
Chief Executive's Office

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Date: 14 February 2006

Chorley
Borough Council

Chief Executive:
Donna Hall

Dear Councillor

OVERVIEW AND SCRUTINY COMMITTEE - THURSDAY, 16TH FEBRUARY, 2006

I am now able to enclose, for consideration at the above meeting of the Overview and Scrutiny Committee, the following reports that were unavailable when the agenda was printed.

Agenda No Item

4. **Overview and Scrutiny Panels (Pages 25 - 46)**

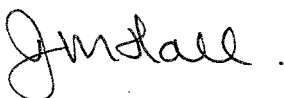
To receive feedback from the three Overview and Scrutiny Panels on the following reviews:

Environment Overview and Scrutiny Panel - Review of Environment Services Budget

Customer Overview and Scrutiny and Scrutiny Panel – Review of Revenues and Benefit Budget

Community Overview and Scrutiny Panel – Review of Planning Services Budget

Yours sincerely



Chief Executive

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Distribution

1. Agenda and reports to all Members of the Overview and Scrutiny Committee for attendance
J Walker, T McGowan, M Perks, Mrs S Walsh, E Bell, Mrs P Case, M Davies, P Goldsworthy,
R Parr and M Wilson

2. Agenda and reports to Donna Hall (Chief Executive), Colin Campbell (Deputy Chief Executive), Paul Morris (Group Director), Gary Hall (Director of Finance) and Tim Rignall (Head of Corporate and Policy Services) for attendance.
3. Agenda and reports to Councillor J Wilson (Executive Leader and Executive Member for Capacity and Resources) for attendance.
4. Agenda and reports to Councillor D Edgerley (Deputy Leader and Executive Member for Customers, Policy and Performance) for information.

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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپکی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

01257 515823 کیجئے:

Report of	Meeting	Date
Environment Overview & Scrutiny Panel	Overview & Scrutiny Committee	16 February 2006

ENVIRONMENT OVERVIEW AND SCRUTINY PANEL - BUDGET SCRUTINY

PURPOSE OF REPORT

1. To present to Members the comments made at a meeting of the Environment Overview & Scrutiny Panel held on 6 February 2006 regarding the spending on Environmental Services.
2. To present the answers to the questions given by the Executive Member for Environment and Community Strategy.
3. To allow Members the opportunity to establish if the Council's policy objectives are being met and if the benchmark findings are a measure of the reality of Members and Stakeholders experiences.

CORPORATE PRIORITIES

4. Part of the Council's Greener Cleaner Safer priorities.

RISK ISSUES

5. The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	✓
People		Other	

6. Council services need to be provided in an effective and efficient way so as to meet public expectations without representing an unreasonable burden on the taxpayer.

BACKGROUND

7. The Council has recently been subject to a value for money assessment undertaken by the Audit Commission as a precursor to a more formal comprehensive performance assessment, which may be undertaken once the CPA process for District Council's is agreed.
8. Elements of the Environmental Health Service have been the subject of various value for money studies in the past:

Waste Management Best Value Review

March 2002



Review of Chorley Refuse Collection and Recycling Contract by
Turner and Townsend Management Solutions
Customer Access and Focus Best Value Review

March 2004
March 2005

9. As part of their assessment the Audit Commission have undertaken a very basic benchmark of the costs of providing Environmental Services by comparing absolute costs with the Council's family group that represent other council's that exhibit the same attributes as ourselves in terms of demography, population etc.
10. The assessment comprised of an analysis of costs in the following areas using the 2004/05 cost base and 2003/04 performance data: [note that not all of these budgets are the responsibility of the Head of Environmental Services]
 - Street Cleansing
 - Cost of providing Public Health Services
 - Economic and Community Development
 - Other Environmental Health Services
11. The bulk of the costs are contained within the Environmental Services Unit however the costs of Economic and Community Development are accounted for in Planning and Leisure Services respectively. Detailed analysis is not provided by the Audit Commission for these services.

AUDIT COMMISSION BENCHMARKING

Summary of Analysis

12. The Audit Commission Benchmarking comprises the Council's absolute costs against those authorities comprising the following group:

<ul style="list-style-type: none"> • Broxtowe • Crewe • Erewash • Gedling • High Peak • Hinckley 	<ul style="list-style-type: none"> • Kettering • Newark • Newcastle • North East • South Derbyshire • South Ribble 	<ul style="list-style-type: none"> • Vale Royal • West Lancashire • Wyre Forest
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13. In total the spending in 2004/05 on the environment was £9.949m. This broadly represents a third of the Council's total spending on services. The breakdown of these costs is as follows:

Table 1

Costs of:	£'000
Waste Collection	1.845
Public Health	1.219
Economic and Community Development	0.877
Street Cleansing	0.502
Other Environmental Services	0.506
	4.949

Comparison with Family Group

14. The Audit Commission analysis compares the cost of spending per head of population and the comparison produces the following results:

Table 2 - Compares Costs of Services per Head

	Waste Collection	Public Health	Economic & Community Development	Street Cleansing	Other Environmental Services	Total
Chorley Borough Council Costs	18.09	11.95	8.60	4.92	4.96	48.52
Family Group Average	16.70	9.16	4.19	6.60	2.83	39.48
Service difference per head	1.39	2.79	4.41	(1.68)	2.13	9.04
Total cost difference	142,000	284,000	450,000	(171,000)	217,000	922,000
% of cost difference	15	31	49	(19)	24	100

15. The table shows that when compared with the family group average, Chorley costs are £922,000 higher, with the greatest cost differential being in Street Cleansing where costs are lower than the average and Economic and Community Developments where the costs are significantly greater.
16. The Panel noted that the costs of environmental service in 2004/05 was £472k greater than the family group average when the costs of economic and community development are excluded and it concentrated its efforts on Environmental Services.

