This project focuses on our strategic and grant-giving bodies. A number of organisations within the scope of this project (notably Arts Council England and Sport England) have already made significant efficiency savings and redirected resources to the front line. Other bodies are committed to ongoing reform. This project will share best practice to extend efficiency across the sector and measure and monitor progress. This project will obtain measurable and robust proposals from all strategic NDPBs and grant-giving bodies for how they will meet (and exceed where possible) the estimated trajectory of efficiency gains over the spending period.

## **Heritage**

This project includes NDPBs from the heritage sector and The Royal Parks agency. Ongoing modernisation programmes in the heritage sector (especially in English Heritage) have achieved some efficiencies, but more can be done. In March 2004, consultants PKF reported potential efficiency gains from closer working between EH and the Heritage Lottery Fund (HLF). They concluded that there was no business case for a full merger but that there might be scope for rationalisation in the wider sector. This project will maximise the level of savings released from efficiency and modernisation measures in the heritage sector in order to increase resources for front line delivery.

## **Relocation**

This project is tasked with delivering the recommendations of the Lyons Review of public sector relocation. The project seeks to relocate at least 600 posts from sponsored bodies out of London and the South East by 2010.

## Workstrand 3. Local Authority efficiency gains

Whilst recognising the constitutional independence of local authorities, we will work with Local Government, ODPM and other stakeholders to improve efficiency in delivering services in local authority culture and leisure sectors by:

- Helping to identify efficiency practices;
- Helping LAs to understand their own performance;
- Disseminating good practice;
- Measuring and monitoring efficiency gains.

## Contingency

We expect to exceed the efficiency gain target in many of the constituent projects delivering the overall target over the spending period. Our plans therefore have a built in contingency should some of the programme fail to realise expected gains.

In addition, the Secretary of State has already agreed that we should initially only allocate resource budgets for 2005-06 and an indicative budget for 2006-07 from the SR2004 settlement. The allocation of budgets for 2007-08 will be conditional on the robustness of the additional efficiency plans from our bodies. At the same time they will be required to ensure that service delivery at the front line will be maintained.

## Monitoring and Reporting Delivery

The DCMS is committed to assuring and improving the quality and performance of all its work, particularly as it relates to its PSAs and its efficiency targets.

This section sets out how progress will be measured towards achieving the objectives of the Efficiency Programme. We will keep under review the best ways in which achievement of the desired position can be monitored.

### The Basic Approach

The Department has in place an assessment framework that is designed to monitor delivery of its key priorities. Each of the projects set out in this programme document will be monitored against that assessment framework on a 6 weekly basis.

Each project within the Efficiency Programme is underpinned by a strategy that considers key milestones and sets out the expectations of progress towards that particular target. We monitor progress against these milestones, providing a structure to help us to:

- Judge the likelihood of delivering the constituent parts of our Efficiency Target and those projects designed to support delivery of our priorities; and
- Identify the areas where we can take action to improve prospects for delivery.

Where progress is not on track, action follows.

### Reporting

The results will be reported to internal management structures in the first instance and actions to address exposed issues will be identified and implemented.

Progress against delivery of our target will be published in our Annual Report, Autumn Performance Report and on our website. Cash efficiency gains will be disclosed appropriately in the annual accounts of bodies and the Department.

### Estimated Efficiency gains in DCMS projects by work stream

The Programme recognises the importance of the Efficiency Review work streams to the Government-wide efficiency programme. It also acknowledges the value of attributing efficiency gains to one or more of these work streams in order to ensure that savings are made in support services, rather than at the frontline.

Indications of what efficiency gains will be generated are set out in the tables on the following pages. These indications are based on current planning assumptions and, as such, the expected gains from workstreams and initiatives are not targets in themselves and may be subject to change.

## Technical Details

The following tables illustrate trajectories, measures and monitoring procedures for each of the projects in the Efficiency Programme under the following headings:

