



Smith Bellerby cost management analysts were engaged by Newcastle-under-Lyme Borough Council following a presentation entitled “Reduced Cost Shouldn’t Mean Reduced Service” given in January 2002 at the request of the Internal Audit group of Staffordshire Councils.

An audit was carried out in August 2002 to establish the Council’s current position with regard to mobile telephones (the first cost area to be reviewed). During the audit interviews were held with a wide selection of the client’s staff, to ensure that their views could be taken into account when deciding upon a future course of action. A postal and e-mail survey of all mobile telephone users was also conducted before detailed analysis of the Council’s costs commenced.

The analysis showed that the Council could reduce their direct costs associated with mobile phones from £41,000 per year to £24,700, a saving of almost 40%. What was even more surprising for the client were the indirect cost savings that could be generated. We had noticed that the Council received in excess of 1,200 invoices per year, all of which were individually processed, and the cost of any personal calls had then to be recovered from the handset users. By reducing the number of invoices to just 12 per year, introducing a system for automatically segregating personal calls from business calls, and ensuring that all financial cost coding of invoices was carried out before the client received them a significant reduction in indirect costs was achieved.

Implementation of the cost saving measures commenced during December 2002, with the first phase of changes being completed a few days before the Christmas break.

By March 2003 95% of the planned changes had been completed, with full implementation being achieved by the end of May.

Mrs Ceri Biffin, Financial Services Manager (Audit and Control), commented that “despite one or two minor glitches with the business/personal cost separation system initially, we are more than happy with the level of savings achieved by Smith Bellerby, and the way in which they implemented the changes on our behalf”.

Alan Campbell, Democratic Services Manager (and the person with day-to-day responsibility for the Council’s mobile phone policy), remarked “With the local elections scheduled to take place at the beginning of May, the last thing I could afford was problems with the implementation of these cost saving measures. I am pleased to say that the totally professional approach adopted by Smith Bellerby ensured that I was able to rely on them to complete the changes, without having to worry at all”.

Annual Savings