Questions to Executive Member

17. A number of questions were put to the Executive Member for Environment and Community Safety as indicated below along with a brief response.

Question 1) **“It appears that the Council is not able to demonstrate that it can compare and understand in detail its cost base as compared to other Councils. How will the Executive remedy this issue?”**

This was true of a lot of Councils. Like many Councils Chorley has yet to develop in this area. The use of resource assessment will be looking at this and would be included in the Council’s Corporate Strategy. Attached to the report was the Hampshire Matrix a system of measuring the quality of the service compared with other local Authorities in Lancashire.

This gives a league position for the authority and shows that in the area considered in the benchmarking analysis Chorley delivers a high quality service in the areas of food safety, occupational health and environmental control. There did exist in some areas of service provision a low score, for example derivation of cost but this would require a policy commitment.

Question 2) **(a) “Whilst clearly a policy objective to increase recycling, this has been achieved at a cost to the Chorley taxpayer. If recycling rates continue to increase how can costs be contained?”**

The recycling target is 56% by the year 2015. Costs have risen and with an agreement reached with the Lancashire Waste Benchmarking and the current Cleanaway contract until 2005, costs should be consistent.

Chorley's costs are in effect capped by its contract with Cleanaway up until 2009. After this date there will be a number of external facts that will impact on the Council's ability to contain costs, not least of which will be in the County PFI Scheme and the level of government support.

It was pointed out that all complaints received should be forwarded via the Contact Centre in order to monitor the contract and if need be bring penalty points in use against the contractor. The problems that have occurred were expected following studies made at authorities before Chorley implemented the scheme.

Well established procedures are in place which have been present since the contract started in 2002.

In areas the contract was not working as well as it should, up to date information gathered by a private polling organisation to 5000 door survey had indicated that the general feedback of the service was operating satisfactory. The problem associated with the green sacks being too light in weight was being dealt with.

(b) “Would DEFRA fund more?”

The report indicated that a sum of £344,000 of capital challenge grant had been won from DEFRA to support the waste collection service. The sum was for capital expenditure and would not be made available again, though a contingency bid had been submitted.

At this point Members raised the issue of the quality of the Waste Collection Service and the need for improvements. There was a problem of large turnover of staff and this was a training issue for the Contractor.

Question 3) **“The Council has invested significantly in its Public Health Service, but there appears to be no evidence collected of its impact nor targets set for the service. How can this be remedied?”**

The Council reports back to various agencies such as DEFRA, the Health and Safety Executive and the Food Standards Agency on an annual basis. Implementation targets are achieved.

Best Value Performance indicator BVI66 establishes how the Council performs against an Environmental Health Good Practice checklist comprising of service delivery and quality thresholds which the Council should deliver.

Chorley scores well on this with Chorley being one of four Councils in the family group to fully meet the required standard. The cost of the service is high but a good consistent service is provided.

Chorley's policy unlike other Councils has been to achieve the targets set and we continue to deliver on this year on year. However, more local

targets could be developed to enable Members to judge the effectiveness of the service.

Unlike other authorities, all the posts in Chorley are filled with investment made in student training with recruitment made from the students.

Question 4) **(a) “Has the allocation of resources to these Public Health areas been based upon a thorough risk assessment?”**

A risk profile of every property in Chorley has been carried out and resources are directed accordingly.

To some extent this question has been answered in my answer to the previous question. No local risk assessments are done but reliance is placed on the targets set by external agencies, DEFRA/FSA etc.

(b) “Please could you give an explanation of the information set out in the appendices?”

Appendix 3 refers to the Hampshire Matrix. This is a scoring matrix which measures both service provision, type and quality issues such as management information, derivation of costs. The analysis is provided by work undertaken by the Lancashire Association of Chief Environmental Health Offices (LACEHO).

The analysis of Chorley shows the service is of a high quality set of public protection services.

The scoring is out of a maximum of 4 and covers the Environmental Control, Occupational Health and Safety and Food Safety

Where there is a low score a policy decision had been taken not to carry out this activity.

Question 5) **“Satisfaction with Street Cleanliness whilst better than most in the family group is still relatively low. How will the Executive determine why this has happened and does it plan to tackle this issue in anyway through the 2006/07 budget?”**

Reference was made to Chart 15 on page 11 of the report indicating the residents satisfaction with standards of cleanliness. The activity has currently 1,000 litter bins on either streets or recreation grounds. Chorley has the lowest spend in Lancashire as indicated in Table 2 of this report.

From 1 April Public Space Services will empty the bins, improving efficiency.

Officers are currently looking at the procurement of this service with the use of Cleanaway vehicles currently driving past bins, but this could be part of the contract to empty the bins. The service will be re-deferred.

The Executive has recognised that it needs to get better interaction with the taxpayer of Chorley, hence the development of the Area Forum Pilot Scheme. This will give the Council a lot of intelligence, which can then be used to improve service delivery. However, there is also a recognition that we need to drill down beneath the satisfaction survey to fully understand why the satisfaction level is relatively low, this could be for a number of reasons, not least of which is that the Council is only responsible for

particular areas of land. In addition the recent review of the CuDoss Unit now includes more focus on the customers and the intention is to understand their issues better. Hopefully the information will help the Executive and the Council improve things.

