

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

Agenda and Reports

For consideration on

**Wednesday, 28th November
2007**

In Committee Room 2, Town Hall, Chorley

At 6.30 pm



PROCEDURE FOR PUBLIC QUESTIONS/SPEAKING AT OVERVIEW AND SCRUTINY MEETINGS

- Questions must be submitted to the Democratic Services Section by no later than midday, two working days before the day of the meeting to allow time to prepare appropriate responses and investigate issues if necessary.
- A maximum period of 3 minutes will be allowed for a question from a member of the public on an item on the agenda. A maximum period of 30 minutes to be allocated for public questions if necessary at each meeting of the Panel. This will provide an opportunity for members of the public to raise and ask questions on any issue falling within the remit of the Panel.

Chief Executive's Office

Please ask for: Ruth Hawes
Direct Dial: (01257) 515118
E-mail address: ruth.hawes@chorley.gov.uk
Date: 20 November 2007

Chief Executive: Donna Hall

Chorley
Council

Town Hall
Market Street
Chorley
Lancashire
PR7 1DP

Dear Councillor

CORPORATE AND CUSTOMER OVERVIEW AND SCRUTINY PANEL - EFFICIENCY GAINS SUB-GROUP - WEDNESDAY, 28TH NOVEMBER 2007

You are invited to attend a meeting of the Corporate and Customer Overview and Scrutiny Panel - Efficiency Gains Sub-Group to be held in Committee Room 2, Town Hall, Chorley on Wednesday, 28th November 2007 commencing at 6.30 pm.

AGENDA

1. **Apologies for absence**
2. **Declarations of Any Interests**

Members are reminded of their responsibility to declare any personal interest in respect of matters contained in this agenda. If the interest arises **only** as result of your membership of another public body or one to which you have been appointed by the Council then you only need to declare it if you intend to speak.

If the personal interest is a prejudicial interest, you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.

3. **Minutes (Pages 1 - 2)**

To confirm as a correct record the minutes of the meeting of the Corporate and Customer Overview and Scrutiny Panel - Efficiency Gains Sub-Group held on 6 November 2007 (enclosed).

4. **Public Questions**

Members of the public who have requested the opportunity to ask a question(s) on an item(s) on the agenda will be asked to put their question(s) to the Panel. Each member of the public will be allowed to ask one supplementary question within his/her allocated 3 minutes.

Continued....

5. **Question setting for the feedback session with the Assistant Chief Executive (Business Transformation) (Pages 3 - 4)**

Members will determine and allocate the questions for the Assistant Chief Executive (Business Transformation). The draft questions are enclosed.

6. **Feedback from Assistant Chief Executive (Business Transformation)**

Members will receive feedback from the Assistant Chief Executive (Business Transformation).

7. **Considering Evidence**

- Verbal update from officers on the Audit Commission site visit to the Council on 23 November,
- Verbal update on information received from the Audit Commission nearest neighbours and the two District Councils who had achieved 4 in the Use of Resources assessment,
- Performance indicator information for each Directorate to enable any areas where performance has been affected by efficiency gains (to be tabled),
- Briefing note on the new performance-reporting framework to be implemented in the next few months (to be tabled).

8. **Feedback from identified witnesses**

The Sub-Group will consider questions to be asked of the Directors at the feedback session to be held in December.

9. **Inquiry Documentation and Action Plan (Pages 5 - 14)**

The Sub-Group are asked to consider the enclosed draft scoping document, project plan, information checklist, witness checklist and action plan.

10. **Dates of Future Meetings**

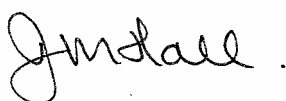
- Wed 12 Dec at 6.30
- Wed 30 Jan at 6.30
- Wed 27 Feb at 6.30

11. **The way forward**

The Sub-Group will determine the next steps in the Inquiry.

12. **Any other item(s) that the Chair decides is/are urgent**

Yours sincerely



Chief Executive

Distribution

1. Agenda and reports to all Members of the Corporate and Customer Overview and Scrutiny Panel (Councillor Mrs Stella Walsh (Chair) and Councillors Henry Counce, Michael Davies, Mike Devaney, David Dickinson, Keith Iddon, Kevin Joyce, Thomas McGowan, Mick Muncaster and Geoffrey Russell) for attendance.
2. Agenda and reports to James Douglas (Business Improvement Manager) and Ruth Hawes (Assistant Democratic Services Officer) for attendance.
3. Agenda and reports to Gary Hall (Assistant Chief Executive (Business Transformation)) for attendance.