<b>Activity</b>	Summary of key actions within the project
<b>Approach</b>	A more detailed explanation of how efficiencies will be realised. States the anticipated trajectory of efficiency gains that the project plans to deliver. All monetary values are expressed in real terms
<b>Cashable</b>	States whether efficiency gains are in cash terms that can be recycled to front line activity or whether the gains are in non-cash terms e.g. by doing more things with the same resource or the same things with less resource
<b>Type</b>	Summary of the type of gains the project will deliver
<b>Measurement</b>	States what tests the project will use to gauge whether the project is on track and the methodology used for quantifying gains. Where efficiency gains are cashable, we will simply use cash savings. In order to test that the gains are genuine and that activity is not being cut we will monitor appropriate balancing quality measures from NDPBs and the Department. We will use existing measures wherever possible to keep additional bureaucracy to a minimum
<b>Balancing Quality Measures</b>	States what indicators will be used to monitor quality of service/output
<b>Monitoring</b>	States how we propose to monitor and report progress
<b>Data sources</b>	States the data sources used for the trajectory and/or measures
<b>Quality/Risks</b>	States how we will ensure that data quality is assured
<b>Validation</b>	States what internal or external control mechanisms are in place
<b>Baseline</b>	States the baseline for each trajectory

### Adjusting for inflation in the measurement of efficiency gains

In producing this technical note, we have used GDP (Gross Domestic Product) deflators to make adjustments for inflation. Efficiency gains are expressed using price levels relating to the year in which they are realised, for example annual efficiency gains for 2007-08 are presented in 2007-08 prices.

The GDP deflator series is produced by the Treasury from data provided by the Office for National Statistics (ONS). This series is extended to future years by applying Treasury forecasts of the inflation rate. The deflators and explanatory text are available on the HM Treasury website.<sup>2</sup>

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<sup>2</sup> [http://www.hmtreasury.gov.uk/Economic\\_Data\\_and\\_Tools/GDP\\_Deflators/data\\_gdp\\_index.cfm](http://www.hmtreasury.gov.uk/Economic_Data_and_Tools/GDP_Deflators/data_gdp_index.cfm)

## Efficiency Programme Projects

<b>Project</b>	Internal DCMS				
<b>Activity</b>	1) Comprehensive review of administration budget to meet efficiency savings target of £1m in 2006/07 and £2m in 2007/08 2) Reduce Departmental headcount by 27				
<b>Approach</b>	1) Savings made from Departmental Administration Budget 2) Headcount reduction target incorporated into Business Plans and managed by Directors General <ul style="list-style-type: none"> <li>• More efficient ways of working in the Department identified and implemented (e.g. central correspondence unit)</li> </ul>				
	<i>Overall trajectory</i>				
	<b>1) Budget Review</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>
	Cumulative gains (£m)	0.0	0.0	1.0	2.0
<b>2) Headcount reduction</b>	<b>04/05</b>	<b>05/06</b>	<b>06/07</b>	<b>07/08</b>	
Staff changes	0	-3	-10	-27	
<b>Cashable</b>	Cashable gains achieved through Budget Review				
<b>Type</b>	Reduced inputs whilst maintaining same quality outputs				
<b>Measurement</b>	1) Monthly management accounts measured against administration budget limits 2) Monthly headcount returns measured against April 2004 baseline				
<b>Balancing Quality Measures</b>	1) Continued delivery of Department's PSA targets 2) No significant change in "good employer" status discernable from Staff Opinion Survey				
<b>Monitoring</b>	1) The administration budget is monitored via the Department's monthly management accounts 2) HR monitor headcount monthly <ul style="list-style-type: none"> <li>• Project progress reviewed and reported 6-weekly to Efficiency Programme Board and SRO using PMDU-style report process. Quarterly report to the Strategic Priority Steering Board</li> <li>• Project feeds into a Programme Report to quarterly Management Board meetings as part of the Department's balanced scorecard reporting framework</li> </ul>				
<b>Data sources</b>	1) DCMS management accounts 2) DCMS headcount figures				
<b>Quality/Risks</b>	1) Financial information drawn from DCMS financial management systems 2) Headcount figures supplied to ONS <ul style="list-style-type: none"> <li>• Risk: headcount reduction target and administration spend need to be coordinated effectively across the Department. Management controls treat this risk</li> </ul>				
<b>Validation</b>	1) Resource accounts are audited by NAO 2) Headcount figures are audited by ONS				
<b>Baselines</b>	Baseline year is 2004/5				