Question 6) **(a) “The fact that Neighbourhood Wardens contribute to the environmental improvement is evident, but one of the targets is not being met. Why has this occurred and what is currently being done to remedy this?”**

This referred to the removal of racist/offensive graffiti in two working days which was currently below target.

Very few incidents of this nature occur in this area so if one incident is late picking up it can depress the figure.

There has been a selective removal of graffiti by various contractors and can be expensive.

Currently looking at the procurement of a contract whereby the contractor will patrol the area and will do any removal, therefore streamlining the service and we hope to see an improvement in this indicator.

(b) “Do other Local Authorities have Neighbourhood Wardens? and if so can you give a comparison of the numbers employed?”

Some do, some do not. Other authorities have a service but have different titles, such as litter warden.

The Neighbourhood Warden Service has a patrolling and enforcement activity in Chorley which impacts on the street scene.

At the moment the split is 70/30 with an approximate 70% of their time dealing with anti-social behaviour issues with the remaining 30% spent on street scene issues. The 30% of the time spent on street scene issues does have an impact on measuring the performance on a number of local rather than national indicators.

An annual report of the Neighbourhood Warden Service is being compiled and will be submitted to the Overview and Scrutiny Committee.

(c) “Please can you explain why there are no policy targets for the Neighbourhood Warden Service?”

There was a need to trace the Council’s policy to individual workers.

The 70% of their time is dealing with anti-social behaviour issues and have targets under Crime and Disorder and relate to Community Safety with responsibility to Chorley’s Multi-Agency Problem Solving (MAPS) Team.

They have an impact on the removal of fly-tipping and other street scene issues.

Question 7) **“The removal of fly-tipping target is being exceeded significantly, is there a cost for this level of over performance?”**

The emphasis was on criminal waste and that fly-tipping was an offence.

Use had been made of the CCTV and registration number recognition and tracing those responsible. Improvements were being made to the method of reporting fly-tipping.

Most of the removal is due by the Neighbourhood Wardens, consequently the only cost is the marginal cost of the individual undertaking that work. No immediate cost saving would be made by performing at a lower level. In fact our aim should be to increase the target and deliver on that promise.

Currently there were quality issues relating to the Cleanaway contract with waste spillage from collections. There had been a reduction in missed collections as a result of the impact of quality issues.

- Question 8) **“The Council has developed and is implementing its Procurement Strategy. Reference is made in the paper to the Procurement Cycle for the purchase of waste/recycling collections. How has procurement been used for the significant spend areas in Environmental Services to ensure the Council gets VFM?”**

Most of this was dealt with above however the waste management contract is a modern, output based contract that includes elements of risk sharing in financial terms. The contract was subject to a full tendering exercise and extensive evaluation. In 2004 the contract arrangements were reviewed by Turner and Townsend, a Management Consultancy who considered that the costs of the contract were in the range expected for a contract of this nature..

- Question 9) **“What contribution is the Environmental Services Unit making to the Council’s efficiency/agenda for 2006/07 and will this impact significantly on the unit’s budget.”**

The demand from the public was making a significant impact on the waste collection contract with the replacement of the plastic sacks.

The Unit had been one of the first services to use the Council’s Contact Centre. The efficiency agenda is being delivered through this process and is expected to deliver some savings in 2006/07. It is not appropriate to look at the individual services in this context as it is the global transfer of services that is likely to identify the efficiency saving.

At a current level we are changing our approach to the inspection of SME’s for occupational Health and Safety Inspection to FIT3, which is a nationally recognised methodology. This is expected to deliver time savings which will be reinvested in the service.

CONCLUSIONS

18. The areas shown in the benchmarking analysis undertaken by the Lancashire Association of Chief Environmental Health Officers in the Hampshire Matrix shows that Chorley is developing a high quality set of public protection services, however there are areas, in which the authority scores very low, such as, derivation of costs which if introduced, would allow a better understanding of the services cost base.
19. There was a requirement for more enforcement of management of the waste recycling contract.

20. In terms of enforcement of the waste recycling contract, it did not appear to be having an impact on the service.
21. Members were happy with the 70/30 split of the Neighbourhood Wardens duties for their duties, however the 70% related to crime and disorder had clearly defined targets, whilst the 30% relating to street scene issues no real policy targets/measures existed.

RECOMMENDATIONS

22. The Environment Overview and Scrutiny Panel recommend that the Overview and Scrutiny Committee submit the following comments to the Executive Cabinet.
1. That the Executive Cabinet be requested to pursue the provision of more detailed comparative data from the Audit Commissions' 'family tree' authorities, particularly in relation to the output, cost and quality of services, in order to enable a more reasonable value for money assessment of the whole of the Council's environmental service.
 2. What steps will the Executive Cabinet take to achieve a better understanding of the perception gap in the measurement of residents satisfaction with standards of cleanliness within the Street Cleaning Contract.
 3. The Executive Cabinet is requested to examine the quality of design of litter bins and the capability of the contractors Cleanaway to emptying the litter bins whilst on collection rounds.
 4. The Executive Cabinet is requested to ensure that high profile cases on enforcement are publicised.
 5. The Executive Cabinet is requested to ensure the enforcement of the management of the Cleanaway contract and that they clean up whilst waste collecting.
 6. The Executive Cabinet is requested to introduce policy targets for the Neighbourhood Wardens relating to their street scene duties.
 7. The Executive Cabinet is requested to examine the need for improved co-ordination of services to bring efficiency. Particular attention should be paid to problem areas and neighbourhoods as well as a wider promotion of the hot line number.

