

# Value for Money Review

## Corporate Support Services





# Executive Summary

The Value for Money review of the corporate support services is the third undertaken as part of the VFM Review programme approved by the Executive Cabinet in May 2007. The review was undertaken by a team of officers from across the Council, and supported by the directors and management teams of the corporate support services. This report provides a summary of the findings and cross cutting themes while the individual reports in the appendices provide the detailed findings and recommendations.

## Main findings

The review identified a great deal of good practice in the corporate support services. All of the support services are generally offering value for money. There is potential to improve efficiency and performance through further exploring alternative methods of service delivery. We already have a shared financial services with South Ribble and are in the process of establishing a shared emergency planning and business continuity function. There are also a number of examples where we providing services to others and generate an income. These include communications work with NWIEP, policy and performances work with NWeGG and HR & OD's work with St Catherine's hospice. Finally we also have examples of successful outsourcing arrangements including health and safety, payroll, property services and housing services. Each demonstrating and supporting value for money and a better use of resources.

## Areas for improvement

The main report includes common transformation theme recommendations applicable to all or the majority of the corporate support services while the individual reports in the appendices provide more specific recommendations. Below is a broad summary of issues that should be addressed in order to improve the effectiveness of the corporate support services.

- A greater focus is needed on developing internal customer insight and feedback to ensure that customer satisfaction remains a priority for the directorates and wherever possible this should be held centrally. This should include measuring customer satisfaction, continuing to develop customer insight and consideration of service level agreements.
- While performance management across the council is strong there are still areas for improvement, particularly with regards to setting and measuring local performance. Policy and performance have the responsibility for the majority of the LAA, national indicators and sustainable community strategy and corporate strategy measures applicable to the corporate support service. A number of the services areas don't yet have local measures from which to measure performance so it is important we address this in order to drive forward service improvements. This will involve developing local indicators, strengthening the business planning process, and making better use of the project management toolkit.
- In technology terms, a clear distinction can be drawn between the findings of these reviews and those covering front facing services. The vision of delivering services 'in the field' with the accompanying issues around mobility are clearly not a key requirement for services where the customer is generally on-site. However, in many ways, support services pre-empted the transformation agenda implementing

technology to deliver efficiencies and service quality improvements. Examples of this are theLoop, Modern.Gov, on-line time recording and on-line recruitment. For this reason, the focus of the technology themes in respect of support services is generally a refresh or development of existing facilities.

- The findings of the workforce review for corporate support services were positive. The corporate support services employees are satisfied, engaged and have lower sickness absence than the Council average which is performing well. Despite this there are still areas that we can improve on such as health and safety and Continuing Professional Development (CPD).
- While the reviews highlight a number of examples of good procurement practice there is a lack of clarity of responsibility, coordination and aggregation in some areas including water coolers, printers (copiers and desk tops), and coffee machines. Also there is potential to review, bring in line and consolidate the current contracts for the provision and maintenance of alarms in council buildings. All areas have also been asked to further consider methods of service delivery.

### **Score Summary**

As part of the VFM review, each directorate and some services were scored across five different areas; rationale, economy, efficiency, effectiveness and impact. The table below gives a summary of the scores allocated to each service.

	<b>Rationale</b>	<b>Efficiency</b>	<b>Economy</b>	<b>Effectiveness</b>	<b>Impact</b>	<b>Total</b>
<b>Office of the CE</b>	2	3	2.5	2.5	2	<b>12</b>
<b>HR &amp; OD</b>	3	3	2.5	3	3	<b>14.5</b>
<b>ICT</b>	3	3	2.5	2.5	3	<b>14</b>
<b>Civic Services</b>	2	2.5	2	2.5	2.5	<b>11.5</b>
<b>Legal</b>	3	3	3	2.5	3	<b>14.5</b>
<b>Democratic Services</b>	3	3	3	2.5	3	<b>14.5</b>
<b>Policy &amp; Performance</b>	3.5	3	2.5	3	3.5	<b>15.5</b>

The total scores awarded indicate that the services all generally offer value for money, but that there is potential to improve efficiency and performance through exploring alternative methods of service delivery.

This, in the review team's view, paints a fairly positive picture across most of the service areas but clearly there are areas considered to be in need of focus in terms of improving value for money. These need to be addressed through the review recommendations and the transformation programme.

Civic services received the lowest score for a number of reasons. The review identified:

- A lack of clarity about the responsibilities for management of the council buildings;
- High costs relating to mayoralty, including support from the mayors secretary, mayoral allowances and supporting fundraising activities;
- Inefficiencies in regards to the Lancastrian;
- Opportunities to consolidate contracts relating to the building alarms and coffee machines;
- Opportunities to review service delivery options for cleaning and building management; and
- A lack of clear objective made it difficult to review effectiveness.

The Office of the Chief Executive was the second lowest. The review identified:

- High costs relating to the provision and maintenance of photocopiers and opportunities to consolidate contracts to secure better value for money;
- Opportunities to improve the procurement of stationery;
- Opportunity to review service delivery for transcribing interviews; and
- The need to review the work currently undertaken by the service and develop clear objectives.

### **Potential budgeted establishment savings**

The value for money reviews have highlighted a number of high cost areas where there are opportunities to rationalise and refocus staff resources to make savings and improve value for money. Recommendations relating to staff savings will be made in a separate report to Executive Cabinet. These initial savings are expected to be in the region of £210,000.

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# 1. Background

This section sets out:

- the background to and rationale for undertaking the VFM review
- an explanation of the term VFM
- the report format

- 1.1 While noting the Council's Strategic Framework for the delivery of value for money, the Use of Resources Assessment has signposted the need for the Council to undertake a programme of Value for Money reviews.
- 1.2 Value for Money is a term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account the mix of quality, cost, resource use, fitness for purpose, timelines, and convenience to judge whether or not they constitute good value.
- 1.3 VFM is high when there is an optimum balance between efficiency, economy and effectiveness, known as the three 'e's – relatively low whole-life costs, high productivity and successful outcomes to meet the customer requirements.
- 1.4 A detailed programme of directorate reviews was developed and approved by Executive Cabinet in May 2007. Corporate support services is the third review in the programme scheduled for completion in December 2009.
- 1.5 The review constituted a major piece of work, which embraced both a study of whether value for money was being achieved and improved within the corporate support services.

## 2. The VFM Review Process

This section sets out:

- The review objectives
- The services covered and the scope of the review
- The steering group and review team composition

### Objectives of the Review

- 2.1 To examine service delivery within the corporate support services to ascertain whether value for money is being obtained.
- 2.2 To produce a report setting out the findings against the prescribed evaluation criteria and with recommendations for any improvement or corrective action, which needs to be taken.
- 2.3 To incorporate the recommendations into a longer-term action plan, which will be driven by the transformation board.

### Scope of the Review

- 2.4
  - Service areas to be reviewed.
    - Office of the Chief Executive
    - HR & OD
    - ICT
    - Civic Services
    - Legal Services
    - Democratic Services
    - Policy & Performance

To ensure the review of policy and performance and communications was fully objective it was undertaken by Jim Douglas from Team Lancashire.

An 'economy' review of the financial shared services was due to be incorporated into the corporate support services report however there have been delays in receiving the accountancy CIPFA benchmarking data therefore a report will be presented to the shared services board separately.

A review of Revenues and Benefits was also due to be incorporated in this report however it will now be reported next year as part of the fourth tranche of VFM reviews.



- **Timeframe**

The review focused on the services and processes as they are currently delivered. The reviewed focused on the 2008/9 financial year. The final report was due to be completed by December 2009 for submission to Executive Cabinet.
- **Financial**

The financial analysis in the review provides a revenue and capital budget overview of the corporate support services.

The Rough Cut Activity Based Costing exercise enabled the review team to assemble the cost per unit of output from a service.

Additionally, a detailed procurement review was undertaken on expenditure across the directorate during the 2008/9 financial year.

High level benchmarking was carried out for Civics, HR, and Legal & Democratic Services. Unfortunately, despite efforts to benchmark with neighbouring authorities, we received limited information for ICT, Policy & Performance and the Chief Executives Office.
- **Data/Systems**

The main reference data for the review was derived from:

  - Civica Financials
  - Rough Cut costing model
- **Requirements**

The basic requirement of the review was to produce a VFM review report, which addresses the evaluation questions, contains conclusions on whether value for money is being achieved and sets out any recommendations for the future in the form of a Transformation Plan.

## 2.5 **Steering Group and Review Team**

The Steering Group was led by Jamie Carson, Corporate Director (People) and included the following staff and elected members:

Cllr Greg Morgan	Executive Member for Policy and Performance
Cllr Kevin Joyce	Executive Member for Resources
Donna Hall	Chief Executive
Gary Hall	Assistant Chief Executive (Business Transformation)
Lesley-Ann Fenton	Assistant Chief Executive (Policy & Performance)
Tim Murphy	Corporate Director (ICT)
Lorraine Charlesworth	Corporate Director (HR & OD)
Andy Docherty	Corporate Director (Corporate Governance)

Chris Sinnott	Policy, Performance and Business Improvement Manager
Rebecca Ostapski	Performance Advisor (Programmes & Projects)
David Wilkinson	Performance Advisor
Barbara Charnock	Project Accountant

The team undertaking the fieldwork was:

Chris Sinnott	Policy and Performance
Rebecca Ostapski	Policy and Performance
Jim Douglas	Team Lancashire
David Wilkinson	Policy and Performance
Adele Reynolds	Policy and Performance
Barbara Charnock	Finance – Business Improvement
Elaine Evans	Finance - Procurement
Dave Bond	Finance – Accountancy
Russell Ashton	Finance – Accountancy

## 3. Review Context

This section sets out:

- The financial context
- The VFM Methodology
- An overview of the transformation themes
- The Council's financial situation

### The Financial Context

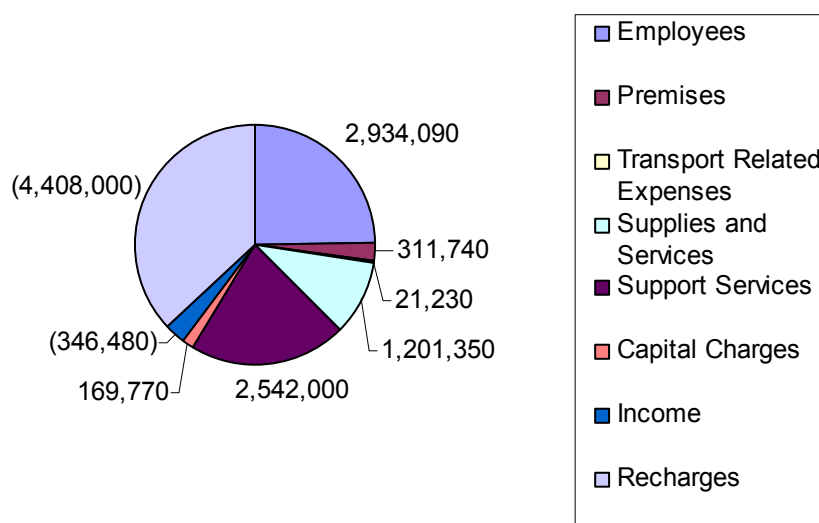
3.1 Corporate support services is made up of:

- The Chief Executive's Office
- Human Resources and Organisational Development
- Policy & Performance
- Information and Communications Technology
- Civic Services
- Legal Services
- Democratic Services

Organisational structures detailing each area can be found within each of the VFM reports.

3.2 Each VFM report includes some financial context however the combined total of the corporate support services revenue budget is £2.4 million for 2009/10 and £400,000 capital budget for 2009/10.

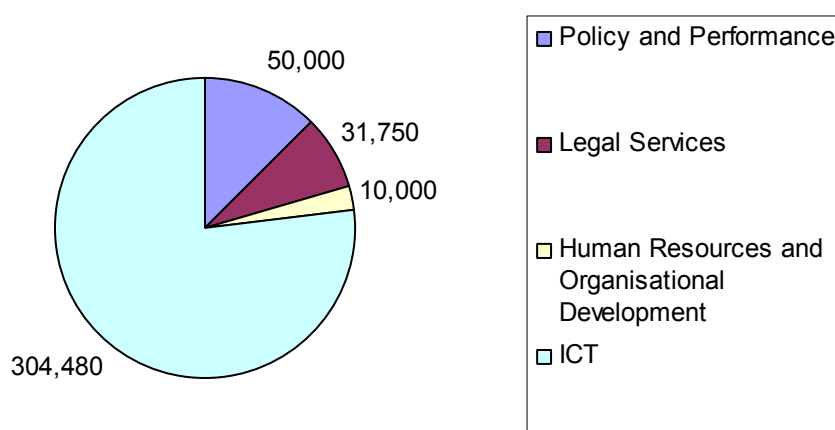
### Breakdown of Revenue Budget 2009/2010



Key messages taken from the budget profile:

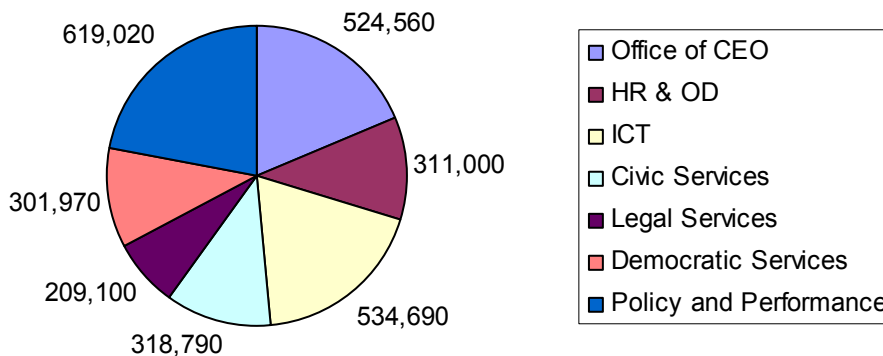
- Capital expenditure is low in comparison to the front line services and delivery of capital projects has experienced delays due to front line service projects taking priority. This is particularly noticeable in ICT where some key of their projects such as server virtualisation and thin client could deliver significant efficiencies but delays have occurred due to other work such as the implementation of CRM taking priority.
- Support Services budgets of £2,542,000 represent transfers of cost initially charged elsewhere e.g. Accountancy Services. Many of these charges will be in respect of other services within the review e.g. ICT charges to HR and OD, Legal Services to Democratic Services.
- Total costs of Corporate Services are largely offset by recharge income of £4,408,000. Although the aim is to recharge support services out fully it is not always possible and services such as Democratic Services and Policy and Performance are not charged out to other services at all. Consideration of recharges will be planned into the programme plan for the transformation board.
- Employee costs for the corporate support services account for 58% of the total cash budget. Support services by their nature are traditionally labour intensive services.
- Accumulative income of £346,000 is a good achievement for support services which don't generally generate income, and the services continue to look for opportunities for income generation. Income achieved to date includes HR support to St Catherine's Hospice, Communications support to NWIEP, and Project Management support to NWeGG. This issue has particular significance in the current economic downturn, which is continuing to impact the Council.
- Supplies and services account for the third largest area of cost, of this 42% relates to democratic services which includes £292,000 for member allowances. The next area as would be expected is ICT which spend £356,390 (30% of the total costs for supplies and services).