<b>Project</b>	External DCMS: Museums, Galleries and the British Library			
<b>Activity</b>	Series of initiatives undertaken by the Department's museums, galleries and the British Library to meet efficiency gain targets			
<b>Approach</b>	NDPBs have plans in place to deliver efficiency gains. A range of c.70 efficiency initiatives have been identified across 19 NDPBs including: revised procurement arrangements; combined back office functions between institutions; IT improvements; HR reform			
	<i>Overall trajectory</i>			
	Cumulative efficiency gains (£m)	<b>05/06</b> 15.5	<b>06/07</b> 32.7	<b>07/08</b> 48.8
<b>Cashable</b>	At least 50% cashable gains			
<b>Type</b>	<ul style="list-style-type: none"> <li>Reducing inputs (money, people, assets etc) for same outputs</li> <li>Reducing prices (procurement, labour costs etc) for same outputs</li> <li>Getting greater outputs or improved quality (extra service, productivity etc) for the same inputs</li> <li>Getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in output or quality</li> </ul>			
<b>Measurement</b>	<ul style="list-style-type: none"> <li>Each NDPB is required to submit a 6-month Efficiency Statement, which sets out the efficiency gains achieved in the past 6 months and covers performance against milestones</li> <li>Existing measures will be used wherever possible to keep additional bureaucracy to a minimum</li> <li>NDPBs will be asked to supply data against their planned efficiency initiatives. In most cases this will be evidenced by the provision of a robust audit trail tracking the progress of efficiency initiatives from baseline to current values (e.g. data sourced from monthly management accounts or year end accounting reports)</li> <li>In order to test that the gains are genuine and that the activity is not a cut in service, appropriate outputs (accounts/productivity/quality) from NDPBs will be monitored (e.g. data sourced from monthly management accounts or year end accounting reports)</li> <li>In order to test where efficiency gains are being reinvested in front line services a series of ratios will be used, such as: <ul style="list-style-type: none"> <li>Ratio of corporate services staff: other staff; and</li> <li>Ratio of spend on corporate services: total spend</li> </ul> </li> </ul>			
<b>Balancing Quality Measures</b>	<ul style="list-style-type: none"> <li>Performance against PSA targets</li> <li>Customer satisfaction surveys</li> <li>Monitoring of KPIs</li> </ul>			
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>Efficiency targets will be embedded in the Funding Agreements between the Department and the NDPBs. Progress towards these targets will be monitored regularly by Sponsor Divisions</li> <li>Data collection exercises will be carried out at 6 month intervals to capture qualitative and quantitative data</li> <li>Project progress reviewed and reported every 6-weeks to Efficiency Programme Board and SRO using PMDU-style report process. Quarterly report to the Strategic Priority Steering Board</li> <li>Project feeds into a programme report to quarterly Management Board meetings as part of the Department's delivery reporting framework</li> </ul>			
<b>Data sources</b>	<ul style="list-style-type: none"> <li>6 monthly efficiency statements using financial information drawn from NDPB accounts</li> <li>Feedback from sponsor divisions on NDPB progress against PSA targets</li> </ul>			
<b>Quality/Risks</b>	<ul style="list-style-type: none"> <li>NDPB data scrutinised through existing sponsorship arrangements</li> </ul>			
<b>Validation</b>	<ul style="list-style-type: none"> <li>Efficiency targets enforced through Funding Agreements</li> <li>Data submissions signed-off by NDPB senior management</li> <li>Figures approved and signed-off by Ministers</li> </ul>			
<b>Baseline</b>	Baseline year is 2004/05			