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gordon Bankes	5123	8 February 2006	ADMINREP/91733AJS

Report of	Meeting	Date
Customer Overview & Scrutiny Panel	Overview & Scrutiny Committee	16 February 2006

CUSTOMER OVERVIEW AND SCRUTINY PANEL - BUDGET SCRUTINY

PURPOSE OF REPORT

- To present to Members the comments regarding the spending on Revenues and Benefits Services made at a meeting of the Customer Overview & Scrutiny Panel held on 7 February 2006.
- To present the answers to the questions given by the Director of Finance, on behalf of the Executive Leader and Executive Member for Capacity and Resources.
- To allow Members to scrutinise whether the Council's policy objectives are being met and if the bench mark findings are a true reflection of Members and Stakeholders experience.

CORPORATE PRIORITIES

- The service is, in the main, a statutory service. It does contribute to wider corporate priorities in dealing with vulnerable people through the benefits system.

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	✓
People		Other	

- Council services need to be provided in an effective and efficient way so as to meet public expectations without representing an unreasonable burden on the taxpayer.

BACKGROUND

- The Council has recently been subject to a use of resources value for money review by the Audit Commission. The review will be followed by a more formal comprehensive performance assessment that may be undertaken once the CPA process for District Council's is agreed.
- The assessment included a very basic benchmark of the costs of providing the Revenues and Benefits Service. Comparative information from other Council's who share similar demographics and population were used to compare absolute costs.



9. The 2004/05 cost base and 2003/04 performance data was used to analyse the costs of the service as a whole. There was no breakdown or analysis of the different elements of costs provided by the Audit Commission.

AUDIT COMMISSION BENCHMARKING

Summary of Analysis

10. The Audit Commission Benchmarking comprises the Council's absolute costs against those authorities comprising the following group:

<ul style="list-style-type: none"> • Broxtowe • Crewe • Erewash • Gedling • High Peak • Hinckley 	<ul style="list-style-type: none"> • Kettering • Newark • Newcastle • North East • South Derbyshire • South Ribble 	<ul style="list-style-type: none"> •Vale Royal •West Lancashire •Wyre Forest
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11. In total the spending in 2004/05 totalled £2.125 million, representing around 10% of the Council's total spending on services for that year. The following table shows that the Total Difference was £512,000.00 greater than the family average.

Comparison with Family Group

Table 1

	Housing Benefits Admin £	Council Tax Benefits Admin £	Local Tax Collection Cost £	Total £
Chorley Borough Council	6.26	5.19	8.08	20.83
Family Average	6.24	3.54	6.03	15.81
Cost Difference	0.02	2.35	2.65	5.02
Total Difference	2,000	240,000	270,000	512,000

12. Analysis shows that both the cost of Local Tax collection and administering Council Tax benefit are upper quartile, with Housing Benefit administration being mid range in terms of cost.
13. Through local benchmarking on Council Tax the costs of that service appear low and the outputs high. However, recharges seem to make the service appear costly. This may explain why total costs are so high in comparison with the family group.

Questions to Executive Member

14. A number of questions were put to the Director of Finance as indicated below along with a brief response.

Question 1)

It appears the Council is not able to demonstrate that it can compare and understand in detail its cost base as compared to other Council's. How will the Executive remedy this issue?

Understanding the cost base is complex, as this information set has not been collected in the past. The Audit Commission is now focussing on Council's being able to demonstrate value for money. This is not just being able to compare and contrast with other Local Authorities but that we can demonstrate we are delivering the service in the best way.

In some Local Authorities the service was by an external company not in house. This meant that the information relating to the cost of the service was commercially sensitive and not included in benchmarking figures. The local benchmarking information suggested that the cost of providing the service was low, but the system of recharges inflated the cost of the service.

Chorley complies with accountancy rules in the way that recharges are dealt with, but not all Councils deal with recharges in the same way. The different practices mean that the figures are not comparing like with like.

Question 2)

The local indicators for Council Tax collection indicate costs are low. Why is the same information not available for the Benefits costs?

A Lancashire Benchmarking club had been re-established for Benefits. In the past where a private firm provided the service Councils have been reluctant to provide benchmarking information due to the commercially sensitive nature of the information.

The benchmarking information group would compare Chorley's Performance Standard and enable the exchange of information and good practice. It was suggested that the benchmarking exercise be extended to incorporate the Councils within the family group identified by the Audit Commission.

Question 3)

Performance in 2003/04 was relatively poor for Benefits compared to the family group. Why was this and what has been done to remedy the situation? Has there been a cost to achieving the improvement?

At the time of these figures 5 experienced staff had moved from the Benefits section to work in the recently opened One Stop Shop facility. Difficulties were faced in recruiting experienced staff. To overcome this a training scheme was developed with a private company and 7 trainees had been recruited. Funding had been received to undertake this and the performance had now improved considerably.

Question 4)

The analysis shows that the bulk of the family group were performing poorly in terms of processing new claims. Chorley has improved, is it likely that other Councils have improved, and if so what is Chorley doing to ensure it continually improves?

The Government identified problem areas for Councils and gave funding for training in these areas. Other Councils have improved their performance in this area. The Government set a target in 2005/2006 to process claims in 36 days and Chorley is running at 27 days. The top quartile target was 26 days showing that Councils had improved their performance.