### Corporate Service capital budget 2009/10



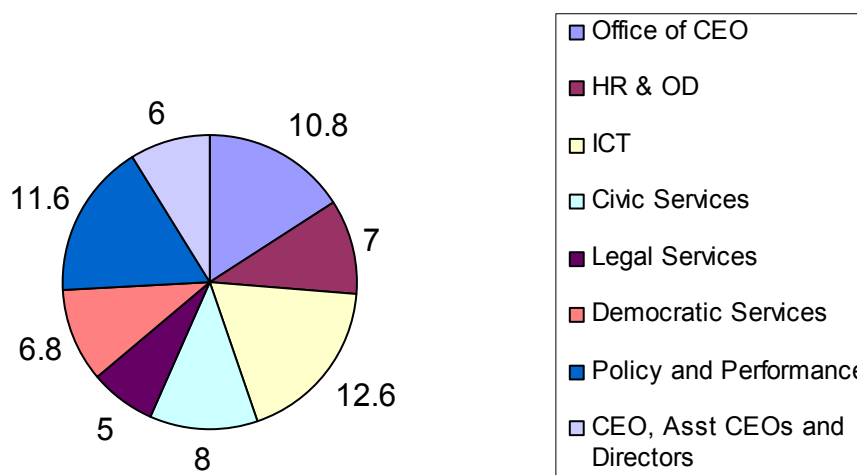
**Employee Budget**

All employee costs per directorate are as follows:



It should be noted that some corporate costs such as the training budget have been taken out in order to provide a fairer comparison of employee costs per service area. This means that the chart differs slightly from the actual budget.

In terms of budgeted staffing numbers, the directorate is broken down in FTE's as follows:



### VFM Methodology

3.4 The Council's in-house methodology was used to conduct the review of the corporate support services and embraced five evaluation criteria:

<b>Rationale</b>	Why do we provide the service? Fit with corporate strategy Effectiveness of Business improvement Plan
<b>Efficiency</b>	Service outputs and timescales Cash costs of outputs Appropriateness of management structure Complaints and customer satisfaction Budget management arrangements Efficiency gains in last 3 years Innovative practice Contractor Performance management
<b>Economy</b>	Procurement practice Evidence of waste or inefficient practice Senior management understanding of staff input/costs
<b>Effectiveness</b>	Achievement and assessment of service objectives Performance outputs and gaps Comparison with others Customer satisfaction Alternative methods of service provision Effectiveness link with policy setting
<b>Impact</b>	Effect of service on strategic objectives and wider community Unexpected side effects

Evidence to assess value for money against each of the evaluation criteria was assembled through reviewing the sustainable community strategy, the corporate strategy, business improvement plans and through interviews with senior managers. In addition financial information has been analysed as part of a procurement review, where available use has been made of external benchmarking information and rough cut costing exercises with each of the directorate/service areas have been undertaken by ValueAdding.

### 3.5 Procurement Review

Policy and Performance with help from the corporate procurement team and the accountants undertook a desktop procurement review for each of the corporate support service areas. Overall revenue spend of over £2.4 million in 2008/9 was considered, alongside the current year capital programme of £400,000. This gave the review team the opportunity to look at spend on goods and services and assess how well value for money was being achieved and whether procurement good practice and contract procedure rules were being followed.

The spend analysis and any associated recommendations are detailed in the final VFM reports for each of the corporate support services. Also as part of the transformation theme review common issues have been identified and incorporated into section four of this report.

### 3.6 Rough Cut Activity Based Costing Exercise

Rough-cut ABC is a variant of ABC costing developed specifically for Local Government. It was first developed in response to the Gershon agenda requirement for demonstrating efficiency gains within local authority services and the discipline was used on the National Process Improvement Project.

The process involves establishing the salary and associated costs across the directorate and then allocating those costs against the range of activities and processes undertaken by the staff. After holding staff workshops to establish a comprehensive list of processes and activities, all staff were then asked to allocate their worked time using an on-line template of activities and processes.

Once data collection was completed, the results were fed into a cost model enabling us to analyse the outputs.

The findings are detailed in the final VFM reports for each of the corporate support services.

### 3.7 Benchmarking

Benchmarking can be a useful tool to compare our performance and costs with other comparable councils. The main issue to consider with benchmarking is making sure that comparisons are made on a like for like basis, which can become complex. Across the corporate support services, high level benchmarking was carried out for Civics, HR, and Legal & Democratic Services. Unfortunately, despite efforts to benchmark with neighbouring authorities, we received limited information for ICT, Policy & Performance and the Chief Executive's Office.

For HR and Legal Services we used information provided by the CIPFA benchmarking reports where our costs and performance were compared with other similar district councils. Civics participated in a benchmarking exercise with other Lancashire districts looking at the level of allowances paid to the Mayor/Deputy Mayor and associated staffing.

The outputs from these exercises have been incorporated into the VFM reports for each of the corporate support services.

### 3.8 Transformation Theme Reviews

In addition to the main value for money assessments a cross cutting review of the transformation themes has been carried out. The finding and recommendations are detailed in section four of this report. As with previous reviews the transformation themes are:

**Technology** - The terms of reference of this review were to examine the current use of technology in the corporate support services and, in conjunction with managers, highlight technology themes that had potential to improve efficiency, effectiveness or service delivery.

**Workforce Development** - The purpose of this review was to consider the readiness of the corporate support service staff and management to take up the challenges of the future.

**Performance Management** - This piece of work involved examining the range of performance indicators the corporate support services are responsible for and assessing how performance is monitored and managed.

**Customer Focus** - A high level desk based exercise was undertaken to review the corporate support services customer focus. This including reviewing customer focus, consultation and equality actions detailed in the business improvement plans as well as speaking to directors about customer issues.

**Procurement** – As detailed above a desk based exercise reviewed the common themes and issues that were identified as part of the procurement reviews/spend analysis of the corporate support services.



## 4. Findings, Conclusions, Recommendations, Scoring and Delivery

This section sets out:

- The VFM scoring methodology
- Cross cutting transformation theme summaries and recommendations
- The scores allocated against each service on the five evaluation criteria
- How the review recommendations will be delivered through the transformation board.

- 4.1. This section contains the key findings, conclusions, recommendations and scoring for each of the corporate support services. There are also a number of more crosscutting issues arising from the review, which were considered applicable to most or all of the corporate support services rather than service specific. These are shown separately in section 4.3.

It is important to note that the timescales and ownership of the recommendations set out in the report are provisional. Clear ownership and timescales will be established as part of developing the detailed transformation plan. This will be presented to the next transformation board in February 2010.

### Scoring

- 4.2. The full scoring template is shown appendix eight, however each directorate/services will receive a score out of four for each of the evaluation criteria with one being the lowest and four being the highest.

The overall scores and the judgements for each service are categorised as follows:

SCORE	JUDGEMENT
5	The service is not performing well or offering value for money. There is the potential to dramatically improve the service by considering alternative methods of service delivery. Options should be explored as a matter of urgency
6 -10	The service is offering limited value for money. There is the potential to improve the service by considering alternative methods of service delivery. Options should be explored.

11 - 15	The service is generally offering value for money. There is the potential to improve efficiency and performance through exploring alternative methods of service delivery; examples of best practice should be explored and alternative methods of service delivery considered where appropriate.
16 - 20	The service is performing well and offering clear value for money, there is currently no identified need to explore alternative methods of service delivery and potential for increased efficiency or performance is low.

### **Transformation Theme Review**

4.3. There were a number of issues arising from the review, which were common across all or most of the corporate support services and it is important that these are identified.

The issues and corresponding recommendations are set out under the appropriate transformation theme in the following tables. The same methodology has been used with the work on the business, neighbourhoods and corporate support services reviews, to maintain a consistent approach. There may be some replication of the issues and recommendations at service level however this corporate level view provides a useful strategic overview.

## Customer Focus

Customer demand is growing and becoming more diverse. Providing the right services, at the right time and 'getting things right first time' is a major challenge. The ability to personalise and transform services cost-effectively depends on gaining deeper customer insight and using that insight to improve the customer experience not only in relation to services provided to citizens but also those provided within the Council.

The front facing directorates are the main customers for the corporate support services. However corporate support services also play a key role in producing and collecting information about our customers and disseminating feedback from our citizens. This includes the co-ordination of consultation activity, the collection of demographic information about residents and deprivation which is available in the Knowing Our Customers section of the loop.

Policy and Performance also has a corporate role in leading on equality and diversity and ensuring that equality and diversity considerations are embedded at the Council. This includes supporting all services units in undertaking EIAs of the key actions policies and projects as required, undertaking an equalities analysis of all directorate business plans and acting as a conduit for equality groups represented in the council's new overarching Equality Forum.

The business transformation directorates are leading on the shared services agenda which hopes to address some of the key challenges facing the sector including the promise of potential efficiency gains, better use of scarce skills and capacity as well as integrated customer-centric services.

Generally information on customer satisfaction information gathering and monitoring arrangements were lacking. However a survey by democratic services showed high member satisfaction with InTheKnow and past staff satisfaction surveys organised by HR & OD have produced excellent results with Chorley being voted the second best council to work for in the Times survey last year.

A greater focus is needed on developing internal customer insight and feedback to ensure that customer satisfaction remains a priority for the directorates and wherever possible this should be held centrally. It is however important to strike a balance between the investment of time and resources in developing customer insight against the benefits it will bring to the organisation.

Recommendations	Action Required	By Whom	By When
Introduce formal arrangements for the collection and assessment of internal customer satisfaction and insight	Managers to work with the customer information officer and policy and performance to introduce these arrangements	CSS heads of service	April 2010

Explore the most effective way of capturing customer insight to continue improving services in a meaningful way, through a simple approach that will not require significant investment or complex process.		The customer information officer and Policy and Performance	April 2010
Improve satisfaction with ICT.	Helpdesk calls logged through the Councils intranet may improve customer satisfaction and could be automated to send a service satisfaction email (hyperlink) to be completed by the customer once the call has been resolved.	ICT Manager	June 2010
Improve satisfaction with the recruitment process.	Automated satisfaction survey to be sent in all cases by email (captured during the job application process) to gain insight about the candidates experience and any suggested scope for improvement.	HR	March 2010
Consider developing high level service level agreements	Corporate support services should consider developing simple services level agreements which will manage (internal) customer expectations and provide a method for measuring performance.	Support service managers	August 2010

## Procurement

The review of the corporate support services identified evidence of good procurement practice for example in the use of frameworks for stationery/paper and ICT buying solutions. Also there is evidence of joint procurement with South Ribble Borough Council by Legal and ICT with support of Procurement, however there are some areas identified where we can improve.

There is a lack of clarity of responsibility, coordination and aggregation in some areas including water coolers, printers (copiers and desk tops), and coffee machines.

There is potential to review, bring in line and consolidate the current contracts for the provision and maintenance of alarms in council buildings.

In addition more care needs to be taken with invoice checking. It is important not to just assume that because we have a framework or contract that we will be charged the correct rate and it is therefore important to spot check and challenge that this is always being done properly. This has proven to be a problem where there have been staff movements and familiarity with contracted rates is lost. It is therefore important to ensure that appropriate training is given to anyone placing orders or authorising invoices for the first time.

A more strategic approach to procurement is required including analysis, challenge and the potential for sustainable procurement.

Recommendations	Action Required	By Whom	By When
Carry out an analysis of planned spend across the corporate support services in 20010/11 to challenge why, what and how.	<p>Senior directorate managers to lead the review supported by the procurement team. Director to set budget reduction target.</p> <p>Challenge, consider and implement where appropriate, sustainable procurement principles, in accordance with the Sustainable Procurement Policy.</p> <p>Consolidate invoices where possible in order to reduce the processing costs, for example stationery orders</p> <p>Investigate the potential for maximising revenue income</p>	CSS heads of service with the procurement team	March 2010

Explore opportunities for alternative service delivery focusing on areas identified in the individual directorate/service reviews such as building cleaning, building management, ICT	Conduct options appraisals to identify the best method for delivering services where appropriate.	CSS heads of service and the director of transformation	August 2010
Corporate Procurement and Partnerships Manager to facilitate further sessions on effective procurement practice and the role of her team for departmental managers as required.	CPPM to arrange an appropriate session in consultation with senior managers as required	CSS heads of service and the corporate procurement and partnerships manager	June 2010
Consolidate contracts	Review and consolidate contracts where appropriate, e.g. coffee machines and photocopiers.  Clarify the responsibility for such contracts.	Corporate procurement and partnership manager with relevant service managers.	August 2010

## Technology

In technology terms, a clear distinction can be drawn between the findings of these reviews and those covering front facing services. The vision of delivering services 'in the field' with the accompanying issues around mobility are clearly not a key requirement for services where the customer is generally on-site. However, in many ways, support services pre-empted the transformation agenda implementing technology to deliver efficiencies and service quality improvements. Examples of this are theLoop, Modern.Gov, on-line time recording and on-line recruitment. For this reason, the focus of the technology themes in respect of support services is generally a refresh or extension of existing facilities.

It is likely that common information management issues will exist across the group (although HR & OD have implemented electronic document management) and, indeed, those issues will be similar to those found in earlier reviews. Consequently, it is expected that the approved Information Management project will address these issues by ensuring the information management policies, procedures and practices implemented elsewhere within the organisation, are adopted as a corporate approach.