<b>Project</b>	External NDPBs: Strategic NDPBs			
<b>Activity</b>	Series of initiatives undertaken by the Department's strategic bodies to meet efficiency gain targets			
<b>Approach</b>	Six Strategic NDPBs have plans in place to deliver efficiency gains and include the following initiatives: revised procurement arrangements; combined back office functions with regional offices; contract renegotiation; co-location of offices; IT improvements; HR reform			
	<i>Overall trajectory</i>			
		<b>05/06</b>	<b>06/07</b>	<b>07/08</b>
	Cumulative efficiency gains (£m)	15.8	33.4	50.0
<b>Cashable</b>	At least 50% cashable gains			
<b>Type</b>	<ul style="list-style-type: none"> <li>Reducing inputs (money, people, assets etc) for same outputs</li> <li>Reducing prices (procurement, labour costs etc) for same outputs</li> <li>Getting greater outputs or improved quality (extra service, productivity etc) for the same inputs</li> <li>Getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in output or quality</li> </ul>			
<b>Measurement</b>	<ul style="list-style-type: none"> <li>Each NDPB is required to submit a 6-month Efficiency Statement, which sets out the efficiency gains achieved in the past 6 months and covers performance against milestones</li> <li>Existing measures will be used wherever possible to keep additional bureaucracy to a minimum</li> <li>NDPBs will be asked to supply data against their planned efficiency initiatives. In most cases this will be evidenced by the provision of a robust audit trail tracking the progress of efficiency initiatives from baseline to current values (e.g. data sourced from monthly management accounts or year end accounting reports)</li> <li>In order to test that the gains are genuine and that the activity is not a cut in service, appropriate outputs (accounts/productivity/quality) from NDPBs will be monitored (e.g. data sourced from monthly management accounts or year end accounting reports)</li> <li>In order to test where efficiency gains are being reinvested in front line services a series of ratios will be used, such as: <ul style="list-style-type: none"> <li>Ratio of corporate services staff: other staff; and</li> <li>Ratio of spend on corporate services: total spend</li> </ul> </li> </ul>			
<b>Balancing Quality Measures</b>	<ul style="list-style-type: none"> <li>Performance against PSA targets</li> <li>Monitoring KPIs</li> </ul>			
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>Efficiency targets will be embedded in the Funding Agreements between the Department and the NDPBs. Progress towards these targets will be monitored regularly by Sponsor Divisions</li> <li>Data collection exercises will be carried out at 6 month intervals to capture qualitative and quantitative data</li> <li>Project progress reviewed and reported every 6-weeks to Efficiency Programme Board and SRO using PMDU-style report process. Quarterly report to the Strategic Priority Steering Board</li> <li>Project feeds into a programme report to quarterly Management Board meetings as part of the Department's delivery reporting framework</li> </ul>			
<b>Data sources</b>	<ul style="list-style-type: none"> <li>6 monthly efficiency statements using financial information drawn from NDPB accounts</li> <li>Feedback from sponsor divisions on NDPB progress against PSA targets</li> </ul>			
<b>Quality/Risks</b>	<ul style="list-style-type: none"> <li>NDPB data scrutinised through existing sponsorship arrangements</li> </ul>			
<b>Validation</b>	<ul style="list-style-type: none"> <li>Efficiency targets enforced through Funding Agreements</li> <li>Data submissions signed-off by NDPB senior management</li> <li>Figures approved and signed-off by Ministers</li> </ul>			
<b>Baseline</b>	Baseline year is 2004/05			

<b>Project</b>	External NDPBs: Heritage NDPBs			
<b>Activity</b>	Series of initiatives undertaken by the Department's Heritage bodies to meet efficiency gain targets			
<b>Approach</b>	Project encompasses a series of modernisation initiatives across the sector and an exploration of the efficiency gains realised through closer working. Planned initiatives include: heritage protection review; revised procurement arrangements; combined back office functions; IT improvements; HR reform; joint working in IT and HR			
	<i>Overall trajectory</i>			
		<b>05/06</b>	<b>06/07</b>	<b>07/08</b>
	Cumulative efficiency gains (£m)	4.7	9.9	15.2
<b>Cashable</b>	At least 50% cashable gains			
<b>Type</b>	<ul style="list-style-type: none"> <li>Reducing inputs (money, people, assets etc) for same outputs</li> <li>Reducing prices (procurement, labour costs etc) for same outputs</li> <li>Getting greater outputs or improved quality (extra service, productivity etc) for the same inputs</li> <li>Getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in output or quality</li> </ul>			
<b>Measurement</b>	<ul style="list-style-type: none"> <li>Each NDPB is required to submit a 6-month Efficiency Statement, which sets out the efficiency gains achieved in the past 6 months and covers performance against milestones</li> <li>Existing measures will be used wherever possible to keep additional bureaucracy to a minimum</li> <li>NDPBs will be asked to supply data against their planned efficiency initiatives. In most cases this will be evidenced by the provision of a robust audit trail tracking the progress of efficiency initiatives from baseline to current values (e.g. data sourced from monthly management accounts or year end accounting reports)</li> <li>In order to test that the gains are genuine and that the activity is not a cut in service, appropriate outputs (accounts/productivity/quality) from NDPBs will be monitored (e.g. data sourced from monthly management accounts or year end accounting reports)</li> <li>In order to test where efficiency gains are being reinvested in front line services a series of ratios will be used, such as: <ul style="list-style-type: none"> <li>Ratio of corporate services staff: other staff; and</li> <li>Ratio of spend on corporate services: total spend</li> </ul> </li> </ul>			
<b>Balancing Quality Measures</b>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Performance against PSA targets</li> <li>Monitoring KPIs</li> </ul>			
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>Efficiency targets will be embedded in the Funding Agreements between the Department and the NDPBs. Progress towards these targets will be monitored regularly by Sponsor Divisions</li> <li>Data collection exercises will be carried out at 6 month intervals to capture qualitative and quantitative data</li> <li>Project progress reviewed and reported every 6-weeks to Efficiency Programme Board and SRO using PMDU-style report process. Quarterly report to the Strategic Priority Steering Board</li> <li>Project feeds into a programme report to quarterly Management Board meetings as part of the Department's delivery reporting framework</li> </ul>			
<b>Data sources</b>	<ul style="list-style-type: none"> <li>6 monthly efficiency statements using financial information drawn from NDPB accounts</li> <li>Feedback from sponsor divisions on NDPB progress against PSA targets;</li> <li>Customer Satisfaction Surveys</li> </ul>			
<b>Quality/Risks</b>	<ul style="list-style-type: none"> <li>NDPB data scrutinised through existing sponsorship arrangements</li> </ul>			
<b>Validation</b>	<ul style="list-style-type: none"> <li>Efficiency targets enforced through Funding Agreements</li> <li>Data submissions signed-off by NDPB senior management</li> <li>Figures approved and signed-off by Ministers</li> </ul>			
<b>Baseline</b>	Baseline year is 2004/05			