To continuously improve the performance the service was redesigned, including the provision of home visits in the event of a new claim. This enabled the assessor to collect all the information required in one go and proved more efficient as a large amount of time was spent chasing claimants for information. Internal procedures were revised and the section managers monitored and prioritised the work, which enhanced the service provided whilst reducing the cost. There would be further improvements to the Benefits service, as it would be going into the Contact Centre.

Question 5)

Satisfaction with service in 2003/04 was only average, is any more updated information available regarding levels of satisfaction?

The amount of information collected about satisfaction has increased. Telephone surveys are carried out every month with 1% of customers. The questions include the phone service, the One Stop Shop, the time taken to deal with their claim and overall satisfaction. The satisfaction rate overall for the Benefits service for the last 12 months was 100%.

The Panel noted that the public were receiving a high-quality service and that the level of service needed to be maintained when the service moved into the Contact Centre.

Question 6)

In the upper quartile for Council Tax collected the margins between authorities is only minor. What is being done to ensure Chorley maintains the standard it has set and also improves further?

The percentage margins between the quartiles are only minor but they amount to large sums of money. Payment by Direct Debit was promoted and Chorley had a high percentage of people who paid by Direct Debit. The performance of bailiffs was monitored, including a recent market testing exercise.

Plans were in place to target hard-core of non-payers. In carefully selected cases a charge could be placed on a property meaning that when the property was sold the amount owed came back to the Council. This was a new tool open to the Council.

There were future plans to check claims for single occupancy discount were correct by working with other Councils and a private company through other data sets.

Question 7)

Why has Chorley scored relatively low on % of Claims processed correctly?

Chorley is meeting the Government target of 98% accuracy. The most recent figure is 99.2%. The percentage difference between the quartiles is a small amount. The indicator did not differentiate between claims where an error was 1 pence or 10 pounds. 10% of cases are checked for accuracy and any training needs are identified if required.

The Regulations surrounding the service are updated on a regular basis and the training materials are kept up to date. In fact, the training materials produced are of such a high standard that other Local Authorities want to use them!

Question 8)

What contribution has the Revenues and Benefits service made to the Council's Efficiency Agenda for 2006/07.

The Audit Commission recently published a paper relating to good practice and partnership working. Further work would be carried out in relation to benchmarking to ensure that the service was cost effective as there is no evidence to prove that at the current time.

Payment by Direct Debit and Bacs is promoted. This reduced the need for recovery due to non-payment. The Council had an Access strategy, this meant giving customers access to services in a number of ways, including self-service via the website. This used e billing and is a cheaper way to deliver the service. Home visits were also part of this.

Work is being undertaken into home working and the technology required for this, a pilot scheme is currently underway.

Question 9)

Arising from the recent Audit Commission report “The efficiency challenge” four recommendations were set out: How is this Council implementing the following?

a) To consider the benefits of sharing services, with other councils, other public service providers, or through the private sector,

There are plans to check claims for single occupancy discount through working with other Councils and a private company. A private debt agency and bailiffs are used. The Council Tax leaflet would be produced in conjunction with Lancashire County Council this year, reducing the production costs and providing information in a customer friendly way. Other leaflets could be produced following the same principle. Work is ongoing with the Department for Work and Pensions and private companies with regard to training. Private companies supported the software used by the service and scanned and indexed the documents into the Document Management System. The Contact Centre could provide opportunities for shared working, including the out of hours telephone services, visiting services and back office systems.

b) Ensure that, when new initiatives are undertaken, there is a clear cost benefit analysis,

When new initiatives are undertaken to provide a better service to the public, the cost benefit analysis can be complex. Home visits will cost more, but the processing times will reduce and customer satisfaction will increase.

c) Set clear goals and objectives for benchmarking activity to ensure that good practices are shared, with improved outcomes for customers,

There is a lot of information being collected to enable benchmarking for Local Taxation and to enable the sharing of good practice. A Lancashire Benchmarking club had been re-established for Benefits. In the past where a private firm provided the service Councils have been reluctant to provide benchmarking information due to the commercially sensitive nature of the information. The benchmarking information group would compare Chorley's Performance Standard and enable the exchange of information and good practice.

d) Maximise opportunities to improve collection by direct debit.

Payment by Direct Debit was promoted and Chorley had a high percentage of people who paid by Direct Debit.

CONCLUSIONS

14. The analysis has shown that Chorley is providing a good service to the Revenues and Benefits customers. Developments such as home visits and the redesign of back office elements of the service are providing a more efficient and enhanced service. However, there is a lack of benchmarking information.
15. It should be highlighted that the training scheme and training materials that have been developed within the service are positive, for both the staff and the customers. Elements

of the service, such as forms being in plain English are important to the customer. The Panel noted the need to balance the cost/service provided to the customer.

RECOMMENDATIONS

16. The Customer Overview and Scrutiny Panel recommend that the Overview and Scrutiny Committee submit the following comments to the Executive Cabinet.
 1. The Executive Cabinet is requested to take action to pursue the provision of more detailed comparative data from the Audit Commission's 'family tree' authorities, particularly in relation to the output, cost and quality of services, in order to enable a more reasonable value for money assessment of the whole of the Revenues and Benefits service.
 2. What steps will the Executive Cabinet take to ensure that the high-quality service the public is receiving from the Benefits service is maintained when the service moves into the Contact Centre?
 3. The Executive Cabinet is requested to undertake a consistent and measured review of all services via the Procurement strategy for the delivery of value for money services.