The Council is currently undertaking a programme to remove all non-essential desktop printers. The ultimate goal is to provide high capacity printer/scanner/copiers in each building to improve printing facilities and reduce print costs. The availability of appropriate printing facilities is fundamental to the success of this work. A formal review of existing contracts is timely as they expire early next year.

The extension of access to the corporate GIS is the subject of a business case awaiting approval. This would provide editing facilities across the Council enabling GIS to realise its potential as a corporate strategy formulation and decision support tool.

The ICT Team abandoned its Helpdesk system some three years ago as it did not offer value for money. It was expected that an in-house solution would provide many more efficient facilities such as on-line issue reporting and customer feedback. However, other projects have taken priority and no progress has been made.

In summary, the common themes are;

- Implementation of corporate Information Management policies and practices.
- Make better use of existing facilities such as win-time (ensuring all staff where possible use the system) and office automation software (Microsoft Office). Uptake of the corporate document management system, Anite, is also poor and will be investigated as part of the Information Management project.
- Refresh existing systems/facilities/contracts to ensure they continue to offer value for money e.g. room bookings, e-recruitment.
- Limited application development/procurement e.g. Helpdesk, stock control system

Recommendations	Action Required	By Whom	By When
Information Management - Focus on the improvements needed in the way information is gathered, stored and accessed within the directorate.	Team to be assembled. Action Plan to be prepared focusing on priority areas and associated costs	Corporate Director ICT	February 2010
Identify priority areas where existing applications could be more effectively used or where investment will create cashable efficiency gains	Consider areas identified in the review and prepare a paper showing the cost/benefit analysis	Corporate Director ICT	March 2010
Identify priority areas where investment in technology will create cashable efficiency savings.		Corporate Director ICT	March 2010
The provision of a computerised stock control system would ensure that the effective control of stationery stocks does not place undue strain on office support resources.	Research stock control systems and develop a business case to justify the benefits v the costs.	Office Manager	October 2010
Evaluation the business case for the benefits of extending home working to any of the corporate support service areas.	Working with HR to consider the effects this would have on the local economy as well as benefits to staff and the organisation.  Carry out a home working pilot and review the success.	Corporate Director of ICT and HR&OD	June 2010
Review the role of technology in enabling customer insight information across the organisation particularly through the use of GIS		Information manager and the Customer information officer	April 2010



## Performance Management

While performance management across the council is strong there are still areas for improvement, particularly with regards to setting and measuring local performance. Policy and performance have the responsibility for the majority of the LAA, national indicators and sustainable community strategy and corporate strategy measures applicable to the corporate support service. A number of the services areas don't even had local measures from which to measure performance so it is important we address this in order to drive forward service improvements. This will involve developing local indicators, strengthening the business planning process, and making better use of the project management toolkit.

The process of business improvement planning is intended to involve all levels of staff in the future planning of the service. Experience has demonstrated that business planning away days help to engage staff in the process so they can better understand how their work contributes to the overall priorities and strategic objectives of the council. It will be important to ensure this continues as the structure of the council changes.

Recommendations	Action Required	By Whom	By When
Review/develop a set of local indicators to measure performance.	The local indicators should be selected based on their use in managing the services. Indicators should look at outcomes (longer term and customer satisfaction) as well as outputs.  In every case, the possibility for disaggregation of the indicator along equality target group lines should be examined.	Directorate management teams	March 2010
Ensure staff remain engaged with the business planning process and understand how their work contributes to the overall objectives of the Council.	Review the business planning process including the need for lower level plans.  Support services in business planning away days	Policy and Performance	January 2010
Ensure all business improvement plans are completed and signed off on time.	Policy and performance to continue to support directorates	Directors	April 2010
Review the performance agreements and ensure they are aligned with the BIPs.		Policy and Performance	June 2010

That a review of current service standards/service level agreements be undertaken and that these be built into performance agreements	Team to be assembled including service delivery representatives, Policy and Performance and Customer Services staff.	Policy and Performance	June 2010
Ensure written procedures are completed for all LAA, national and key indicators		Policy and Performance	January 2010
Add local indicators into the performance management system		Policy and Performance	March 2010
Ensure all key projects make use of the corporate project management toolkit		Directors	April 2010

## Workforce Development

The findings of the workforce review for corporate support services were positive. The corporate support services employees are satisfied, engaged and have lower sickness absence than the Council average which is performing well.

The 2009 staff survey is currently underway. While satisfaction of staff in the corporate support services is generally high the results will be analysed and action plans will be developed to address any issues or areas of dissatisfaction.

The corporate support services by their nature are cross cutting and have a wealth of knowledge about the organisation. The review identified opportunities around better sharing this knowledge. Similarly the reviewed identified the opportunity to build capacity and knowledge in staff to better support and ensure the smooth running of infrequent but large areas of work such as elections and Chorley Smile events.

Health and safety has to date has been focused on the front line services as would be expected however there is now a need to ensure the corporate support services have appropriate training and arrangements in place. This will include a health and safety audit which will be carried out in 2010.

CPD has also been identified as an issue. Reductions in the training budget in recent years means that HR are unable to fund CPD training which is required in some areas such as Legal Services.

Management development is being address through the corporate OD programme. Feedback to date has been extremely positive however a full review is due to be conducted in January to ensure it is effective and addressing manager's needs.

Recommendations	Action Required	By Whom	By When
Incorporate finding from the reviews of the corporate support services into the corporate workforce development plan. This should include an action plan for the corporate support services.	CD-HR to work with corporate support service directors to prepare a plan which clearly sets out the action required and timescales for implementation. The review should also consider information from PDP's and 360° feedback process.	CD-HR	Jan 2010

Ensure a successful change management plan is put in place so that staff at all levels are consulted on the changes. Service changes need to be implemented through managed staff resistance, effective communication and involvement of staff in the implementation process.	Develop a Change Management Plan to support the Director's restructure requirements.	HR & OD Consultants	April 2010
Improve and encourage flexibility and information sharing among staff to enhance development opportunities, deliver improved services, build capacity and reduce costs.	Corporate support service managers to work with HR to assess opportunities and develop an appropriate delivery plan.	CD HR	March 2010
Review directorate communication methods, such as directorate wide meetings and team briefs to ensure best methods are used.	Corporate support service managers to work with HR	HR & OD Consultants	April 2010
Develop an action plan to address any issues highlighted in the staff satisfaction survey	Corporate support service managers to work with HR	Rik Sterken	Jan 2010
Conduct a review of the OD programme and develop the programme for 2010.		Rik Sterken	February 2010

### Directorate Score Summary

	Rationale	Efficiency	Economy	Effectiveness	Impact	Total
<b>Office of the CE</b>	2	3	2.5	2.5	2	<b>12</b>
<b>HR &amp; OD</b>	3	3	2.5	3	3	<b>14.5</b>
<b>ICT</b>	3	3	2.5	2.5	3	<b>14</b>
<b>Civic Services</b>	2	2.5	2	2.5	2.5	<b>11.5</b>
<b>Legal</b>	3	3	3	2.5	3	<b>14.5</b>
<b>Democratic Services</b>	3	3	3	2.5	3	<b>14.5</b>
<b>Policy &amp; Performance</b>	3.5	3	2.5	3	3.5	<b>15.5</b>

The key findings, conclusions and recommendations for each service are detailed in the VFM reports in appendix 1-7.

### The Transformation Board

A series of recommendations have been made within the individual reports for each of the corporate support services as well as in this report. These need to be implemented to ensure that the Council continues to effectively implement its transformation programme and improves services while achieving further efficiencies.

Implementation of these recommendations will involve considerable input from the corporate support services and they form an important part of the way forward in support of the drive towards business transformation.

This work will be driven and monitored by the transformation board following the same approach taken to implement the recommendations of the neighbourhoods and business VFM reviews. The board currently comprises of the corporate directors for people, neighbourhoods, people, ICT and the assistant chief executive (business transformation and improvement). A review of the board including its composition, terms of reference and performance is planned for early 2010, 12 months after it was originally established. The review also needs to consider the planned changes to the senior management structure and to ensure the corporate support service managers are represented as appropriate.

The recommendations made, and actions agreed to address them, will be developed into a high level transformation programme, which will be implemented over the next two years.

The progress of the transformation board and the delivery of the recommendations will be reported to Executive Cabinet annually.

# Corporate Services Value for Money Review

## Office of the Chief Executive



## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT Directorate
- Policy and Performance Directorate
- HR and OD Directorate
- Office of the Chief Executive
- Legal Services
- Civic Services
- Democratic Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in the Office of the Chief Executive, and to make some recommendations for improvement.

### Review Methodology

A team from Policy and Performance and Business Transformation undertook the review of the Office of the Chief Executive. The review assessed the Chief Executive's Office against the Council's value for money criteria. These can be broadly summarised as follows:

- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

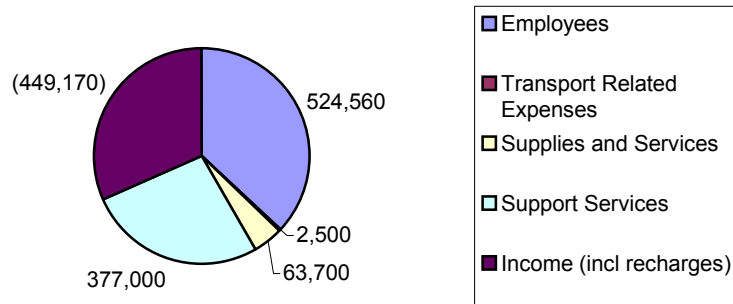
Evidence to assess the value for money against each of the evaluation criteria was assembled by examining the Sustainable Community Strategy, Corporate Strategy, Business Improvement Plans and through interviews with senior managers. In addition, a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allowed the cost per unit of output from each service to be calculated so that a judgement could be made on whether the cost was reasonable or not.

## Directorate Context

The Office of the Chief Executive supports the administrative functions of the Council, more specifically providing secretarial and support to the Leader, Chief Executive and senior management team. In addition, the service provides administrative support to directorates.

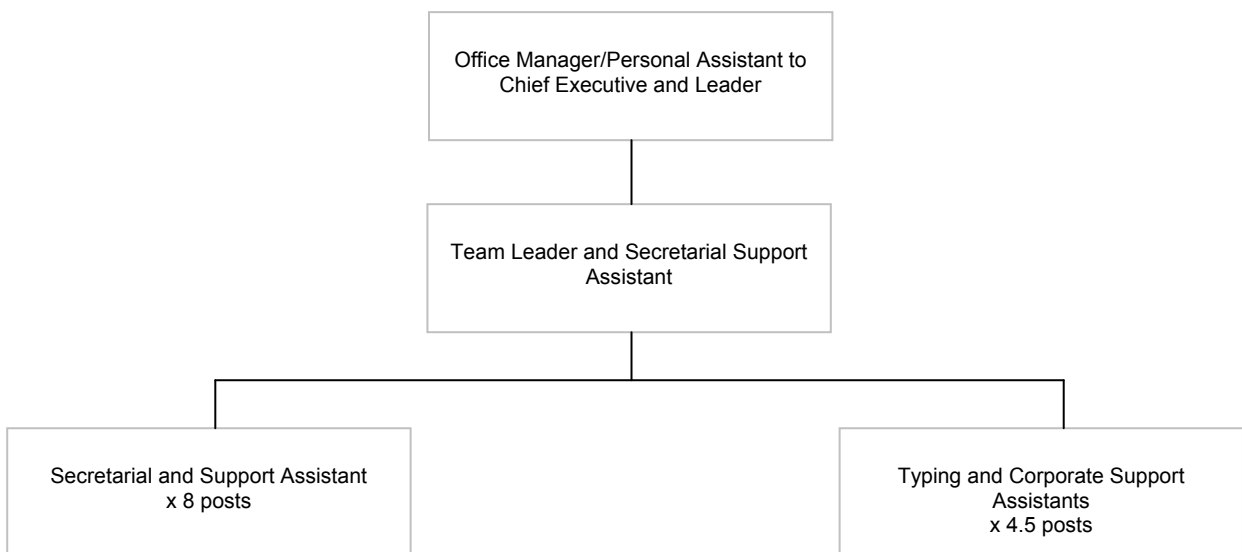
The chart below gives a breakdown of the Office of the Chief Executive revenue budget for 2009/2010.

**Chief Executives Office Estimates 2009-10**



The service has been extensively restructured over the past three years, with a reduction in the establishment from 21 to the current size. The most recent restructure was in 2009, when there was a further reduction in posts to reflect the changing workload and role of the team. That restructure deleted 1.6 posts, and 2.7 posts were left unfilled following the recruitment to the new structure.

The chart below shows the establishment at the time of the review.





## Initial Findings

This section contains the key findings from the review carried out in the Office of the Chief Executive, with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria.

### Rough Cut Costing Exercise

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £274,735. This excludes the Chief Executive's post.

### Procurement Review

An analysis of the directorate's revenue and capital spend during 2008/09 was undertaken. The directorate is responsible for the purchase of the main stationery order for the Council, and has the budget for photocopiers within the Council's offices.

### **Benchmarking**

There was no readily available benchmarking opportunity for the directorate, although the service manager did contact other Councils to invite them to participate in a high level benchmarking exercise. While some limited information was forthcoming, it was not possible to make comparison with the Office of the Chief Executive because the roles undertaken at other Councils differed greatly from the service offered at Chorley. Broadly, Chorley looked to have a more cost effective and flexible model than other Councils.

## Office of the Chief Executive

### Rationale

There are some links to Strategic Objective 6 of the Corporate Strategy in the delivery of the service. More broadly, the service provides administrative support to Directors and directorates in the delivery of all Strategic Objectives.

There is currently no published strategy covering the service. The service does not sit within a main directorate and does not have a published Service or Business Improvement Plan. Service actions are therefore not as clearly linked to the 'golden thread' of delivery as they could be. The service holds an away day to look at improvements and steps are taken to increase efficiency and improve the service but these are not captured formally at present.

The 'away day' process could also be captured in some form of brief annual improvement action plan to help the directorate in carrying out any recommendations from the VFM review of Corporate Services and formalise the delivery of post-restructure service improvements and innovations identified in processes such as printing and mail distribution.

**Score: 2**

### Efficiency

The service has undergone a number of restructures over the last three years. This has led to a large efficiency savings, £125,190 from 2007/8 to 2009/10 with a reduction from 21 secretarial staff to the current establishment. Some staff have moved out of the Office of the Chief Executive to other departments, such as Civics and Communications.