This information can be made available to you in larger print or on audio tape, or translated into your own language. Please telephone 01257 515118 to access this service.

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 آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون کیجئے: 01257 515823

This page is intentionally left blank

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

Tuesday, 6 November 2007

Present: Councillor Mrs Stella Walsh (Chair) and Councillors Henry Counce, Mike Devaney, David Dickinson, Kevin Joyce and Geoffrey Russell

Also in attendance: James Douglas (Business Improvement Manager), Sarah Dobson (Performance Advisor - Corporate and Customer) and Ruth Hawes (Assistant Democratic Services Officer)

16. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Michael Davies, Keith Iddon, Thomas McGowan and Mick Muncaster.

17. DECLARATIONS OF ANY INTERESTS

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

18. PUBLIC QUESTIONS

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

19. MINUTES

RESOLVED – That the minutes of the meeting of the Corporate and Customer Overview and Scrutiny Panel - Efficiency Gains Sub-Group held on 26 September 2007 be confirmed as a correct record and signed by the Chair.

20. ACTION PLAN FOR THE INQUIRY

The Sub-Group considered the action plan drafted by officers detailing how each of the Inquiry objectives would be considered.

The action plan was agreed.

21. CONSIDERATION OF EVIDENCE

Members considered the Value for Money Self Assessment report presented to Executive Cabinet in October 2007. It was noted that the transfer of services into the Contact Centre was not yet complete with Neighbourhoods Directorate due to transfer in the first quarter of 2008.

The Audit Commission would be holding a site visit to the Council on 23 November. Officers would update the Sub-Group at the next meeting.

Officers explained that work had been undertaken to compare the statistics for 2005/06 with the Audit Commission nearest neighbours and the two District Councils who had achieved 4 in the Use of Resources assessment. It was AGREED that the information was thought provoking and officers undertook to contact these authorities for further information.

The comparative information for 2006/2007 would be available in the next few weeks and providing this is the case a report will be presented to the Sub-Group at future meeting.

Members requested that a report be presented to the next meeting outlining the performance indicator information for each Directorate to enable any areas where performance has been affected by efficiency gains.

The Sub-Group noted the procedure for the preparation of Efficiency Statements and considered the report relating to the outsourcing of Property Services presented to the Executive Cabinet.

Officers explained that there would be a new performance reporting framework implemented in the next few months and undertook to produce a briefing note for a future meeting.

22. FEEDBACK FROM IDENTIFIED WITNESSES

The Sub-Group considered questions to be asked during the feedback session with the Assistant Chief Executive (Business Transformation) at the next meeting.

It was AGREED that the questions be emailed to the Members of the Sub-Group for any further comments by 16 November.

Members discussed having a feedback session with all Directors, before Christmas if possible, and AGREED that an item be placed on the next agenda to consider questions.

23. INQUIRY DOCUMENTATION

The Sub-Group considered the Inquiry documentation and AGREED the additions to the Information and Witness checklists.

24. DATES OF FUTURE MEETINGS

- Wed 12 Dec at 6.30
- Wed 30 Jan at 6.30
- Wed 27 Feb at 6.30

Chair

Draft Questions for Assistant Chief Executive (Business Transformation)

- What is your view on the council's approach to achieving the efficiency targets set for the council as part of the 04 Spending Review?
- The figures indicate we have been particularly successful under the Transactional efficiency gains category. Can you broadly tell us how these gains have been achieved?
- Do you feel our approach to the Efficiency Agenda has been strategic and if so how has this been achieved?
- Has improving efficiency had an impact on front-line services?
- Have financial gains made in efficiency been re-invested in front line services and if so can you explain how this has been determined and implemented?
- What arrangements are in place to manage and monitor the efficiency agenda?
- What arrangements are in place to ensure that the efficiency gains reported are robust and adhere to the efficiency guidance?
- Are there any areas of the council where anticipated gains have not been made and if so why not?
- What plans are in place to tackle the demands for efficiency/value for money in the spending review 07 period?
- How confident are you that the council will achieve the demands for efficiency/value for money delivery in the spending review 07 review period?
- Are other scoring areas as important as value for money?
- Has the outsourcing of Property Services been a success in terms of efficiency gains for the council?