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Ruth Hawes	5118	9 February 2006	Customer Budget Scrutiny

Report of	Meeting	Date
Community Overview and Scrutiny Panel	Overview and Scrutiny Committee	16/02/2006

COMMUNITY OVERVIEW AND SCRUTINY PANEL - BUDGET SCRUTINY

PURPOSE OF REPORT

1. To present to Members the comments made at a meeting of the Community Overview and Scrutiny Panel held on 8 February 2006 on the Panel's review of spending on Planning Services.
2. To present the answers to the questions asked of the Executive Member for Development and Planning.
3. To allow Members the opportunity to establish if the Council's policy objectives are being met and if the benchmark findings are a measure of the reality of Members' and Shareholders' experiences.

CORPORATE PRIORITIES

4. The delivery of the Planning Service impacts principally on the Authority's key priority to serve its customers well.

RISK ISSUES

5. The issues raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	✓
People		Other	

6. Council services need to be provided in an effective and efficient way so as to meet public expectations without representing an unreasonable burden on the taxpayer.

BACKGROUND

7. The Council has recently been subject to a value for money assessment undertaken by the Audit Commission as a precursor to a more formal comprehensive performance assessment which may be undertaken once the CPA process for District Councils is agreed.
8. As part of their assessment, the Audit Commission have undertaken a very basic benchmark of the costs of providing Planning Services by comparing absolute costs with the Council's family group that represent other Councils that exhibit the same attributes as ourselves in terms of demography, population etc.



9. The assessment comprised an analysis of the costs of the Planning Service as a whole, using the 2004/05 cost base and the 2003/04 performance data. However, no detailed breakdown or analysis of the different elements of costs have been provided by the Audit Commission.
10. The Audit Commission Benchmarking comprises the Council's absolute costs against those authorities which make up our family group as follows:

<ul style="list-style-type: none"> • Broxtowe • Crewe • Erewash • Gedling • High Peak • Hinckley 	<ul style="list-style-type: none"> • Kettering • Newark • Newcastle • North East • South Derbyshire • South Ribble 	<ul style="list-style-type: none"> • Vale Royal • West Lancashire • Wyre Forest
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11. In total, spending in 2004/05 on planning was £1.051m. This represents around 10% of the Council's total spending on services in that year. The breakdown of these costs is as follows:

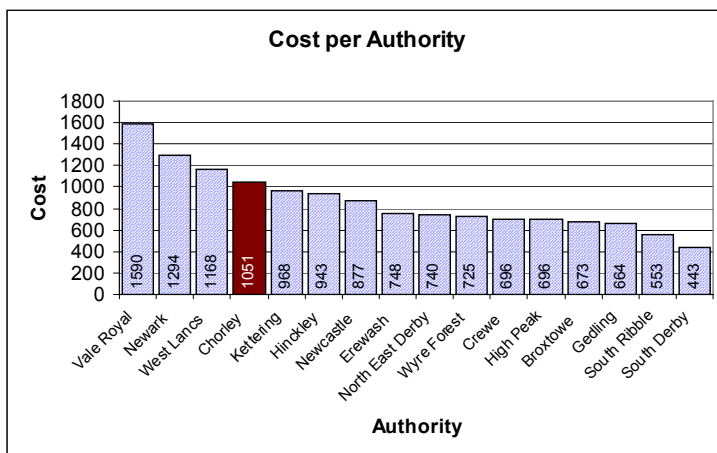
Table 1 Total spend on Planning

Costs of:	£
Building Control	109,690
Development Control	408,430
Planning Policy - Various	341,840
Planning Projects & Implementation	<u>181,300</u>
	1,051,260

Comparison with Family Group

12. The Audit Commission analysis compares the cost of spending per head of population but a comparison of the absolute costs produced the following results:

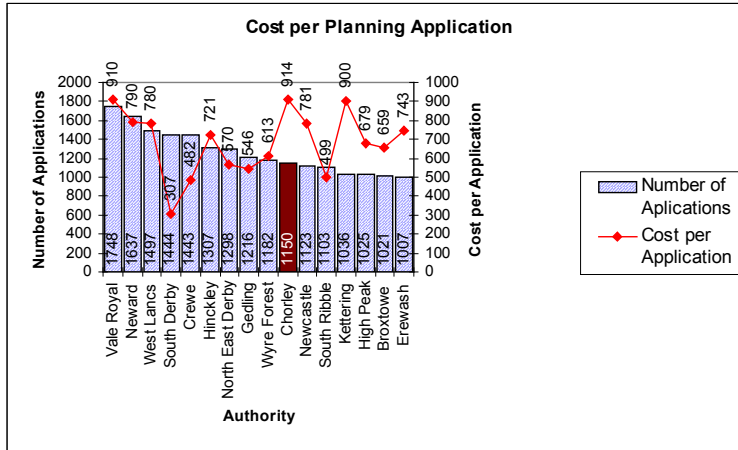
Chart 1 - Compares Costs of Services



13. The chart shows that, in cost terms, Chorley's spending in 2004/05 was £209,000 greater than the average in its group. The Audit Commission's measure based on a per head of

population is perhaps not the best comparator. The driver of the costs is ultimately the number of planning applications. Therefore, an alternative measure has been calculated to compare authorities according to the number of planning applications processed. The results of this analysis are shown in the following chart.