The most recent restructure in April 2009, anticipated £34,340 of savings, with the deletion of 1.6 posts from the establishment. In addition to the 1.6 posts deleted from the establishment, 2.7 posts were left unfilled following the restructure. These vacant posts has led to savings to date of £13,448 (up to August 31<sup>st</sup>), not filling the posts would therefore achieve savings of £47,485 for 2009/10.

Additionally, non-staffing efficiency savings have been secured through a change in the contract for postage to TNT. This has led to less franking of mail and savings of around £8,000.

There is some proactive management in terms of providing sickness and annual leave cover. Leave is captured in a spreadsheet two to three weeks in advance to ensure there is adequate cover. Service standards are set to ensure that there are two members of staff in each main office to provide cover. There could be potential to strengthen this process by planning cover on a longer-term basis, possibly annually, linked to Director leave.

Effective arrangements are in place to manage budgets, with regular meetings taking place with the service's accountant. The main costs are staffing, copiers and stationary. There are no major issues with overspend.

**Score: 3**

### Economy

A procurement review of the service was undertaken which identified some issues that can be addressed. A large area of spend is on the maintenance and provision of photocopiers. The Council currently uses a number of different suppliers and contracts for photocopiers. There is scope to rationalise these contracts, to secure better value for money. Any review of the provision of photocopiers should be linked to the provision of printing facilities across the authority.

The procurement review also highlighted a large volume of low value invoices with Lyreco and North West Paper. Each order has a total processing cost, so consolidation improves value for money. Arrangements have been put in place by the service to centralise, consolidate orders and order on a weekly basis. It may be more effective to establish a central stock control of stationery in each building to ensure that each order is necessary.

The directorate was restructured in spring 2009. Although there are 4.5 Typing and Corporate Support Assistant posts on the establishment, 2.7 posts are currently vacant following the restructure. In addition, there is currently 1 Secretarial Support Assistant post vacant. The duties of this vacant post are currently being undertaken by the Team Leader, who no longer undertakes desktop publishing and design work. The vacant posts have not had a significant negative impact on the service following the initial period of adjustment after the restructure. The management of the service is currently considering deleting the vacant posts from the establishment.

While the performance of the service appears to be holding up under the current reduced structure, some issues relating to the capacity of the team support directors and Directorates moving forward were identified as part of the review. There is a possibility that some existing capacity may be required, consideration could be taken to utilising the Council's apprenticeship scheme to providing this extra capacity. One option would therefore be to retain the existing level of staff and delete the vacant Typing and Corporate Support Assistant and Secretarial Support Assistant posts, while upgrading 1.8 TSA posts to become full time SSAs. This would lead to a greater flexibility in roles, where any member of the team is able to carry out any secretarial task required. If the roles are standardised and these changes made to the team, the level of tasks and activities need to be fully considered to ensure that work is undertaken at the right level, such as printing, post and other more basic support. An additional an apprentice post could be established to provide some of this more basic support and provide an opportunity for future staff succession planning. This would achieve savings of £77,290 over 12 months (2010/11).

According to the activity based costing exercise, the process of providing support to Directors is £122,000. The potential to reduce the cost of this element of the service by sharing Secretarial and Support Assistants between directors was discussed. The service managers felt that this would have detrimental impact and would reduce the effectiveness of the service provided to the senior management team.

Word processing/document support is also a high spend area in the rough cut costing model, at £21,000. While the majority of this typing is from Directors, it also includes transcribing interview tapes for some services and typing up minutes. Changes in workforce skills and a trend towards officer self-sufficiency will reduce this demand, and consideration could be given to encouraging more self service, particularly to non-director level staff. As the level of demand falls, consideration needs to be given to how any spare

**Score: 2.5**

<p>capacity will be utilised. Although the service has in the past examined the possibility of using external providers for transcribing interviews, it was some time ago and should be investigated again.</p> <p>21% of the service's time is currently spent supporting directorates and directorate staff, although this varies between staff. This is particularly the case in HR &amp; OD where 60% of one FTE's time is spent on this process, with 40% being spent administering Wintime. Directors have control in setting the general level of split between support for themselves and support for directorates. The results of the rough cut costing work should be used to work with Directors to assess the level of these additional support activities and their value, so that a decision can be made about whether the work should be undertaken. There are also opportunities to compare the level of support offered by administrative staff across all Directorates using the results of the VFM programme and consider whether efficiencies could be made by reallocating or combining administrative functions provided by Office of the Chief Executive and directorate administrative staff.</p> <p>There is a potential to get greater economy from the service by ensuring that the type of work undertaken by the service is clearly defined. This would ensure that the appropriate level of resources could be allocated to each area of work and flexibility of service developed.</p> <p>25% of one member of the team is spent supporting the Head of Shared Financial Services. This arrangement should be formalised with South Ribble, to ensure that the time and resources allocated to supporting the Synergy Shared Services is reciprocated.</p>	
<b>Effectiveness</b>	
<p>There are currently no formal performance measures, but service timescales are determined by the production of information for meetings, such as agendas and minutes against deadlines. These appear to be met. The outputs of the SSAs and TSAs are monitored by the Team Leader and Office Manager and also by Directors who provide feedback to the Office Manager on performance. The service is considered to be effective based on feedback from Directors.</p> <p>It may help the directorate to be fully effective if a review of the work currently undertaken on behalf of directorates is carried out, and a decision made about whether it is appropriate for the Chief Executive's Office to provide that service. If it is, work can be properly programmed and resource allocated to it as a team rather than on an individual basis. If directorates wish the Chief Executive's Office to undertake additional work, this should be discussed with the Office Manager in light of the available resources.</p>	<b>Score: 2.5</b>
<b>Impact</b>	
<p>The service supports Directors in delivering the Corporate Strategy but does not have a significant direct impact on the wider community.</p> <p>Changing the support offered to the Chief Executive and senior management team from the existing model to include an Executive Assistant role within the team, offering higher level support has also been considered, but the Strategy Group are currently able to call on resources from officers within the Directorates and particularly Policy and Performance for this support.</p>	<b>Score: 2</b>
<b>Score: 12</b>	

### Recommendations for Office of the Chief Executive

<b>Recommendations</b>	<b>Action Required</b>	<b>By Whom</b>	<b>By When</b>
Develop a set of service objectives to define the scope of the service, and capture some key improvement actions for the year.	<p>Develop a set of service objectives, setting out the scope of service provided and work undertaken by the Office of the Chief Executive.</p> <p>Use the away day process and the business planning guidance as a tool; prepare a short summary of improvement actions in the coming year.</p>	<p>Office Manager and team</p> <p>Office Manager</p>	
Review the provision of photocopiers and printers and source single contract for the provision of facilities, if this is required.	<p>Take decision about where corporate responsibility for the management of photocopiers and printers lies.</p> <p>Undertake an options-appraisal of the current provision of photocopiers, taking into account the results of the current NVQ project into printing and consultation with ICT.</p> <p>Investigate the possibility of undertaking joint procurement of printers and photocopiers with partners.</p> <p>Undertake procurement for single contract for the maintenance of photocopiers, using advice from the procurement team.</p>	<p>Office Manager</p> <p>Office Manager/ Team Leader</p> <p>Office Manager with procurement</p> <p>Office Manager with procurement</p>	
Strengthen the office cover planning by planning on a longer-term basis.	Scope whether it is possible to plan office cover on a longer term basis.	Office Manager	
Ensure that stationary orders and invoices are minimised.	<p>Raise awareness across the Council that all stationery orders must be placed through the service.</p> <p>Establish a system of stock control for stationery for each Council Office, to ensure that orders are minimised and used efficiently.</p> <p>Investigate the possibility of limiting the permissions on the Financials system so that orders can only be placed through the service.</p>	<p>Team Leader</p> <p>Team Leader</p> <p>Team Leader with finance</p>	
Delete the 2.7 Typing and Corporate Support Assistant and 1 Secretarial Support Assistant posts from the		Office Manager with HR	

establishment.			
Ensure that the areas of work undertaken by the service are clearly defined.	<p>Use the results of the rough cut costing exercise in discussions with Directors to decide what work should be undertaken by the service. Capture this information in the service objectives.</p> <p>Ensure that any additional work undertaken is done at the appropriate level and in the appropriate team.</p> <p>Inform all members of staff of the level of work that can be requested of the team and the appropriate contact e.g. resolution of problems with photocopiers.</p>	<p>Office Manager and Directors</p> <p>Office Manager</p> <p>Office Manager</p>	
Investigate the possibility of using an external provider for transcription of interviews.	Undertake exercise to identify the cost of using an external provider and compare with the results of the rough cut costing exercise.	Office Manager with procurement	
Formalise the arrangement of the secretarial support given to the Head of Shared Financial Services.	Ensure that the resources committed from Chorley Council to Shared Services are reciprocated by South Ribble.	Office Manager with ACE (BT)	

# Corporate Services Value for Money Review

## Policy and Performance



## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT
- Policy and Performance
- HR and OD
- Chief Executive's Office
- Civic Services
- Democratic Services
- Legal Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in the Policy and Performance Directorate, and to make some recommendations for improvement.

### Review Methodology

A team from Policy and Performance and Business Transformation are responsible for undertaking the Corporate Services Review. It was therefore felt that the review of that particular section needed to be carried out by an independent body and Jim Douglas, Team Lancashire, was commissioned to undertake this work. The review assessed Policy and Performance against the Council's value for money criteria. These can be broadly summarised as follows:

- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

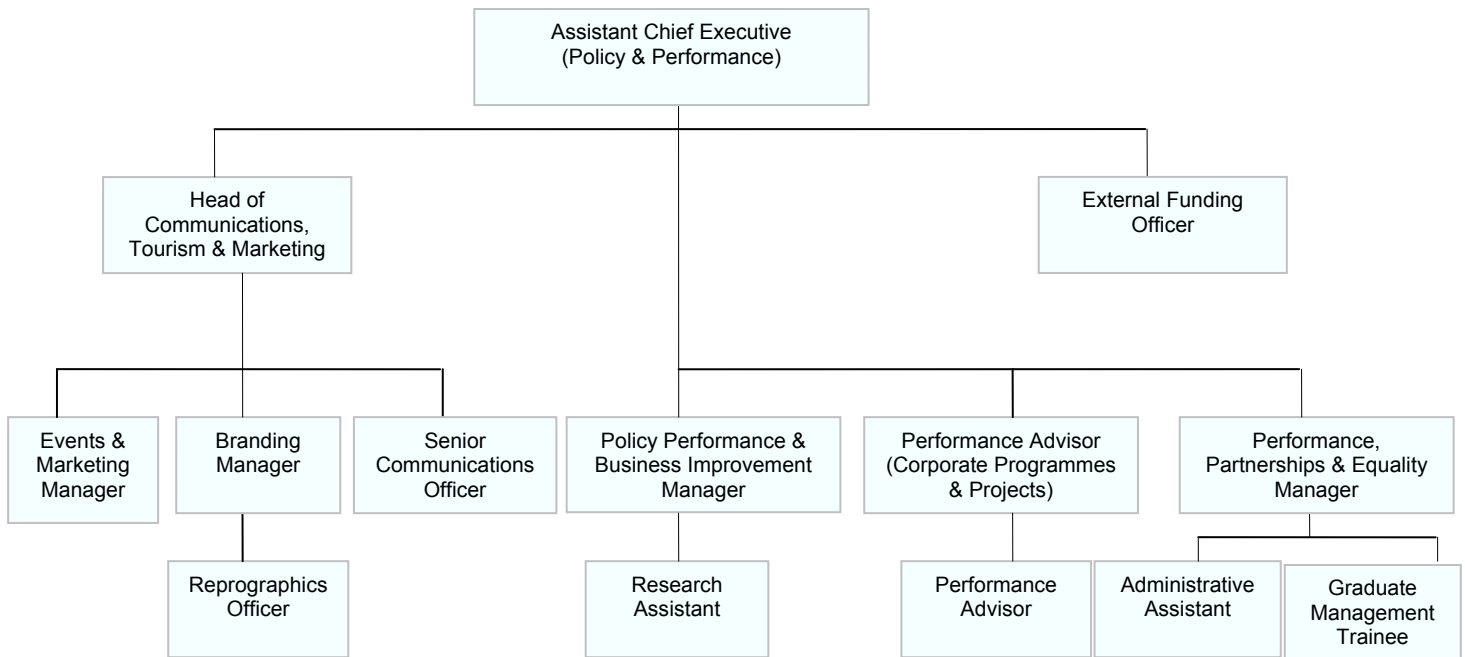
Evidence to assess the value for money against each of the evaluation criteria was assembled by examining a number of strategic documents including the corporate strategy, the Business Improvement Plan, the Annual Performance Report 2007/8, the peer challenge of the LSP report, the Marketing and Communications Plan 2007-10 and the Funding Reports of 2007/8 and 2008/9. Additionally interviews were carried out with the Director and senior managers and a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allows the calculation of the cost per unit of output from each service so that a judgement can be made about whether the cost is reasonable or not although it must be remembered that this is not a transactional service, which makes this judgement



more difficult. The Rough cut costing exercise also included the Project Accountant post located in the Finance directorate as a substantial proportion of her current responsibilities are related to the VFM Review programme and the Transformation Agenda.

## Directorate Context

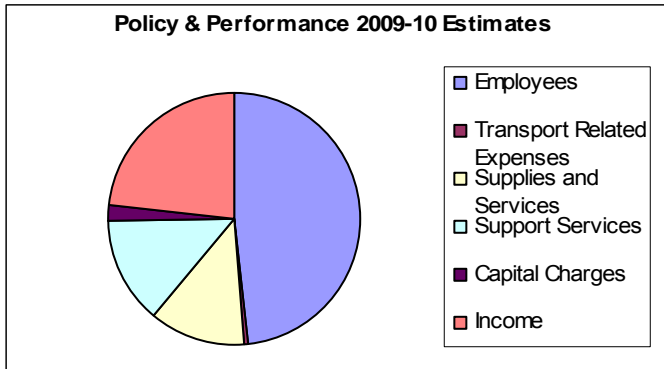
The following charts set out the directorate staffing structure and the revenue budget allocation for 2009/10.



