



Delivering cashable savings and efficiencies from transport and engineering

Peterborough City Council secured cashable savings and efficiencies from a stretched transport and engineering revenue budget through close partnership working with suppliers and streamlining internal administration processes.

THE CHALLENGE

To address the pressures of raw material price increases and new regulatory demands, the council's transport and engineering division needed to secure annual savings of £800k from its £14 million revenue spend. Staff were wholly committed to service delivery but lacked time to drive changes and deliver benefits.

THE SOLUTION

A thorough review of revenue costs was initiated and a two phased solution identified:

Phase One focused on working with long-term major suppliers, who accounted for 54 per cent of revenue spend and eliciting their support for cost savings. This resulted in a better understanding of supplier costs and potential efficiency savings. These savings were quantified, prioritised and implemented.

Phase Two examined and re-engineered business processes – the second largest component in revenue spend. As a result, non-productive practices will be eliminated, allowing staff to have more time to spend on initiating change and driving benefits.

THE BENEFITS

- ➔ The programme is expected to deliver annualised savings of £800k.
- ➔ Work with three key suppliers has already saved £320k within the first eight months of the project.
- ➔ A joint working group set up with the highways term maintenance contractor has achieved operational improvements and eliminated waste. Benefits include:
 - 15 proposals to deliver cashable savings exceeding £100k.
 - Improved administration of small works orders and work scheduling to deliver savings of £60k within twelve months.
 - Use of recycled sub-base material on all footway schemes to support Peterborough's commitment to sustainable development and its status as the UK's Environment Capital.
- ➔ Self-managed teams and improvements in staff satisfaction through better application of effort, skills and experience.



“Achieving significant savings from the demands of transport and engineering is a major success. Partnership working between operational teams within the local authority and the contractor allows both groups to understand the issues they each face in trying to drive efficiency gains, and using the current wealth of knowledge across both organisations has enabled us to share best practice and deliver added value that is sustainable.”

John Upcott, Ringway