Chart 2 - Cost per Planning Application



- While the chart confirms that there is no simple correlation between the costs of the service and the throughput of applications, further analysis has shown that, during 2003/04, whilst costs were high, the number of planning applications was 9% lower than the family average. In fact, the unit cost of an application was the highest in the family group. The Panel appreciated, however, that the statistics may not reflect the scale and complexity of applications dealt with, which clearly impacted on the staff levels required and subsequent total costs.

CURRENT SITUATION

- The Panel noted that, since 2003/04, there has been significant investment in the Planning Service, both from the Council’s own resources and through the receipts of Planning Delivery Grant from the Government. As a result of the restructuring, the Council’s performance in 2004/05 in relation to the key Best Value Performance Indicators was as follows:

Best Value Performance Indicator	Target 2003/04	Chorley 2003/04	Target 2004/05	Chorley 2004/05	National Average	National Top Quartile	National Bottom Quartile	Top Quartile
% of major applications delivered in 13 weeks	60.0	48.0	60.0	74.0	57.64	68.9	46.88	Y
% of other applications delivered in 8 weeks	80.0	80.0	80.0	88.0	82.48	88.0	80.0	Y
% of minor applications delivered in 8 weeks	65.0	51.0	65.0	71.0	67.85	75.4	61.12	N

- The Panel appreciates that, through the investment in the Planning Service, performance now compares favourably both at a national and family group level for 2 of the 3 key indicators, but accepts that there is still room for improvement.

QUESTIONS TO EXECUTIVE MEMBER

17. The Executive Member for Development and Planning, accompanied by the Deputy Chief Executive/Group Director and the Head of Development and Regeneration, attended the Panel meeting to assist the review.
18. A number of questions were put by the Chairman and Members of the Panel to the Executive Member. The questions are listed below, together with a summary of the responses to the questions.

Question 1

“It appears the Council is not able to demonstrate that it can compare and understand in detail its cost base and to some extent its performance as compared to other Councils. This issue was raised recently at the Borough/Parish Liaison meeting. How will the Executive remedy this issue?”

The Audit Commission survey results represent only a snapshot of the situation at the time of the survey, a time incidentally when Chorley was experiencing significant staffing problems. The situation has improved considerably since the time of the surveys, thanks largely to the injection of funds from the Planning Delivery Grant, but there is still much work to be done.

The data provided is not sufficient to enable meaningful and reasonable comparisons to be made between the authorities in the family group. There is a need to ‘drill down’ into the data to extract more information. On a surface level, the Council’s cost of providing the service does appear high in comparison with other authorities in the family group. However, without knowledge of other authorities staffing structures, planning application processing policies and procedures, financial resources, delegation arrangements, planning enforcement performance etc., reasonable comparisons between authorities is difficult.

The Chairman reminded the Panel that the authorities had been judged on the speed of their decision making and the performance indicators took no account of the quality of the decisions taken.

There is, therefore, a strong argument to pursue a more probing benchmarking exercise, especially into issues surrounding the cost and quality elements of the planning service.

One of the major issues raised at the recent Borough/Parish Liaison meeting concerned the Authority’s performance on planning enforcement. In this respect, the Council has recently appointed an additional Enforcement Officer and the Planning Services Business Plan will include provision for the production of an Enforcement Charter, with the ultimate aim of the enforcement service becoming more proactive, rather than merely reactive to breaches of planning control. The requirement for effective performance indicators for enforcement work is also recognised and emphasised by the Chairman.

Question 2

“What does the Planning Service do to ensure that it achieves value for money for the taxpayer”

In response to a specific enquiry from a Member, the Executive Member indicated that it is difficult at this stage to define whether to service in delivering value for money in comparison with other Authorities, particularly those in its family group, in the absence of comparable benchmarking statistics. The limited data available is insufficient to enable reasoned judgements to be made as to whether the Council is providing a good value for

money service when compared to other similar authorities. Additional work needs to be undertaken to answer the questions posed by the results of the Audit Commission's survey. Many factors and elements contribute to the costs of Authorities' planning service, but until these factors are known and analysed, it will not be possible to compare 'like with like' and determine the proper value for money level of Chorley's service. In the interim, however, the Council is well aware of the need to maintain a cost effective service and reduce costs wherever possible.

The last budget exercise resulted in the formation of the current Development and Regeneration Unit by the amalgamation of the former Planning Services Unit and the Economic Regeneration Unit, which produced cost savings. The development of the electronic delivery of the service, through, for example the installation of planning portals on the Council's web site, has assisted customer/staff interaction and contributes to a more efficient service. In addition, the Unit is continually reviewing and altering its processes and procedures to ensure that it delivers value for money. A new Urban Designer post has been created and procedures introduced to ensure more efficient working practices within the Unit in relation to the processing of planning applications.

Questions 3

"How does the service contribute to the Council's Gershon and e-Government targets?"

The recent restructuring exercise has generated and produced cost savings within planning services.

The Unit Head has introduced a degree of flexibility into the working practise of the Unit, with a Monitoring Officer established to monitor planning application processes. The minor applications are generally processed by the more junior Planning Officers, leaving the more experienced professional staff to concentrate on the major applications.

The availability of the planning portal has increased the efficiency of the Unit and the extension of the delegation scheme to the senior officers has resulted in the region of 90% of planning applications being determined through delegated powers in accordance with Government targets.

Question 4

"The Council has received additional Planning Delivery Grant to improve the service. How can it be demonstrated that this has been used effectively?"