**POLICY AND PERFORMANCE DIRECTORATE BUDGET 2009/10  
REVENUE  
TOTAL BUDGET**

Description	Total Budget
<b>POLICY AND PERFORMANCE</b>	
Employees	619,020
Transport Related Expenses	2,480
Supplies and Services	158,570
Support Services	177,000
Capital Charges	24,770
Income	(297,010)
Totals	<u>684,830</u>

<b>CAPITAL</b>	
Project Management Support (Capital Salaries)	40,000
Performance Management (Project Management)	10,000
	<u>50,000</u>



## Initial Findings

This section contains the key findings from the review carried out in the Policy and Performance Directorate, with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria.

### Rough Cut Costing Exercise

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £458,009. This excludes the cost of the Assistant Chief Executive and the Graduate Management trainee who spends his time working in directorates across the council. It does however include the Project Accountant post from the Finance directorate who is currently spending the majority of her time on Policy and Performance service areas.

### Procurement Review

An analysis of the directorate's revenue and capital spend during 2008/09 was undertaken. The directorate is responsible for procuring a range of services including research, customer surveys and the marketing and promotion of the Council's services, including associated printing needs.

### Benchmarking

There was no readily available robust benchmarking opportunity for the directorate. The Assistant Chief Executive attempted to benchmark locally with neighbouring colleagues. However, this was at a high level and only two other districts provided data. This limited data did not allow a true 'like for like' comparison, but it did provide some information about staffing levels. The Head of Communications, Marketing and Tourism tried to engage colleagues at neighbouring councils in the rough cut costing exercise, but there were no willing participants.

The high level information received has been examined and the Policy and Performance directorate have similar, or fewer, FTE's compared to the other districts. The Communications arm of the directorate is higher in comparison. However, the other councils have not centralised these functions so there are costs and employees in other directorates that they are not able to identify within their data.

## Policy and Performance Directorate

### Rationale

There is a strong rationale for the Policy and Performance service. Although there is no statutory requirement for the council to manage the Local Strategic Partnership there is a statutory responsibility to provide a community leadership role and lead on the production of a Sustainable Community Strategy. The directorate also plays a lead role in supporting the council in fulfilling its statutory duty to ensure continuous improvement, through a robust corporate business planning and performance management framework. The directorate also ensures that the council fulfils its statutory duty to consult and this is done through the establishment of a Citizen's panel and the Place survey consultation. The directorate also responds to the national assessment framework for both the council and how we work with partners at district and two tier level. Responses to the audit commission around CAA, Use of Resources and formally CPA are also written and co-ordinated from within the directorate.

There are clear, proven links between effective communications and resident satisfaction ratings and Chorley has been able to improve customer satisfaction ratings in recent years whilst national trends have seen reducing levels of satisfaction. Investment has also been seen in project management and the appointment of an External Funding Officer. Chorley was one of the earlier council's of its size to invest in a corporate project management resource and many others have now followed suit. On external funding it is still unusual for a district council of Chorley's size to invest in a resource of this nature. However White Papers in 2006 and 2008 place a strong emphasis on councils engaging with the third sector and external partners and so the rationale for investment in this type of post is now easier to justify, particularly as the role is being developed around the LSP and assisting internal directorates to secure external funding.

In recent years the Council has developed a central Communications Team. This has been achieved by centralising communication and marketing budgets. More recently, this has also happened with tourism. This ensures the function has a greater impact and it has also delivered efficiency savings.

**Score: 3.5**

## Efficiency

The directorate has an impressive record of delivering efficiency savings through both improved processes and securing external income by providing services to other council's. A check on the submitted efficiency savings figure in the last 3 financial years reveals a total savings of £182,851. As mentioned earlier, the centralising of communications and marketing has contributed to this total.

	Cashable	Non-cashable
2006/07	13,470	44,501
2007/08	75,920	28,900
2008/09	20,060	
<b>Totals</b>	<b>109,450</b>	<b>73,401</b>

The impact made by the development of 'the loop' is worthy of particular note because it has revolutionised the way in which the council interacts with its staff and the availability of information and processes which formerly were time consuming and costly to deliver and often out of date. This and other initiatives to centralise the communication and marketing function have contributed £101,310 to the £182,851 efficiency savings.

The rough cut costing exercise highlighted 3 key areas.

The highest cost staff activity in the directorate is project management at £39,591. This includes 62% of the Performance Advisor (Programmes and Project Management) who has been on maternity leave for the past 12 months and so it is accepted that this absence has inflated the overall cost. Nevertheless the project management function has now been established at Chorley for around 4 years and given the development of the VFM programme and the aspirations for change through service transformation it is suggested that it is now timely to review the role of staff involved in project management to better integrate this with strategic objectives.

The second highest cost area is the branding activity at £38,891. There has been a clear strategic drive to improve this activity to support Chorley's 'one council' approach. The cost of this service has been funded by the amalgamation of external printing revenue budgets. These were formerly held by individual directorates, which were not providing value for money and also served to detract from the strategic aim of promoting the council as a single entity.

The third high cost area is printing at £19,571. This cost is mainly made up of 60% of the Reprographics Officer's time. This needs to be reviewed as staff become more self-supporting and new technologies are introduced.

**Score: 3**

## Economy

There is evidence that the directorate follows good procurement practice. The majority of spend is low level, however for larger expenditure commitments i.e. website and citizens panel, advice is sought from the corporate procurement team and the function put out to tender in appropriate circumstances ie citizens panel and the Place Survey, which was procured jointly this year with other Lancashire districts and LCC saving around £6k for the Council.

Responsibility for the allocation and management of external grant aid is undertaken by the directorate as part of their role in managing the LSP. A robust commissioning and project management process is in place to ensure that expenditure is effectively managed.

The directorate has a good record of maximising income opportunities and this has been achieved without any apparent detriment to the in-house service. Other larger council's have paid the directorate for consultancy work ranging from advice on restructuring, project management and delivering a Communications strategy for the NWRIEP. Additionally the External Funding Officer provided advice to the People Directorate/Active Nation, which will help deliver significant savings to the council and achieve its carbon reduction targets. As well as delivering a welcome income source this demand for directorate services also provides a good indicator of the quality of output being delivered.

There is good awareness of staffing costs at senior management level and there have been several reviews in recent years which have resulted in the delivery of efficiency savings through restructures. There is also an opportunity to integrate the work duties and responsibilities of the Project Accountant post into the Policy and Performance directorate and delete that post from the establishment.

In order to continue to deliver the services in the most effective way, the Assistant Chief Executive will need to explore alternative methods of delivery, for example, shared services. This is reflected in the recommendations.

**Score: 2.5**

## Effectiveness

The Business Improvement Plan for the directorate is used to monitor performance against key objectives. The directorate has greatly contributed to the Council's corporate success in recent years and provides support on directorate led initiatives such as Neighbourhood working. It is useful to summarise these below:

- VFM use of resources score of 4 in 2006,2007 and 2008
- Use of Resources overall score of 4 in 2008
- Beacon Award Transforming Services: Better Engagement and Empowerment
- Beacon Award Better Outcomes for People and Places
- CPA excellent from fair
- Equality and Diversity - achieving level 3
- Very good Peer review on LSP
- Performance Data Quality standard – Greatly improved and recognised in the Annual Audit and Inspection Letter
- Project Management excellence - toolkit used across Lancashire under NWECC banner
- The Council's 'one Council' and branding was recognised as a strength in the CPA corporate assessment.
- Beacon Award for Cohesive and Resilient Communities
- 4 out of 4 for the performance management theme of the CPA Corporate Assessment.
- External funding attracted against target 2006/07 £890k v £750k target; £1.24m v £750k target; and £786k v£400k target (Target reduced as postholder on maternity leave for part of the year.

**Score: 3**

There is little formal evidence relating to customer satisfaction. It would be useful to record customer satisfaction in some way and it might also be useful to formalise customer feedback from external organisations that receive support and where we provide consultancy services to other organisations.

There may be opportunities to deliver services in either a shared environment or on behalf of other councils. These need to be fully explored to maximise the potential for reducing costs and there may be external funding available to support such initiatives for example through Team Lancashire.

One further area, which needs to be looked at, is how the transformation agenda is aligned with the Business Improvement programme through the VFM reviews. Currently there is a lack of clarity about where this role sits, although it is accepted that it is difficult to 'pigeon-hole' this kind of responsibility.



**Impact**

Over the past 3 years the directorate has had a very positive impact on the performance, reputation and financial well-being of the Council and this has been franked by the 'excellent' CPA rating, the achievement of beacon status, excellent use of resources/value for money results and improved customer satisfaction.

There is potential to review the way project management is supported across the Council, given the level of maturity there is with our project management methodology. Likewise, the spend on reprographics needs to be reviewed given the move to self support and changes in technology.

The recommendations include reference to looking at the potential for shared services and carrying out an analysis of spend in the directorate. Along with these actions it would be prudent to review staffing to ensure maximum effectiveness and efficiency is delivered. The development of benchmarking and customer satisfaction data will assist this work.

**Score:3.5****Score:15.5**

## Recommendations for Policy and Performance

Recommendations	Action Required	By Whom	By When
That consideration be given to determining a more effective method of obtaining customer satisfaction information	Identify good practice in other councils and introduce a process for the Policy and Performance Directorate.		January 2010
Investigate the potential for shared services	Identify key areas and robustly explore the potential.		February 2010
Carry out an analysis of planned service spend across the directorate in 2010/2011 to challenge what, why and how	Senior directorate managers to lead the review supported by the Corporate Procurement team. Assistant Chief Executive to set budget reduction target.		December 2009
Undertake a review of the current directorate staffing structure.	Assistant Chief Executive to review the directorate structure in the light of a changing agenda and budgetary pressure.		November 2009
Introduce an effective benchmarking system	Research good practice in other councils and develop a system for Chorley.		April 2010

# Corporate Services Value for Money Review Democratic Services



## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT directorate
- Policy and Performance directorate
- HR and OD directorate
- Chief Executive's Office
- Legal Services
- Democratic Services
- Civic Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in the Democratic Services and to make some recommendations for improvement.

### Review Methodology

A team from Policy and Performance and Business Transformation undertook the review of Democratic Services. The review assessed Democratic Services against the Council's value for money criteria. These can be broadly summarised as follows:

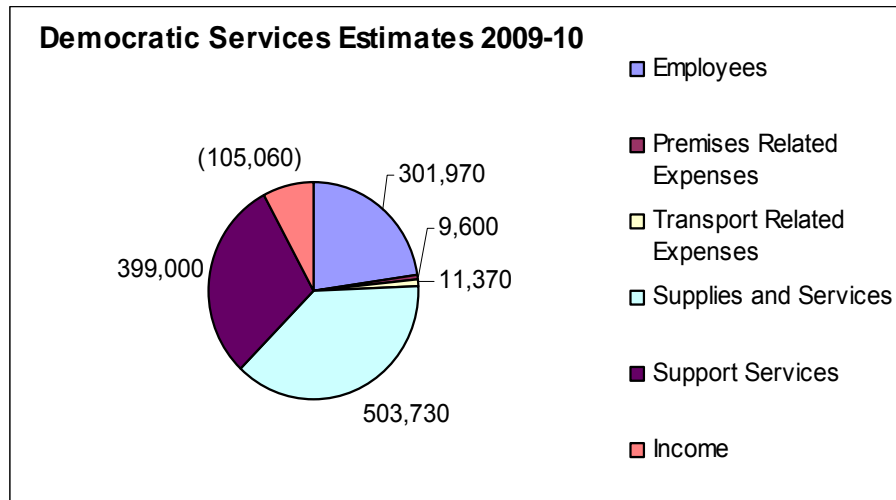
- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

Evidence to assess the value for money against each of the evaluation criteria was assembled by examining the Sustainable Community Strategy, Corporate Strategy, Business Improvement Plans and through interviews with senior managers. In addition, a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allowed the cost per unit of output from each service to be calculated so that a judgement could be made on whether the cost was reasonable or not.

## Service Context

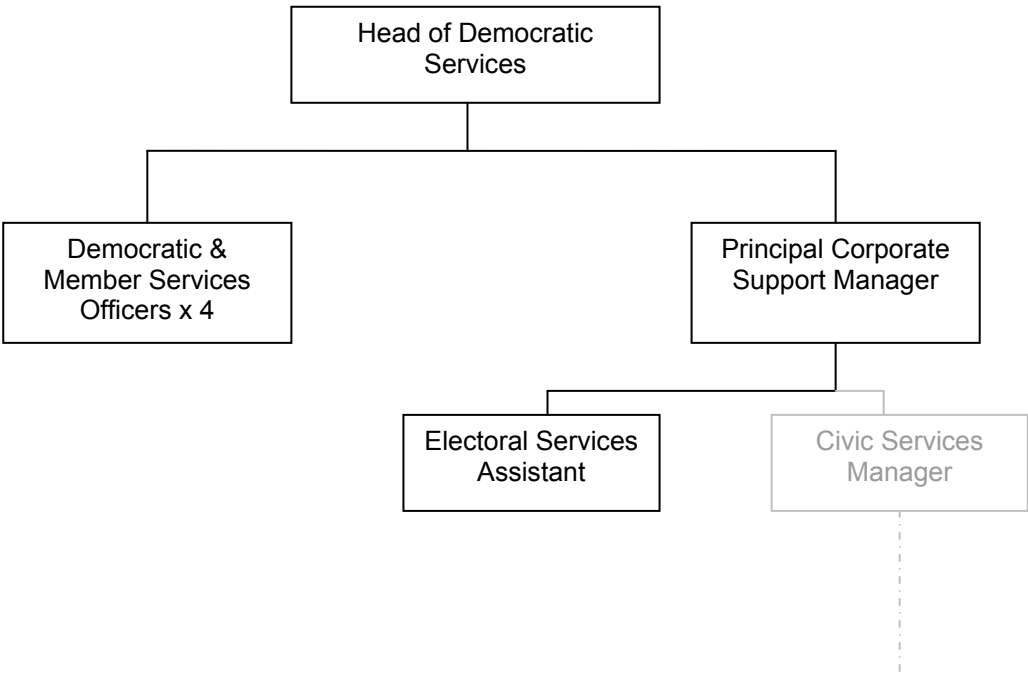
Democratic services play a key role in ensuring the good governance of the Council. The main objectives for the service are around supporting committees, supporting members and member development, elections, electoral registration and business continuity and emergency planning.