This page is intentionally left blank



OVERVIEW AND SCRUTINY INQUIRY PROJECT OUTLINE

<p>Review Topic: Efficiency gains at Chorley Council during 2004 and 2007 and plans for the future.</p>	<p>Investigation by: Corporate and Customer Overview and Scrutiny Panel.</p> <hr/> <p>Type: Inquiry.</p>
<p>Objectives:</p> <ol style="list-style-type: none"> 1. To assess the performance of the Council in achieving the efficiency targets set by the Government. 2. To identify the Council's future plans to tackle the efficiency agenda. 3. To ensure that efficiency gains do not adversely impact on our customers. 	<p>Desired Outcomes:</p> <ol style="list-style-type: none"> 1. To identify any lessons learned so far and to assess how these can be applied to the future efficiency agenda. 2. To ensure that Chorley Council is on target to achieve it's efficiency savings. 3. To ensure suitable monitoring arrangements are in place to enable action if required. 4. To identify potential areas for efficiency not already being considered.
<p>Terms of Reference:</p> <ol style="list-style-type: none"> 1. To examine the Annual Efficiency Statement sent to the Government. 2. To consider the Councils' approach to planning and achievements of efficiency gains ensuring: <ul style="list-style-type: none"> • That opportunities are maximised to help the Council achieve its corporate priorities, • That Government targets set are achieved. 3. To examine the procedure and methodology for measuring and driving the efficiency agenda. 4. To report the findings to the Overview and Scrutiny Committee. 	
<p>Key Issues:</p> <ol style="list-style-type: none"> 1. Is the Council achieving the current efficiency targets? 2. How does the Council identify / report efficiency gains? 3. To compare performance with other CIPFA Family Authorities and private companies providing Local Authority services. 4. To identify potential areas for efficiency not already being considered. 	<p>Risks:</p> <p>(For the Inquiry)</p> <ol style="list-style-type: none"> 1. Having expectations beyond the capacity to deliver. <p>(For the Efficiency agenda)</p> <ol style="list-style-type: none"> 2. That Government targets will not be hit. 3. That the maximum opportunities for efficiencies will not be taken.
<p>Venue(s):</p> <p>Town Hall, Market Street, Chorley</p>	<p>Timescale:</p> <p>Start: July 2007</p> <p>Finish: February 2008</p>

Information Requirements and Sources:

Documents/evidence: *(what/why?)*

1. Annual Efficiency Statements (AES).
2. Annual Use of Resources Assessments.
3. Value for Money (VFM) Strategy.
4. Customer Access Strategy.
5. Relevant reports to Chorley’s Executive Cabinet.

Witnesses: *(who, why?)*

1. Director of Finance.
2. Customer Access Officer.
3. Directors / managers as identified through the Inquiry.
4. Other Local Authority officers as identified through the Inquiry.

Consultation/Research: *(what, why, who?)*

1. Audit Commission family group.
2. Chartered Institute of Public Finance and Accountancy (CIPFA).
3. Association for Public Service Excellence (APSE).

Site Visits: *(where, why, when?)*

As identified through the Inquiry, potentially Blackburn with Darwen, Pendle, Thameside, Trafford.

Officer Support:

Lead Officer:

James Douglas (Business Improvement Manager).

Policy and Performance Officer:

Sarah Dobson (Performance Advisor – Corporate and Customer).

Democratic Services Officer :

Ruth Hawes (Assistant Democratic Services Officer).

Likely Budget Requirements:

<u>Purpose</u>	<u>£200.00</u>
Total	<u>£200.00</u>

Target Body¹ for Findings/Recommendations

Overview and Scrutiny Committee, Executive Cabinet.



<i>SCRUTINY INQUIRY INFORMATION CHECKLIST</i>
--

Name of Inquiry: Efficiency Gains

Scrutiny Body: Corporate and Customer Overview and Scrutiny Panel

Ref.	Information Required	Date received by the Sub-Group
1	Annual efficiency statement - backward look 2004/2005	24 August 2007
2	Annual efficiency statement - forward look 2005/2006	24 August 2007
3	Annual efficiency statement - backward look 2005/2006	24 August 2007
4	Annual efficiency statement - forward look 2006/2007	24 August 2007
5	Annual efficiency statement - backward look 2006/2007	24 August 2007
6	Annual efficiency statement - forward look 2007/2008	24 August 2007
7	Value For Money Framework 2006 – 2009 (Finance Directorate)	24 August 2007
8	Use of Resources: Value for Money Self Assessment October 2006	24 August 2007
9	Achieving Value for Money Report to Executive Cabinet 24 May 2007	24 August 2007

