



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

Agenda and Reports

For consideration on

Wednesday, 30th January 2008

In Committee Room 2, Town Hall, Chorley

At 6.30 pm



www.chorley.gov.uk

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.

22 January 2008

Dear Councillor

**CORPORATE AND CUSTOMER OVERVIEW AND SCRUTINY PANEL -
EFFICIENCY GAINS SUB-GROUP - WEDNESDAY, 30TH JANUARY 2008**

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, 30th January 2008 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. **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.

4. **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 28 November 2007 (enclosed).

5. **Question setting for the remaining feedback sessions with identified witnesses**

Members will determine and allocate the questions for the remaining officers to give feedback to the Inquiry.

6. **Considering Evidence**

- Comparative information from other Local Authorities on reported efficiency gains (No 19 in the box file),
- Performance indicator information for each Directorate to enable any areas where performance has been affected by efficiency gains (No 20 in the box file),
- Background information collated for the Audit Commission (No 22 in the box file),

7. **Inquiry Documentation (Pages 3 - 12)**

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

8. **Dates of Future Meetings**

The dates for receiving feedback from the remaining officers are:

- Monday 4 February commencing at 2pm and
- Tuesday 5 Feb commencing at 2.30pm.

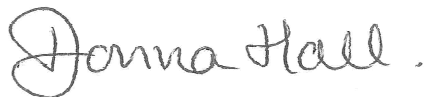
The Sub-Group will meet on 27 February to consider the Inquiry final report.

9. **The way forward**

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

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

Yours sincerely



Donna Hall
Chief Executive

Ruth Hawes
Assistant Democratic Services Officer
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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 Caunce, Michael Davies, Mike Devaney, David Dickinson, Keith Iddon, Kevin Joyce, Thomas McGowan, June Molyneaux, 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.

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

Wednesday, 28 November 2007

Present: Councillor Mrs Stella Walsh (Chair) and Councillors Mike Devaney, Kevin Joyce, June Molyneaux and Geoffrey Russell

Also in attendance: Gary Hall (Assistant Chief Executive (Business Transformation)) James Douglas (Business Improvement Manager) and Ruth Hawes (Assistant Democratic Services Officer)

25. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Henry Caunce, Michael Davies, David Dickinson, Keith Iddon, Thomas McGowan and Michael Muncaster.

26. DECLARATIONS OF ANY INTERESTS

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

27. MINUTES

RESOLVED – That the minutes of the meeting of the Corporate and Customer Overview and Scrutiny Panel - Efficiency Gains Sub-Group held on 6 November 2007 be confirmed as a correct record and signed by the Chair.

28. PUBLIC QUESTIONS

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

29. QUESTION SETTING FOR THE FEEDBACK SESSION WITH THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

Members considered the draft questions enclosed with the agenda, made several amendments and allocated questions to each Member for the feedback session with the Assistant Chief Executive (Business Transformation) at the next item.

30. FEEDBACK FROM ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

The Chair welcomed Gary Hall to the meeting and thanked him attending the meeting. The feed back session comprised questions and answers collated into a schedule enabling comparison with those responses given by other Directors.

31. CONSIDERING EVIDENCE

The Audit Commission site visit to the Council on 23 November had been a success, with positive feedback having been received. A report had been prepared outlining the background information requested by the Audit Commission, this would be forwarded to Members for their information.

Officers explained that information had been requested from the Audit Commission nearest neighbours and the two District Councils who had achieved 4 in the Use of Resources assessment. The response so far had been disappointing and the website that displayed Annual Efficiency Statements had not released the information it had been due to. It was AGREED that officers present the report in January, in the hope that further information will have been received.

Officers reported that performance indicator information for each Directorate was considered to enable any areas where performance has reduced. 74% of performance indicators have improved over last 3 yrs and the Council is above the average 65% for Local Authorities.

There was a change in the reporting mechanism for performance as the current Best Value Performance Indicators would no longer be used. There were 200 indicators currently out for consultation, with one specifically relating to efficiency. Background information on this would be forwarded to Members.

There was an opportunity for Members to retain performance indicators locally, for example sickness absence. This would be considered further at the January meeting.

32. FEEDBACK FROM IDENTIFIED WITNESSES

The Sub-Group agreed to invite additional officers to give feedback on efficiencies including the Corporate Procurement and Partnerships Manager, Customer Access Officer, External Auditor and Assistant Chief Executive (Business Transformation) (to give feedback on the Neighbourhoods Directorate).

It was AGREED that the Democratic Services Officer email the questions for Directors to Sub-Group Members requesting any comments by Friday 16 November. The questions would then be forwarded to those Directors due to give feedback on 13 and 17 December.

Members requested some background on procurement for the meeting in January.

33. INQUIRY DOCUMENTATION AND ACTION PLAN

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

34. DATES OF FUTURE MEETINGS

- 13 December 2007
- 17 December 2007
- 30 January 2008

Chair



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>
<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. Assistant Chief Executive (Business Transformation).
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.



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

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<i>SCRUTINY INQUIRY INFORMATION CHECKLIST</i>
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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 and 2006/2007 with Audit Commission Nearest Neighbours	28 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	Audit Commission – Briefing for Councils “Efficiency of back office functions in local government national study	28 November 2008
22	Research questions – Audit Commission study	28 November 2008
23	Information from Sevenoaks, an authority that scored a 4 in Value for Money theme in the Use of Resources assessment	28 November 2008



<i>SCRUTINY INQUIRY WITNESS CHECKLIST</i>
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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	Corporate Director of Governance Corporate Director (People)	13 December 2007	Committee Room 2, Town Hall
3	Corporate Director of Human Resources Corporate Director of ICT Assistant Chief Executive (Policy & Performance)	17 December 2007	Committee Room 2, Town Hall
4	Corporate Director (Business) Corporate Procurement Officer	4 February 2008	Committee Room 1, Town Hall
5	Assistant Chief Executive (Business Transformation) Customer Access Officer	5 February 2008	Committee Room 2, Town Hall

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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 council's 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.