The chart below gives a breakdown of the Democratic Services revenue budget for 2009/2010.



Supplies and services is the largest area of spend and within it the largest costs relates to member allowances at £292,000. The next highest area is support services which primarily (£230,000) relates to recharges for accommodations costs.

The service was restructured in 2008 as part of the Business Transformation restructure. The result deleted four democratic services officers on various grades but created four democratic and member services officers on the same grade. This has enabled the team to develop wider skills beyond traditional committee clerking as well as improving and developing the service they provide to members. The chart below shows the structure of the directorate following the restructure.



## Initial Findings

This section contains the key findings from the review carried out in Democratic Services with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria.

### **Rough Cut Costing Exercise**

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £262,274. This excludes the cost of the Corporate Director of Governance.

### **Procurement Review**

An analysis of the directorate's revenue and capital spend during 2008/09 was undertaken. Democratic services have relatively low spend in comparison to elections and electoral registrations which in 2008/09 is approximately £138,000. This includes procurement of election stationery, including postal ballot pack printing and annual canvass, postage costs, temporary election staff costs, polling station costs, as well as telephone, internet and SMS registration costs. Procurement rules appear to have been followed and work to procure a better deals with suppliers is planned.

### **Benchmarking**

The Service Area has participated in a high level benchmarking exercise with other District Councils in Lancashire. The comparisons that can be drawn from this are limited to a certain extent because of the differing ways in which Democratic Services are organised and provided at other councils however from the six councils who provided staff cost information, Chorley has the third highest costs.

Electoral Services hasn't been included as there wasn't enough information available to make a meaningful comparison.

## Democratic Services

### Rationale

Democratic services play a key role in ensuring the good governance of the Council.

The directorate is responsible for statutory duties in relation to the elections and electoral registrations. Democratic services are also responsible for the member and officer code of conduct which is a statutory requirement.

Democratic service provides support for meetings of the Council, Executive Cabinet, Regulatory Committees, Partnership and Liaison Panels. They also manage and support the Councils overview and scrutiny function, provide practical and advisory support to councillors and support the learning and development of members of the Council.

The elections team have a strong link to the strategic objective to involve people in their communities and the objectives of the democratic services team links to strategic objectives six, to ensure Chorley Council is a consistently top performing organisation.

The Business Transformation Business Improvement Plan covers this unit but there are a very limited number of objectives relating to democratic services on achieving level 2 of the member development charter, emergency planning and promoting local democracy. The directorate has developed a more detailed work plan that details some additional actions for the service.

Despite this it is clear that the main objectives for the service are around supporting committees, supporting members and member development, elections, electoral registration and business continuity and emergency planning.

The Council is a category 1 responder under the Civil Contingencies Act 2004 and is responsible for planning and responding in the event of any major emergency.

While there are key objectives relating to emergency planning and business continuity in the directorate work plan the rough cut costing exercise highlights business continuity and emergency planning to be the second lowest cost at approximately £4,000. This is partly due to the vacant emergency planning assistant post. This short term lack of capacity has led to significant risks to the Council including plans not being updated, a lack of resilience, not meeting our statutory requirements, and losing credibility with partners. However following a feasibility study, approval has been given for a joint business continuity and emergency planning function with South Ribble. Handover work has already started and the service is expected to be in place by the end of November.

Subject to parliamentary approval there is likely be a statutory duty on local authorities to promote democracy. The rough cut costing exercise shows 'duty to promote democracy' which will directly impact on NI4, the percentage of people who feel they can influence decisions in their locality - to be the lowest area of cost at £3,000. While the service recognises there is scope to undertake much more in this area such as further work with schools and young people to educate and promote them on the role of councillors there is limited capacity or budget to do so. Clearly other directorates have a role to play (e.g. Policy & Performance) therefore consideration should be given to which directorate should take the lead and how much priority this work should be given.

**Score: 3**



### Efficiency

In the last three year the service has produced a total of £3,000 savings from the committee admin system (modern.gov) in 2006/07. This followed savings of £4,200 in 2005/06 as well substantial non cashable savings.

A further £28,720 saving is anticipated in 2009/10 for emergency planning. This relates to the vacant emergency planning post and budget.

Elections and electoral registration spend in 2008/09 is approximately £138,000. This includes procurement of election stationery including postal ballot pack printing and annual canvass, postage costs, temporary election staff costs, polling stations costs as well as telephone, internet and SMS registration costs.

Contract procedure rules appear to have been followed and waivers have been obtained for some large areas of spend such as the printing of ballot books and postal votes. It is hoped that we can secure a three year deal with our current printers which would also include canvass printing. As well as achieving some savings it is vital to continue with the high quality service which they provide ensuring the reputation of the Council.

£3,000 has been spent of agency staff. The cost per hour should reduce in future due to the new agency working procurement arrangements with LCC and Preston.

A spend challenge would be a worthwhile exercise to review spend in more detail.

In comparison the highest area of spend for democratic services is £5,500 for software support for modern.gov. The rough cut costing also highlights high costs (£7,000) for the administration of mod gov. This includes:

- Training staff and members on the system enabling them to become more self sufficient in uploading and searching for reports.
- User support
- Updating the system annually and when required
- Developing the system for example an e-petitioning solution can be developed in house rather than purchasing a solutions for approximately £5,000.

While these are necessary costs to maintain and develop the system, which as detailed above has led to both cashable and non cashable efficiency savings, effort should be made to reduce the time spent on administration further where possible.

The service was restructured in 2008 as part of the business transformation restructure. The result deleted four democratic services officers on various grades but created four democratic and member services officers on the same grade. This has enabled the team to develop wider skills beyond traditional committee clerking as well as improving and developing the service they provide to members. Examples include developing the fortnightly In The Know (ITK) email bulletin for members, improvements to member development, absorbing new Standards work and improved scrutiny with an annual review and better structure.

**Score: 3**

Over a number of years Chorley Council has been one of the first to introduce alternative options for electoral registration including telephone, internet and text 'SMS' messaging in addition to the normal post method. This has reduced the number of canvass forms to process and the number of hours required to scan forms and to check the register, with register checking reduced from 30 hours to 10 hours. Phone, internet and text 'no change' registration represents 40% of responses with 5.7% responses sent by text saving an enormous amount of time.

We were also one of the first to introduce the rolling registration process which enables us to keep the register more up to date throughout the year and enables more people to use the channels detailed above to submit a no change response.

There appears to be some scope to make cashable and non cashable efficiency savings through improving the committee report printing process. Consideration should be given to improving the process for committee report printing. In particular the review should include colour printing, the use of colour paper and the Executive Cabinet pre agenda process as well as the most suitable way to provide printing support. This should be done in conjunction review of the provision of photocopiers and printers as recommended in the office of the chief executive VFM review.

The use of laptops in meetings has been considered and trialled with the member support working group however the infrastructure is not currently in place to enable us to do this. Further consideration of the costs and benefits of pursuing this option should be undertaken, prior to seeking member approval if appropriate.

Electoral registrations have received some information through the 'tell us once' initiative however they don't provide as much information as the paper forms which leaves missing information.

In the know has reduced the email, paper and postage to members as well as keeping members and officers more informed.

In 2006 the member diary and year book was hard back and cost £4,200. In the last few years the budget has been reduced to £2,000 with re-usable plastic covers which only need replacing every few years. Only £700 was spent on the diary and year book in the last year however it takes considerable staff time (£2,600 as per the rough cut costing) and is often out of date soon after it has been published. While members like the year book and diary there is an opportunity to review this process further. For example as the year book information can be found and kept up to date better on mod.gov there is potential to just provide members with a basic diary.

### **Economy**

In the rough cut costing model the largest areas of spend, as expected, are around decision making process (£94,800) and elections (£39,901).

Member training and development is the fifth highest cost at £15,410 however due to there being no borough elections this year the service had capacity to apply for the member development charter 2 award. The cost also includes members PDP's which are done every two years but were completed this year. Previously member development was lead by HR&OD however since the responsibility for member training and development has been given to Democratic Services member training attendance has improved, 100% member PDP's have been completed, ITK has been established as a successful and popular communications method and member charter level 2 has

**Score: 3**

been achieved. In addition the training budget has been reduced from £15,000 in 2007/08 to £7,000 and it is possible that this can be reduced further still.

Some external training has also been secured for free by exploiting opportunities provided by other Councils not filling their courses. Unfortunately take up has been limited due to training being off site.

The service has had a positive impact on engaging members in neighbourhood working however it is unclear if this role will continue.

Rough cut costing highlights elections as having the second highest process cost at almost £40,000. This takes into account the double election this time which combined with postal votes has made it the most complex election since 2007.

The communications process has come out quite high in the rough cut costing exercise, in particular the production of the InTheKnow e-bulletin for members costs £6,247 which is approximately £1,500 more than the communications team spend on the provision of information to colleagues which includes eNews & Views. Despite this ITK has high member satisfaction ratings with 91% members reading it and 100% of those finding its contents to be useful. Efforts should be made to make this process more efficient where possible.

A high level benchmarking exercise with other Lancashire authorities has provided limited benchmarking data for democratic services. Due to differences in the services provided by different democratic services such as scrutiny support being provided by policy teams in some authorities the information cannot provide clear comparisons however it roughly shows that from the six Councils who provided staff cost information that our democratic services (without elections) is in the middle, with the third highest costs. What can be seen from the information is that Chorley's democratic and member services officers are on the same SCP as senior and principle democratic support officers in other authorities and that other authorities tend to have more lower grade staff and less principal/senior officers. However as detailed above changes to the structure were approved in 2008 and have been successful in developing the skills of the staff and the service delivery.

A review of the Council's decision making structure in 2008 resulted in a small reduction in meetings which has enabled the team to work more effectively and absorb additional work such as the new standard regime, the safer Chorley and South Ribble partnership, member development and member support. The team now have less of a pure committee focus and has a more modern approach.

The service now supports approximately 175 meetings a year and a minimum of 95 briefing meetings. The staff costs equate to approximately £540 per meeting and this excludes the staff time to write the reports and printing costs etc. The number of meetings is also higher than the Lancashire average of 135 (Based on a 2008 survey of democratic services in 10 Lancashire districts). There is still potential to review the number and frequency of committee meetings but this would require political input.

### Effectiveness

While there are some service objectives detailed in the Business Transformation and Improvement BIP the corporate governance directorate has developed its own directorate work plan which provides a more comprehensive view of the services objectives. The directorate plan is what the corporate governance management team monitor progress against on a quarterly basis.

Good progress is being made against the objectives in the BTI BIP however this is not always reflected in the business plan monitoring statements which are reported quarterly to overview and scrutiny.

The objectives relating to civil emergencies which are detailed in the directorate work plan have not been carried out as planned due to the capacity and resource issues detailed earlier.

The service has led on the corporate strategy key project to achieve level 2 member development which has been completed successfully.

The service currently has no capital projects.

The service is not responsible for any corporate, LAA or national indicators. There are also no local/directorate indicators for democratic services from which to measure performance. Further consideration needs to be made to developing a set of local indicators from which to measure performance.

Records of electoral registration are held and a considerable effort has been made to target areas of low registration with excellent results – 96%. This has been done through:

- The posting of an additional leaflet through doors at the canvass.
- Discussions with a local school in an attempt to reach parents through the children.
- Poster targeting in certain areas using the library, sports centres and community centres.
- Information included in a housing association news letter.

A number of performance standards have been introduced by the electoral commission in 2008/09. Performance information for the electoral registration process shows we are performing above or on target and while this is a self assessment it is open to audit by the electoral commission.

A member satisfaction survey as detailed in the directorate work plan will be completed before the end of March 2010.

Shared working is coming on board in minor ways including:

- A joint scrutiny review with South Ribble and Preston CC.
- Involvement in a Central Lancashire LDF Working Group which is serviced on rotation with South Ribble and Preston.
- The joint Responsible Officer Group for the Safer Chorley and South Ribble Partnership is serviced by us (membership, agenda, attendance and minutes) with meetings hosted by South Ribble

**Score: 2.5**

<p>Despite further developing relationships with other Councils and partners the examples of shared working above have not resulted in many benefits or efficiencies, rather they have slowed work down, duplicated some work and even cost us in terms of staff time. However this is not to say other possibilities cannot be explored.</p> <p>The shared emergency planning and business continuity post with South Ribble is due to be in place by November. The success and benefits of this new arrangement should be reviewed once the service has had time to bed in. No other areas have been identified for shared services at this time.</p> <p>While income could be generated from selling services such as member development, based on current capacity it is not advisable to do so.</p>	
<p><b>Impact</b></p>	
<p>The elections service has a clear impact on the eligible electorate of Chorley.</p> <p>The service also supporting the strategic objective six to ensure Chorley Council is a consistently top performing organisation through its work with the learning and development of members.</p> <p>The service has the potential to significantly impact on the measure NI4, the percentage of people who feel they can influence decision in their locality. Much work has already been done such as:</p> <ul style="list-style-type: none"> <li>• citizens can now ask questions and speak at most public meetings;</li> <li>• the service also works closely with schools as part of local democracy week;</li> <li>• Public involvement in some scrutiny reviews, e.g. the CCH review involving tenants and residents group;</li> <li>• Runshaw college politics students attended the European Count;</li> <li>• Accessible local standards complaint process has resulted in more complaints; and</li> <li>• Councillor Call for Action has been introduced ahead of time and the public can request issues to be scrutinised and executive decisions to be 'called in'.</li> </ul> <p>In terms of impact for the intended beneficiaries we now have more capable members which are better informed and have a greater enthusiasm for the important role that they play. This has been achieved through improvement member induction and development and the successful fortnightly in the know e-publication.</p> <p>In response to the Local Government and Public Involvement in Health Act 2007 a review of the Council's and parish council's governance arrangements are being undertaken. The review includes the Councils executive arrangements, the Councils election arrangements, consideration of single member wards and parishes. Depending on the outcomes, this project may impact on the service in a number of ways. For example moving to all out elections every four years or moving to single member wards could lead to savings however this would be an indirect benefit. The main aims are to ensure compliance with the law and explore whether benefits could be gained in terms of securing greater public involvement in their communities and in terms of efficiencies and effectiveness through using some of the new powers which have become available. Once the outcomes of the project are know the structure of the team should be reviewed to ensure it remains fit for purpose.</p>	<p><b>Score: 3</b></p>
<p><b>Score: 14.5</b></p>	

## Recommendations for Democratic Services

Recommendations	Action Required	By Whom	By When
Develop an action plan to promote democracy	Consideration should be given as to which directorate should take overall responsibility for this as, what priority it should be given and what is expected of everyone involved.		March 2010
Review the procurement arrangements for election stationary and canvass printing		Phil Davies and Procurement	July 2010
Review the shared emergency planning and business continuity function	An initial review should be completed approximately 12 months after the shared arrangements have been in place to ensure it is meeting our requirements and delivering the expected benefits.	The transformation board	March 2011
Carry out an analysis of planned service spend across the directorate in 2010/2011 to challenge what, why and how	Senior directorate managers to lead the review supported by the Corporate Procurement team.	Phil Davies	January 2010
Review the committee report printing process.	In particular the review should include colour printing, the use of colour paper and the Executive Cabinet pre agenda process as well as the most suitable way to provide printing support.  This should be done in conjunction review of the provision of photocopiers and printers as recommended in the office of the chief executive VFM review.	Carol Russell / Susan Halton	
Carry out a cost benefit analysis of using laptops in committee meetings.		Carol Russell / ICT	July 2010
Review the member year book and diary.	Take an options report to all party leaders	Carol Russell	January 2010
Carry out a review of committee meetings	The review should cover: <ul style="list-style-type: none"> <li>• The number of meetings</li> <li>• The frequency and time of meetings</li> <li>• The need for democratic services to services the meetings</li> </ul>	Carol Russell	
Clarify ongoing involvement in neighbourhood working	Review capacity to be involved.  Seek direction on the requirement to continue to support neighbourhood working.  Feed into Business Planning process as appropriate.		