10	Customer Focused Access and Service Design Strategy, August 2005	24 August 2007
11	Overview and Scrutiny Inquiry – A Background to the National Efficiency Agenda	24 August 2007
12	Transforming Local Government in Lancashire	26 September 2007
13	Corporate Procurement Strategy 2004 – 2009	26 September 2007
14	Staff Guide To Procurement	26 September 2007
15	Property Services Draft Contract Management Pack	26 September 2007
16	Value For Money Self Assessment report to Executive Cabinet October 2007	6 November 2007
17	Property Services – Outsourcing report to Executive Cabinet November 2006	6 November 2007
18	Efficiency Statements Preparation Process	6 November 2007
19	Briefing note on comparisons for 2005/2006 with Audit Commission Nearest Neighbours	6 November 2007
20	Performance indicator information for each Directorate to enable any areas where performance has been affected by efficiency gains	28 November 2008
21	Briefing note on the new performance-reporting framework to be implemented in the next few months	28 November 2008



<i>SCRUTINY INQUIRY WITNESS CHECKLIST</i>
--

Name of Inquiry: Efficiency Gains

Scrutiny Body: Corporate and Customer Overview and Scrutiny Panel

Ref.	Witness	Date	Venue
1	Assistant Chief Executive (Business Transformation)	28 November 2007	Committee Room 2, Town Hall
2	Directors / managers as identified through the Inquiry.	December 2007	Town Hall
3	Customer Access Officer	December 2007	Town Hall
4	Other Local Authority officers as identified through the Inquiry.		

This page is intentionally left blank



SCRUTINY	Efficiency Gains																
	2007						2008										
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	
TASK																	
1. TOPIC SELECTED	■																
2. SCOPE INQUIRY					■												
3. COLLECT EVIDENCE						■	■										
4. CONSIDER EVIDENCE							■		■								
5. REPORT										■	■	■					
6. FEEDBACK & ACTION																■	
7. MONITOR																	

This page is intentionally left blank



Efficiency Gains Sub- Group – Inquiry Action plan

Term of Reference

1. To examine the annual efficiency statements sent to the government

Objectives

To assess the performance of the council in achieving the efficiency targets set by the government

Action required by the panel

- a) Consider the 2005/6 and 2006/7 Back and Forward looking statements and the 2007/8 forward looking statement – focus on financial gains
- b) Compare the financial gains achieved against the target set for the council
- c) Compare the financial gains achieved against those attained by our nearest neighbour family group

Term of Reference

2. To consider the council's approach to planning and achievement of efficiency gains ensuring;

- That opportunities are maximised to help the council achieve its strategic objectives
- That government targets set are achieved

Objectives

To ensure that efficiency gains do not adversely affect our customers

To assess the performance of the council in achieving the efficiency targets set by the government

To identify the council's future plans to tackle the efficiency agenda

Action required by the panel

- a) Assess the efficiency statement gains against the various categories against which gains have been declared – Procurement, Transactions, Corporate Services, Productive Time, Cultural and Leisure.
- b) Compare the anticipated gains reported in the Forward Looking 2006/7 statement with the actual gains reported in the 2006/7 backward looking statement. Identify changes and ascertain why they have occurred.
- c) Determine how the efficiency agenda has been planned for and tackled and how it is linked to our strategic objectives
- d) Draw out key areas where further explanation or clarification is necessary
- e) Identify any areas or services where there is an apparent lack of efficiency gains
- f) Identify any apparent good practice in our nearest neighbour's statements and investigate further through contact/interviews
- g) Identify any areas where there is a potential impact on customers and assess the councils performance indicators during the 04 Spending review period

- h) Identify the targets set by the government for the spending review period 2008-2011
- i) Assess the council's strategic readiness to meet these future targets.
- j) Determine where efficiency gains made through savings have been reinvested.

Term of Reference

3. To examine the procedure and methodology for measuring and driving the efficiency agenda.

Objectives

To ensure that a robust and effective process is in place to identify, gather, calculate and report efficiency gains

Action required by the panel

- a) Examine the current procedures and processes in place to deal with the efficiency agenda
- b) Assess their robustness and effectiveness

Term of Reference

4. To report the findings to the Overview and Scrutiny Committee

Objectives

To undertake the inquiry to programme schedule and to prepare a report which clearly sets out findings, conclusions and recommendations of the Inquiry Panel.

Action required by the panel

- a) Gather evidence set out above through assessment of documentation and interviews with key council officers
- b) Determine which officers need to be interviewed and prepare a list of questions to be put to them.
- c) Compile a comprehensive report, which addresses the terms of reference set for the Inquiry and meets the deadline for completion.