<b>Project</b>	Relocation					
<b>Activity</b>	Relocation of 600 posts from sponsored bodies out of London and the South East by 2010					
<b>Approach</b>	Engaging and working with NDPBs to develop and then implement the plans for relocation to areas outside London and the southeast. Plans for the relocation of 560 posts from the Big Lottery Fund (to Birmingham and Newcastle) and the Gambling Commission (to Birmingham) have been announced. Current planning indicates that the Gambling Commission will relocate 260 posts by June 2007, with the remaining 300 posts from the Big Lottery Fund relocated by March 2008. Additional plans are in place to relocate a further 50 NDPB posts outside London and the South East region by 2010					
	<i>Overall trajectory</i>					
	Planned staff relocations	05/06 0	06/07 260	07/08 560	08/09 560	09/10 610
<b>Cashable</b>	Some cashable and non-cashable gains may be generated as a consequence of the moves					
<b>Type</b>	<ul style="list-style-type: none"> <li>• Efficiencies generated through lower accommodation and staff costs</li> <li>• Reduced inputs/same or better quality outputs</li> </ul>					
<b>Measurement</b>	<ul style="list-style-type: none"> <li>• Headcount figures for relocated bodies</li> <li>• Accommodation costs</li> <li>• Reduced staff turnover (leading to increased efficiency and lower overheads)</li> </ul>					
<b>Balancing Quality Measures</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Staff opinion surveys</li> <li>• Monitoring KPIs</li> </ul>					
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>• NDPBs to provide updates on progress and required information to Sponsor Divisions through established series of regular meetings</li> <li>• Project progress reviewed and reported 6-weekly to Efficiency Programme Board and SRO using PMDU-style report process</li> <li>• Project feeds into a programme report to quarterly Management Board meetings as part of the Department's delivery reporting framework</li> </ul>					
<b>Data sources</b>	<ul style="list-style-type: none"> <li>• Mid-year and end-year efficiency statements using financial information drawn from NDPB accounts</li> <li>• Staff opinion surveys</li> </ul>					
<b>Quality/Risks</b>	<ul style="list-style-type: none"> <li>• Data drawn from NDPB accounting and business planning</li> </ul>					
<b>Validation</b>	<ul style="list-style-type: none"> <li>• Submissions signed-off by NDPB senior management</li> <li>• Figures approved and signed-off by Ministers</li> </ul>					
<b>Baseline</b>	This is a new initiative, baseline is zero.					