Undertake a review of the current directorate staffing structure.	Corporate Director of Governance and Head of Democratic Services to review the service structure in the light of any changes to service delivery levels and priorities and budgetary pressure.	Andy Docherty	December 2009
Develop a set of local indicators to help measure and manage performance	Incorporate measures in the directorates business plans	Carol and Phil	March 2010
Investigate the potential for shared services	Identify key areas and robustly explore the potential.		March 2010

# Corporate Services Value for Money Review **Legal Services**





## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT Directorate
- Policy and Performance Directorate
- HR and OD Directorate
- Office of the Chief Executive
- Legal Services
- Democratic Services
- Civic Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in the Legal Services Directorate, and to make some recommendations for improvement.

### Review Methodology

A team from Policy and Performance and Business Transformation undertook the review of the Legal Services directorate. The review assessed Legal Services against the Council's value for money criteria. These can be broadly summarised as follows:

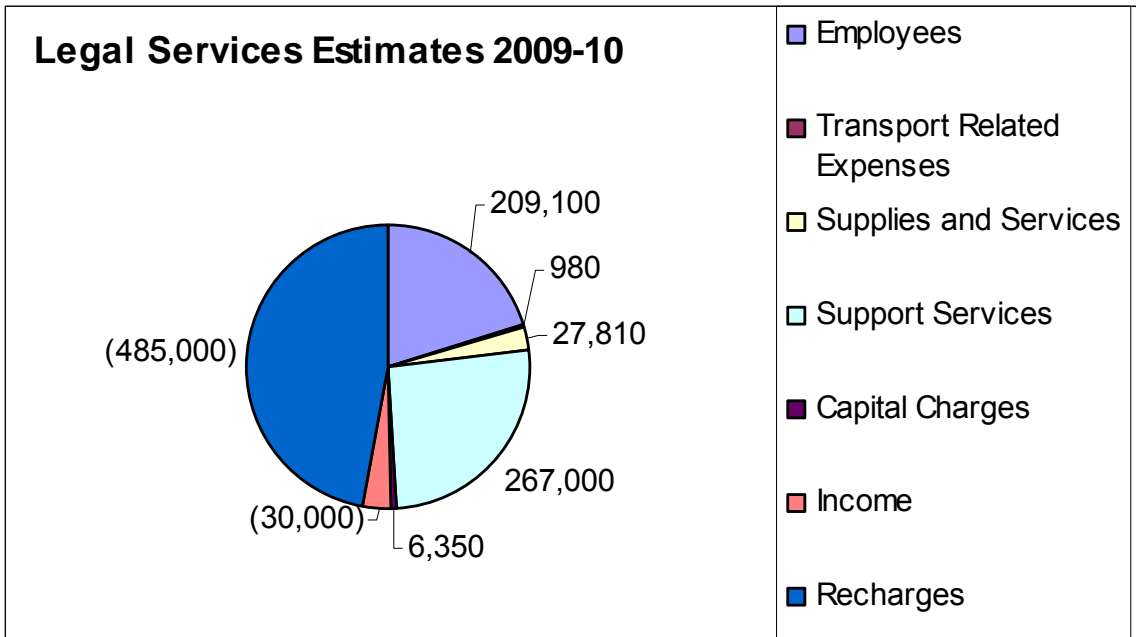
- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

Evidence to assess the value for money against each of the evaluation criteria was assembled by examining the Sustainable Community Strategy, Corporate Strategy, Business Improvement Plans and through interviews with senior managers. In addition, a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allowed the cost per unit of output from each service to be calculated so that a judgement could be made on whether the cost was reasonable or not.

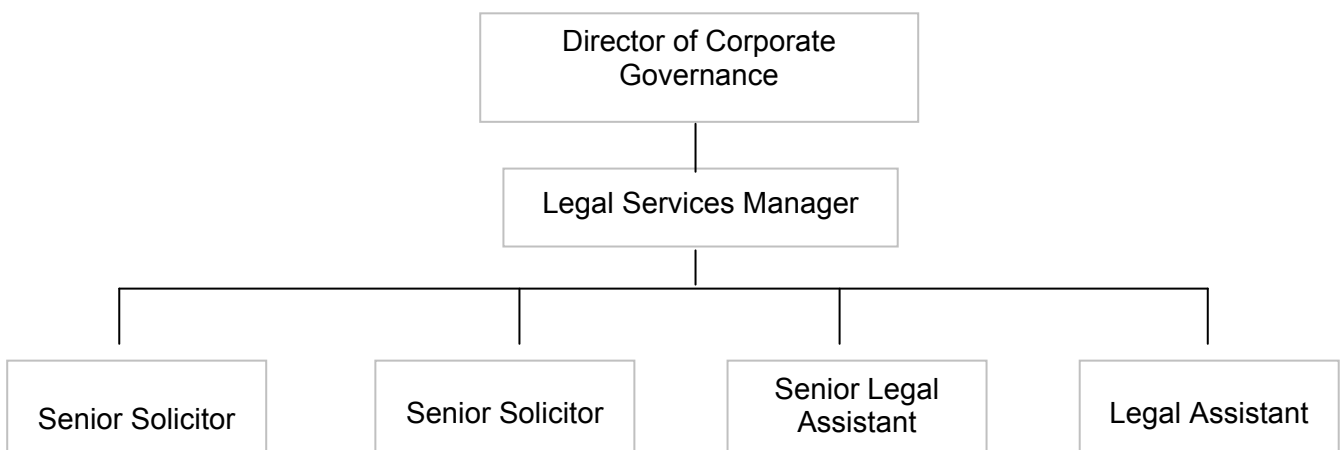
## Directorate Context

The directorate has responsibility for: Providing legal support to all the Council Departments and to Elected Members; the preparation of legal documentation such as contracts and other agreements; processing land transactions including sales, purchases and leases; undertaking prosecutions on behalf of the Council; defending judicial reviews and undertaking other civil litigation; overseeing the Council's procedures in respect of the Regulation of Investigatory Powers Act; managing relationships with external legal advisers.

The chart below gives a breakdown of the Legal Services revenue budget for 2009/2010.



The current establishment is shown below:



## Initial Findings

This section contains the key findings from the review carried out in the Legal Services section of the Corporate Governance Directorate, with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria and a table to set out recommendations for improvements.

### Rough Cut Costing Exercise

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £195,560. This excludes the cost of the Corporate Director (Corporate Governance).

The largest process cost for the service was in responding to carrying out work relating to 'General Legal Enquiries'. This includes supporting users with discrete legal enquiries and highways related work. 21% of the units time is spent on this these activities which accounts for £40,101. £24,437 was spent on planning advice and £21,042 was spent on general administration. Receipt of Discrete Enquiries was the most costly activity at £17,422, followed by £12,112 spent on the drafting and progressing on S106 agreements.

### Procurement Review

An analysis of the directorate's revenue and capital spend during 2008/09 was undertaken. The services spend is fairly small but the service has been responsible for procuring some specialist legal software and online solutions, these procurements have been in line with procurement procedures. In the past a significant spend has been incurred on agency staff, although this is no longer an issue.

### **Benchmarking**

The service participated in a CIPFA benchmarking exercise which revealed that the service was provided at comparatively low cost in most areas compared to other authorities.

<b>Legal Services</b>	
<p><b>Rationale</b></p> <p>As with many internally focused local authority departments, there is no statutory requirement to provide Legal Services, however the service does support the monitoring officer function and provides legal support to other services with statutory and plays an important role in providing legal advice and support many of the Council's processes, supporting the organisation in both its internal and external workings. In doing so the service supports the smooth running of the Council, providing legal backing, for example, in relation to employment cases, the production of contracts and agreements with external partners and suppliers, enforcement actions (including prosecutions), providing legal approval for plans and reports and providing legal advice on planning issues. The service also provides legal advice and supports the Council in its dealings with external partners and contractors and in ensuring Chorley Council is a performing organisation. The service also ensures good governance is in place in respect of the Council's regulatory powers of investigation.</p> <p>The service does, however, lack stated service objectives. There is no strategy or Business Improvement Plan for Legal Services. The Business Transformation and Improvement, Business Improvement Plan does cover the service as part of the Corporate Governance Directorate however, this plan contains only two improvement actions which relate to the unit, 'Co-ordinate a review of the Council's enforcement policy' and 'sanctions and implement legal case management system', there are also a handful of supporting actions, e.g. legal work in respect to new car parking arrangements. The Senior management team of the directorate have taken steps to improve this situation by producing a more detailed work plan that picks up lower-level actions than the BTI BIP. Some actions are included in this plan relating to Legal Services. However this existing plan does not include any service objectives so it is difficult to highlight links with the Sustainable Community Strategy and Corporate Strategy.</p> <p>Although the service is often reactive by its nature there is scope to retain and strengthen the improvement planning process to generate improvements and efficiencies. Consideration should be given to producing some form of stated objectives for the service which would help to provide direction for the team and ensure actions are linked to the CS and SCS.</p>	<p><b>Score: 3</b></p>
<p><b>Efficiency</b></p> <p>£1,700 savings were generated from the Legal Case Management System in 2006/7 but there is no record of the unit delivering any efficiencies in 2008/9 in the BTI Business Improvement Plan. The forecast for NI179 in July 2009 also contains no savings from Legal. However the service did generate £35,000 of income in 2008/9, £5,000 from providing a service to CCH and £30,000 of legal fees from S106 agreements.</p> <p>The service have taken some positive steps to increase it efficiency, for example using SLG and ACSES to provide free training, or training at much reduced cost to build up the obligatory CPD points required by staff, this includes sourcing free external training form Manchester firms. The directorate have also taken steps to join the North West Legal Consortium, which will help to ensure that externally</p>	<p><b>Score: 3</b></p>

provided services are provided at very competitive prices.

The directorate is making use of Lexis Nexis, an online legal resource, which directly replaces 3 volumes of legal publications, including Halsburys and All England Reports. As well as improving the service's access to legal information, the online system has reduced the amount of time spent on administration, which has saved staff time and created non cash generating efficiencies. The system also reduces environmental impact of the service and saves money, under the paper-based system the Council had paid £600 for each of several update volumes, on top of the annual fee. The system has also reduced risk of the service lacking an up to date legal information resource and has enabled the team to clear the backlog of inherited work. Legal Services have secured this system at a reduced cost for 2008/9, while the 2009/10 price has gone up the service have been able to avoid the 15% price hikes experienced by other Councils, saving around £3,000 per year for the contract period by jointly procuring the system with South Ribble BC for 3 years. There may be scope to widen this procurement to other local authorities to further reduce costs prior to the next renewal.

A Legal Case Management System is planned which will increase the efficiency of the service and free up some staff capacity, reducing the amount of lawyer time spent on process based work, for example it will save some time on Tree Preservation Orders and Right to Buy work for CCH as well as the initial stages of prosecutions. It is envisaged that this will allow Legal Services to attend to matters in a more timely fashion for customers within its limited existing resources. The LCMS will also significantly improve risk management capabilities of the service and will vastly improve management monitoring of the services work flow (LCMS are used in private practice and enable easy invoicing, and billing based on staff time in the future if this is required.) Consideration should be made to assessing the effects of the new system on reducing the time spent on routine and administrative processes and making appropriate changes.

The service already takes steps to identify improvements by engaging with customers. According to the senior management satisfaction with the service is fairly high, although the service does not formally measure customer satisfaction, issues and concerns are raised through a Legal Users group, implemented by CM, which meets every 6-8 weeks, the service manager also monitor complaints less formally. Some improvements have already been made by engaging with customers, for example instruction protocols have been standardised which has reduced the amount of time spent on preparation.

The Director of Corporate Governance has also produced a contract for shared financial services there may be an opportunity for the service to be more proactive in selling this contract as a template in light of the projected increase in shared services.

The budget of the service is managed through the DMT, being monitored monthly with the support of the service accountant, who provides monthly reports.

The recent CIPFA benchmarking exercise identifies that the service receives an External Income of £36,000 – this comes out as £0.34 per head of the local population – which is less than half the Benchmarking club average of £0.79, but is higher than the district average of £0.22 per head. Similarly no income appears to be generated through legal costs recovered as compared with the group average of £0.23 per head. However these CIPFA benchmarking club figures should be viewed with some caution as some unitary Councils have included income from schools.

Similarly, for example Preston provide legal support to the police authority. Some Councils count legal costs as income while Chorley do not and lack housing income, Chorley's Legal Services do not receive any of the income from prosecution directly or costs of proceedings, which are paid directly to Finance, unlike some other LAs.