While not specifically being ring-fenced, the Planning Delivery Grant awarded to the Council has been utilised, in accordance with Government expectations, to enhance the delivery of the planning service. The Council received in the region of £480,000 in 2004/05 and £513,000 in the current financial year. This money has been expended on efficiency measures, new technology and the improvement of the staffing structure (eg creation of Urban Designer post and additional Enforcement staff) to enhance the overall delivery of the service.

The investment has resulted in the improvement of the service and the Unit achieving the majority of the statutory and Business Plan targets.

It is not envisaged that the Planning Delivery Grant resource will be available as a separate financial resource for much longer, as it is most likely to be incorporated in the Revenue Support Grant in future years.

Question 5

“The target for completing minor applications has been hit, but this is not yet upper quartile. Are there any plans to ensure upper quartile is achieved.”

The investment provided by the Planning Delivery Grant has assisted the Unit to achieve, and exceed, each of the Best Value Performance Indicators in respect of the determination of both major and minor applications. It is appreciated that the Council has not yet attained the upper quartile of authorities in relation to the processing of minor applications within eight weeks. The Unit does, however, aim to reach the upper quartile, but, if this ultimately entails more staff resources, the cost implications will need to be assessed.

The monitoring processes are to be streamlined and the possibility of effecting greater efficiencies, by, perhaps allowing minor, non-contentious applications to be processed by administrative staff, can be explored.

Question 6

“Can the Executive give the Panel some guidance as to what best practice guidelines exist for the service and whether these have been adopted by the service?”

The structure of the Unit has been revised to incorporate Development Control, Building Control, Planning Policy, Economic Development and Regeneration services.

Working practices have been revised to maximise efficiency within the Development Control Section, principally by ensuring that the time of experienced, professional staff is largely spent on processing major, complex applications.

There is, of course, still room for improvement and all feasible improvements and efficiencies will be explored. For example, the determination process might be enhanced by greater resources being targeted at the pre-application and customer advice stage, but clearly this would have financial implications.

Question 7

“What are the main cost pressures for Planning Services moving forward and how are these dealt with in the 2006/07 budget?”

The Planning Services Unit is responsible for the Development Control, Building Control, Planning Policy, Economic Development and Regeneration Sections.

The Council needs to determine the totality of the costs of the service, minus the support recharges and other associated costs, in addition to relevant benchmarking data, before it can effectively compare itself with other authorities. This information will also enforce bids for additional resources to expand and improve the service in future years.

A member of the Panel asked if the costs of processing planning applications could be met by applicants' fees. In response, the Executive Member reminded the Panel of the statutory nature of the fees regime. The scale of fees for planning applications were related to the nature and type of application which was in turn related to the work required to process the application. However, some applications were more complex and time-consuming than others, but business processes were being examined.

Councillor Morgan also drew attention to the fact that the vast majority of the Planning Services' costs related to employee costs and queried whether any measures could be

introduced to quantify Officers' time spent on individual tasks. The Executive Member, in reply, said that the re-organisation of the Unit had led to greater efficiencies and more flexible working amongst the staff. The working arrangements in the Development Control Section were still under review as part of the Unit's 'value for money' aim.

Question 8

“Are there any measures of satisfaction for the service and how is Chorley performing in this area?”

Customer Satisfaction surveys are undertaken periodically.

The effectiveness and efficiency of the service should not be judged purely on the number of applications processed within the target period, nor the cost of the service. The quality of decision making should also be a relevant factor in the overall assessment of the service. This can be measured by the aesthetic quality of developments; the number of decisions taken contrary to Officer recommendation; and the number of appeals lodged against the refusal of planning applications.

Question 9

“Sometime ago, the Executive Cabinet agreed to pursue the possibility of a joint working arrangement with Preston and South Ribble Councils to deliver building control services. What is the current position on this arrangement?”

This proposal is no longer presently being actively pursued. The discussions failed to identify any substantial benefits for Chorley Council and no Business Plan emerged from the negotiations.

The Borough Council, however, continues its joint working with Preston and South Ribble on the promotion of the Central Lancashire region within the Regional Spatial Strategy and the production of both the Local Development Framework and an Economic Regeneration Strategy for Chorley.

Chorley Council also collaborated with its neighbouring Authorities to secure the regeneration and redevelopment of the Buckshaw Village site and will be prepared to explore joint working arrangements whenever future opportunities arise.

CONCLUSION

19. The Panel accepts that the delivery and efficiency of the development control service has been improved considerably over recent years, particularly since the investment provided by the Planning Delivery Grant. The national and local targets for the determination of planning applications are being met, but it is accepted that other efficiencies and improvements can be pursued.
20. The Planning Service is not restricted to development control, the Unit being also responsible for Building Control, Planning Policy, Economic Development and Regeneration. In order to evaluate whether the whole service is providing value for money, the Council needs to determine the total cost base for each element, together with comparative costs from similar authorities. The provision of additional key performance indicators, particularly in relation to qualitative issues and enforcement performance, is also essential.

RECOMMENDATIONS

21. The Community Overview and Scrutiny Panel recommend the Overview and Scrutiny Committee to submit the following comments to the Executive Cabinet:
- (1) That the Executive Cabinet be recommended to pursue the provision of more detailed comparative data from the Audit Commission's 'family tree' authorities, particularly in relation to the output, cost and quality of services, in order to enable a more reasonable value for money assessment of the whole of the Council's planning service.
 - (2) That action be taken to introduce effective performance indicators for planning enforcement work.

There are no background papers to this report.

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A Uren	5122	14 February 2006	ADMINREP/91782AAS