<b>Project</b>	Local Authorities			
<b>Area</b>	Efficiency gains achieved by local authorities in the Culture and Sport sector.			
<b>Activity</b>	Each local authority undertakes different activities in order to achieve efficiency gains in this sector. For details of the activities undertaken in the past year see the Backward Look Annual Efficiency Statements of each council (see <a href="http://www.odpm.gov.uk">www.odpm.gov.uk</a> ). Supplementary information is also provided in the Forward Look Annual Efficiency Statements (also at <a href="http://www.odpm.gov.uk">www.odpm.gov.uk</a> ). Specific activity undertaken by DCMS includes: DCMS/MLA Public Libraries Procurement and Efficiency project, Audit Commission study on local authority sports facilities, development of a Culture and Sport efficiency toolkit, development of a suite of performance indicators for the Comprehensive Performance Assessment culture block, analysis and interpretation of data to target areas of good practice and those with requiring improvement.			
<b>Approach</b>	Each local authority has its own plans for improved efficiency. Our Departmental programme assists councils achieving efficiency gains in this sector by working closely with ODPM, OGDs, LGA and local authorities to ensure that the efficiency gains for which the Department is responsible are met, looking at a number of areas to assess where efficiency gains can best be realised, providing advice and guidance to local authority cultural services and implementing identified efficiency projects to agreed timescales. In developing activity to generate efficiency gains we are mindful of the constitutional independence of local authorities and the need not to increase the burden of bureaucracy. Additionally, the nine Regional Centres of Excellence act as the main change agents for local government efficiency, providing support to local authority led projects designed to achieve efficiencies.			
	<i>Overall trajectory</i>			
	Cumulative annual efficiency gains for local authorities project (£m)	<b>05/06</b> 49	<b>06/07</b> 98	<b>07/08</b> 146
<b>Cashable</b>	At least 50% cashable gains			
<b>Type</b>	Each local authority has its own plans for improved efficiency. These must, however, conform to one or more of the following principles: <ul style="list-style-type: none"> <li>• Reducing inputs (money, people, assets etc) for same outputs</li> <li>• Reducing prices (procurement, labour costs etc) for same outputs</li> <li>• Getting greater outputs or improved quality (extra service, productivity etc) for the same inputs</li> <li>• Getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in output or quality</li> </ul>			
<b>Measurement</b>	Each council is required to produce a Backward Look Annual Efficiency Statement (AES), which sets out the efficiency gains achieved in the past year for each sector. The reported national sum is the total of that reported in the AESs.			

<b>Balancing Quality Measures</b>	<p>To assist in the evaluation of this process, each sector of councils' Annual Efficiency Statement return includes a quality cross-check and descriptive box for further service quality information.</p> <p>Councils are required to input values for at least one quality cross-check per sector - the "primary" indicator for that sector. This cross-check is required to be relevant to the efficiencies being claimed. A set of cross-checks has been recommended by a Taskforce (see below)</p> <ul style="list-style-type: none"> <li>• Uptake of service by participants/visitors</li> <li>• Customer/user/resident satisfaction</li> <li>• Compliance with Public Library Standards (1=Weak,2=Fair,3=Good,4=Excellent)</li> <li>• % of population within 20 minutes walk of a sport and leisure facility (20 minutes drive for those on urban fringe/rural locations)</li> </ul> <p>Use of these is not mandatory - where an alternative is chosen the council has to justify its choice. Councils have in some cases provided further information in the box on other indicators, including others from those approved by the Taskforce</p>
<b>Monitoring</b>	<p>The DCMS local authority project reports through an internal project board and through the SRO, and through an overarching steering board for all DCMS efficiency projects. In addition to this monitoring regime the project manager reports progress at the ODPM-led Cross Departmental Review Group who are responsible for the overall project to deliver the £6.45bn efficiency gains required by local government</p>
<b>Data sources</b>	<p>The primary source of information is the returns from the Backward Look Annual Efficiency Statement. Additionally there is the information received from the project managers for the Libraries procurement and efficiency project, Sports facilities project, and progress on the development of performance indicators for CPA</p>
<b>Quality/Risks</b>	<p>A number of processes are in place to improve the quality of Annual Efficiency Statements:</p> <ul style="list-style-type: none"> <li>• First, to provide additional information to councils, ODPM publishes an overall guidance note on the Backward Look Annual Efficiency Statement. In addition, DCMS publishes a toolkit that provides councils with good practice on measuring efficiency in this sector;</li> <li>• Second, councils' initial returns are examined by Departments and consultation takes place to improve these returns where necessary;</li> <li>• Third, the Audit Commission appoints auditors to review Statements. Their task is to determine whether these were prepared after a process of due and careful enquiry and are consistent with the auditors' knowledge of the Council derived from the audit of the accounts. In reaching their conclusion, the auditors question whether supportable information was considered in preparing the efficiency statement and determine if there is an adequate, supportable basis for the statements made;</li> <li>• Lastly, the ODPM reserves the right to hire advisers to conduct a further review of the Statements and supporting information to those Statements.</li> </ul>
<b>Validation</b>	<p>See under quality / risks</p>
<b>Baseline</b>	<p>Baseline year is 2004/5</p>