

Corporate and Customer Overview and Scrutiny Panel - Efficiency Gains Sub-Group

Friday, 24 August 2007

Present: Councillor Mrs Stella Walsh (Chair) and Councillors Mike Devaney, David Dickinson, Thomas McGowan and Geoffrey Russell

Also in attendance: Paul Morris (Deputy Chief Executive), James Douglas (Business Improvement Manager) and Ruth Hawes (Assistant Democratic Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Henry Counce, Michael Davies, Keith Iddon, Kevin Joyce and Mick Muncaster.

2. DECLARATIONS OF ANY INTERESTS

There were no declarations of interest by Members relating to the items on the agenda.

3. PUBLIC QUESTIONS

No member of the public requested to speak at the meeting.

4. OVERVIEW AND SCRUTINY INQUIRY - A BACKGROUND TO THE NATIONAL EFFICIENCY AGENDA

The Sub-Group received the report of the Director of Finance outlining the background picture of the national efficiency agenda and the progress made to date at Chorley on achieving the targets set by the Government. The report highlighted the challenges ahead with the forthcoming comprehensive spending review 2007.

So far

Chorley have already exceeded the 2004 Spending review target, however, there is a need to look forward to what will come out of the 2007 spending review. The current expectation is that this will be a requirement to achieve fully cashable savings of 3% per annum for the 3 year period 2008-11 and it was stressed that this presented a considerable challenge to the council.

The efficiency gains claimed have to be evidenced. Calculating efficiencies is not an exact science however the council has a robust process in place to ensure that whilst efficiency gains submitted are maximised any gains made can be justified under scrutiny. Achievement of our efficiency targets is clearly an important factor in external assessments of the council such as CPA and VFM and our continued good performance will be essential to a favourable CPA recategorisation.

Identification and monitoring of efficiency gains is now carried out through a corporate process which involves all directorates and senior management. The key focus is achieving Value For Money (VFM). Although major savings to the council can be shown in service transfers such as the Housing Stock Transfer these could not be claimed as efficiency savings as the service would be run by another public body. The outsourcing of Property Services can be claimed as an efficiency gain as here we

are reducing the cost of the service through an externalised contract. The Group noted that other services were provided externally, such as payroll (via Blackpool Council), management of the Leisure Centre (via CLS) and the Golf Course (Glendale).

Chorley had been well ahead of the game with using technology to make efficiency savings and work smarter, this had reduced the number of support services staff required.

The process of integrating services into the Contact Centre results in efficiency savings that can be claimed and quantified. In light of the Varney Report which sets out a requirement for a 25% reduction in the cost of contact centres in council's by 2011, this is an issue which we need to begin tackling now.

Procurement was another area where substantial savings had been made both through corporately facilitated contracts and major service procurements such as the Contact Centre. The key reason for this success was the establishment of a corporate procurement team charged with implementation of the National Procurement Strategy and the council's Procurement Strategy which will be presented to a future meeting of the Group. Additionally substantial efficiency gains have been made through implementation of the new Financial system which made the procure to pay system electronic enabling the reduction of staff numbers engaged in the manual processing of orders and invoices.

Members queried what the budget was for procurement. Officers undertook to present an overall procurement spend picture to the next meeting of the group.

There is an ongoing project looking at sharing financial services, including procurement, funded by the Centre of Excellence. This is an important initiative with anticipated operational and financial benefits for the council. Implementation of the programme is expected to commence shortly and it should also provide an important learning curve for us with potential future service sharing projects.

"Transforming Lancashire" was an initiative developed by District and County Partners in response to the 2006 Local Government White Paper to achieve the service delivery and efficiency improvements.

In the Future

- The Sub-Group noted other areas of future development, including: Implementing our strategic approach to VFM, including carrying out a major VFM service review during 2007/8 as part of a 3-year programme.
- Implementing our recently approved Partnerships Framework to strengthen governance arrangements and ensure effective delivery of objectives through partnerships.
- Providing training and awareness to all levels of the organisation on the efficiency agenda as part of a drive to embed a VFM culture at the Council.
- Ensure the revamped Business Improvement Planning process is effectively integrated to the Council's overall financial and performance management cycle.
- Real focus on migration of customers to cheaper access channels following the new website 'go live' in April 2007

It was AGREED that the report be noted and included in the documentary evidence gathered as part of the Scrutiny Inquiry.

The Sub-Group requested the following documentation be presented to a future meeting:

- The report relating to Partnerships Framework due to be presented to the Executive Cabinet in October,
- Details of the draft property Contract Management system.
- Transforming Lancashire document.

The Group added the new Customer Access Officer to the list of witnesses they would like to see.

5. INQUIRY DOCUMENTATION

The Sub-Group considered the Inquiry documentation and updated the scoping document and witness checklist.

6. DATES OF FUTURE MEETINGS

The proposed future dates of the Sub-Group were agreed as

- Wed 26 Sept at 6.30
- Mon 22 Oct at 2.00
- Wed 28 Nov at 6.30
- Wed 12 Dec at 6.30
- Wed 30 Jan at 6.30
- Wed 27 Feb at 6.30

Chair