Currently the benchmarking exercise identifies Chorley Community Housing as the Council's key external client. The Council are still responsible for any pre-transfer legacy issues such as Airey Houses, structural issues, garages and reciprocal arrangements following the transfer. The ABC process identifies that the process of supporting CCH costs around £4,900 per year. This support can be split into two types. One is queries and support relating to pre-transfer and other issues which do not incur costs, and for which CCH provide reciprocal support, and do not charge the Council for general enquiries to support legal work around claims, eg Airey houses. The Legal Services senior management feel that our support for CCH and the support received from CCH balance one another out. The other element is chargeable works relating to Right to Buys etc. The budget review indicates that an SLA income of £10,000 was expected in 2008/9, however only £5,000 was received. This projected income was based on 30 right to buys, whereas last year this had dropped to one or two. When comparing this to time spent on the chargeable work carried out for CCH this represents a more profitable activity than the overall figures would suggest.

There may be an opportunity to increase the level of conveyancing income when the sales market picks up by increasing the charges levied by the Council. The Legal Services management recognise that Chorley represents good value for Money for CCH / Adactus, as the Council are charging around £300 per conveyance as compared with £400 in the private sector. Consideration should be taken to review Chorley's pricing arrangements to retain this business but improve profitability. As the Council are now charging a fixed rate per job, the Legal Case Management System will make billing easier.

Consideration could be given to extending this client base to increase income for the directorate however this would have to comply with the appropriate regulations on trading which may preclude undertaking work on behalf of bodies with whom Local Authorities lack the powers to trade with. This may limit opportunities to other Local Authorities, public bodies and RSLs. There could be an option to take the lead from other CIPFA benchmarking club members and bid for more Police Authority work, this would however require steps to be taken to increase the existing capacity of the service. A cost-benefits analysis could be undertaken on extending services to partners, possibly jointly with SRBC to increase the capacity.

### **Economy**

A procurement review was undertaken which revealed the several areas of considerable spend. For example Spend with Lexis Nexis was over £16,000 although this online system saves staff time. This purchase was carried out the Council's procurement team.

In 2008/9 there were several spends with recruitment consultants, £25,552 was paid to Badenoch and Clarke for the services of temporary solicitors. Although there appear to be no spends of this nature so far in 2009/10. Previously £6,529 was also spent with Brabners Chaffe Street which is a legacy of the Council's previous externalisation of property work, prior to the appointment of the current Director of Corporate Governance.

Score: 3

The service has developed an informal mutually supportive relationship with other local Councils such as Wigan, Preston and South Ribble, and other Lancashire Councils to undertake elements of the each others caseload. This arrangement has had some clear benefits. The arrangement is generally very cost effective, meaning for example that Wigan carried out some specialist Standards work in Chorley at no cost to the Council. This produced a saving of £3000 based on the private rate of £300 per hour from Eversheds. South Ribble BC also sometimes cover sessions at Leyland Magistrates. However, Licencing work undertaken by Preston was less cost effective, a good service was provided but the cost was similar to the private sector.

While there may be scope to develop this arrangement into a more formal contracted service the Legal Services have arranged for heavily discounted rates as part of the North West Legal Consortium which has greater buying power than a more local collaboration. Any shared services or contracted approach to externalising specialist work with other Councils would depend on the Councils having significant work which is being externalised. At present Chorley very rarely externalise work, and if work is externalised the service make use of the NW Consortium or informal arrangement with other council locally which are low cost.

Some legal work has been externalised in the past Market Walk Phase II – area of specialist law which required private sector knowledge from Manchester. Although Legal Services approached Bolton and Wigan councils who had been involved in similar schemes but they had also outsourced this work. This was procured through the tender process. Moving forward consideration should be taken to prevent any work being unilaterally put out externally by other directorates. While this is not a major at present it has been an issue in the past. Legal Services should be consulted first to provide initial advice and either carrying out work internally or utilising the NW Consortium or reciprocal arrangements with other local Council's to achieve the best price for services.

£6500 was spent last year with Sweet and Maxwell, which includes £2500 paid to Lawtel. This spend related to legal encyclopaedias, the service have already taken the opportunity to cancel this spend and utilise the contract with Lexis Nexis system which could provide a £2500 saving for the Council moving forward.

The unit participated in a rough cut activity based costing exercise to identify the cost of service provision. The largest area of spend in terms of staff costs is within the 'General Legal Enquiries' process (£40,933), which includes dealing with discrete enquiries from staff, highways and car parking work and by-laws and control orders. In terms of process costs the second highest spend area is 'Planning Advice' at £24,437 per year. Time spent on these activities have not substantially fallen off despite the recession. The key activities relate to the drafting, progressing and completion of S106 agreements to generate income. In total this activity accounts for around one third of an fte.

The third most costly of the units activities is work relating to Highways, this includes residual highways issues and footpath closures. 25% of one FTE is spent on this activity which costs £8,931 and accounts for 4.6% of the units time. This would appear high, and steps should be taken to assess the value of this activity and reduce it, if possible.

The service manager has identified that he would like staff to spend more time on preparation of committees, this is activity that they feel they adds value as taking pre-emptive actions prevents issues form occurring later on, which can save a lot of time for all staff involved. Consideration should be made to looking at the allocation of work to increase the time spent on this activity.

The unit participated in a CIPFA benchmarking exercise in 2009 which revealed that the Legal Services function at Chorley is generally low cost when compared to other similar Councils. The Net cost of the service is £447,000 which equates to £4.26 per 1000 population compared to a group average of £8.33, it is also somewhat lower than the £4.77 per 1000 population amongst Chorley's districts benchmarking group. Therefore, the net per capita cost of our legal service is 49% cheaper than the group average. This means that the unit falls well into the lowest quartile in terms of overall per capita cost for the benchmarking group, while costs are also lower than the district average.

On most measures the units cost is typically well within the lowest quartile of the benchmarking group. For example, the comparative costs per head of Lawyers and Practionners/Fee earners is very low. However there are some areas where costs appear high: Chorley's 2008/9 total overhead costs were £3.22 per 1000 population compared to the group average of £2.59 per 1000 population. This means the unit 20% is more expensive than the group average for overall overheads which places Chorley's service in the most expensive quartile. Similarly central overhead costs are £2.90 per 1000 population compared to a group district average of £1.13 per 1000 population, 61% more expensive than the group average. However there may be an issue with the way that overheads are calculated at Chorley overstates the level of overheads distorting the overall figures and making the service appear to be higher cost than it is in reality. For example the actual cost of staff is £1.35 per head, which is significantly lower than the district average of £2.47 and the overall average of £4.67.

The Legal Services spend per head on Research facilities amounts to £18,000 per year or £0.17 pr head which is also top quartile, equating to around 2.5 times the group average, however considerably less time is spent in Chorley on books due to the use of the online Lexis Nexis tool, when these two areas are aggregated the cost per head in Chorley is £0.20 as compared with the group average of £0.17. At £12,000 or £0.11 per head, the level of 'other direct costs' in Chorley is half the district average of £0.24. The service should continue to utilise their online resources and seek opportunities to reduce the time spent on less effective methods of research in the future.

#### **Effectiveness**

As the service appears to lack clear objectives it is difficult to make a judgement on this how well its objectives are achieved. There is also a lack of performance measures so it is difficult to assess performance on these terms. The internal directorate level Business Plan does however, include several SMART key actions which are led by the Legal Services, such as completion of CRM agreement, support new parking enforcement arrangements, review enforcement and sanctions these actions are generally being delivered with weekly 1-2-1s to check progress.

However, there are no indicators specific to Legal being used to measure performance and improvement in either the BTI or internal Corporate Governance Business Plans (although it is recognised that there is a lack of national indicators or old BVPIs to measure this form of service). However the service have a strong idea of the demands of customers which are for a speedy response and the provision of accurate advice. Consideration should therefore be taken to introduce some more formally customer focused service quality targets. These measures should be on those elements of legal work on which the directorate can have a direct impact on, rather than simple measures of success in cases. For example time limits and targets could be set for the production of key types of work for customers. The LCMS could be used to report on response times and allow the service to set and

Score: 2.5



<p>monitor performance against targets.</p> <p>Some steps have been taken to improve customer satisfaction, a Legal Users Group has been set up and meets to discuss legal issues from a customer centred viewpoint. Some actions have been carried out based on issues raised by this group which have helped to reduce the number of complaints about the service according to the manager. The Users Group has the potential to strengthen the use/measurement of customer satisfaction which could act as a driver for improvements to the service provided. Steps should be taken to keep staff engaged in helping the service to identify areas for continuous improvement, rather than raising ad hoc issues. For example Lessons learned sessions could be used to get feedback to make future improvements.</p> <p>There may be some potential for aspects of Legal services to be delivered differently. Benchmarking reveals that several council's share elements of legal services, although it accepted that some of these are part of wider two-tier partnership arrangements between counties and their composite districts. Some contracting out is in place with neighbouring authorities informally and through the NW Legal consortium. The Director of Corporate Governance has been proactive in approaching SRBC, but this has not met with a positive response, principally due to the lack of savings deliverable. Shared Service arrangements could also create possible difficulties as a result of conflicts of interest between the parties, for example a shared legal team could not produce a shared service contract if representing both Councils. Difficulties may also arise if the Council's come into dispute.</p>	
<p>Impact</p>	
<p>The service has some clear links to delivering the Council's Strategic Objectives. For example by supporting for S106 agreements and planning issues Legal Services supports SO1 – 'Strengthen Chorley's economic position in the central Lancashire sub-region'. The service supports the delivery of SO6 – 'Ensure Chorley Council is a consistently top performing Council' by providing legal support to the internal workings of the Council. In doing so the service also provides support to most of the Council's Strategic Objectives through for example supporting the Council in production of policies, producing reports, or looking at legal impact of proposed actions.</p> <p>Legal services has an impact on the wider community. For example supporting the Council to enforce by-laws, or dealing with the legalities around public events etc. The service also supports the Council in taking enforcement action relating to environmental crime, licensing and other enforcements to help meet SO5 the ensure that the character and feel of Chorley is improved. Similarly the service has worked on the contract with Viola to reduce littering and improve recycling rates. Support around S106 agreements also have wider socio-economic effects through supporting environmental and infrastructure improvements in the borough. When implemented the new Legal Case Management system will have a positive environmental impact by reducing the level of paper storage.</p> <p>Currently Legal Services are delivered in-house with no formal shared services in place, however some informal arrangements are in operation with other local authorities to place work with them to allow a low-cost options to obtain expert legal advice. The recent CIPFA benchmarking exercise identifies that some other local authorities either have formal existing shared services arrangements in place or are looking at options for doing so. e.g. Basingstoke and Hart, authorities in Lincolnshire, the Essex Legal partnership, Suffolk. Others have informal arrangements where work is picked up for neighbouring authorities or shared call off</p>	<p>Score: 3</p>

<p>contracts are in place for legal services. A very small number of authorities also have shared or reciprocal Monitoring Officer Arrangements in place, for example in Guilford and Waverley, and reciprocal arrangements are in place across Hertfordshire, while Kensington LBC share a senior officer with a neighbouring authority. Consideration could be made to investigating this option.</p> <p>The may be some scope for some processes undertaken by Legal Services to be shared and consideration should be taken to exploring this possibility, particularly in the case of more routine work and processes. If other neighbouring Councils would be willing to participate this could increase capacity and iron out peaks in demand. Most of the cases where Shared Services are being implemented in two-tier areas have been as a result of a high level agreement at a county-wide level. To implement this model of a pan-Lancashire or cluster based framework agreement would be required. However there is also a risk that there may be conflicts of interest between the Council which would mean that the Council would need to retain a residual level of service to provide advice and support the Council's internal interests, these risk should be balanced against the possible benefits which could be provided by sharing services.</p> <p>Wholly outsourcing Legal Services is unlikely to improve services or reduce current costs as external rates are often twice as costly as Council rates and private firms would be likely to require larger volumes of work than provided by the Council. However providing employment law support is costly in terms of ensuring that staff are up to date, there may be some scope for this service to be provided by a private firm on a case by case basis. It is not anticipated that this will provide a large cost saving but would reduce the amount of training required. If this is the case Legal Services should be heavily involved in the selection process.</p>	
Overall Score	14.5

## Recommendations for Legal Services

Recommendations	Action Required	By Whom	By When
Strengthen the business improvement planning process to generate improvements and efficiencies.	Producing some stated objectives for the service to provide direction for the team and ensure actions are linked to the CS and SCS.	A Docherty / C Moister	Dec 09
	Review the number of Legal actions reported to members as part of the BIP process.	A Docherty / C Moister	April 2010
	Produce a work plan based on other key actions in all directorate BIPs	A Docherty / C Moister	April 2010
Seek out opportunities to expand on the current joint procurement arrangements for Lexis Nexis to include more LAs	Contact other neighbouring authorities to opportunities for shared procurements of this software, before contract renewal.	A Docherty	Prior to contract renewal 2012
Review the effects of the Legal Case Management System when installed.	Assessing the effects of the LCMS on reducing the time spent on routine and administrative processes and making appropriate changes.	C Moister	Feb 2010
			May 2010
Investigate the potential for shared services or outsourcing in Legal Services	Identify areas in the directorate that could be shared or outsourced, with an options-appraisal (including employment work)	A Docherty/C Moister	Jan 2010
	Investigate appetite for Shared Services as part of Team Lancashire Arrangements	G Hall	Jan 2010
Continue to utilise Legal Users group as a source of insight, ensure customer satisfaction is measured and this group is used to drive improvements.		C Moister	Ongoing
Seek opportunities to sell consultancy around the contract for shared financial services.		A Docherty/G Hall	Dec 2009/ ongoing
Review Chorley's pricing arrangements around work for CCH.	Use LCMS to ensure that income justifies time spent on support	C Moister	Feb 2010
Consideration could be given to extending this client base to increase income for the directorate,	Explores opportunities to increase client base.	A Docherty/ C Moister	April 2010
	Carry out a cost-benefits analysis could be undertaken on extending		

	services to partners, this includes testing scope to jointly tender with SRBC		
Review spend on research facilities.	Carry out assessment of spend on non Lexis Nexis research resources Look at options to utilise their online resources.	C Moister	Feb 2010
	Carry out assessment of use of legal encyclopedias.	C Moister	Feb 2010
	Develop options to reduce this spend and utilise the contract with Lexis Nexis and aim to reduce the time spent on less effective methods of research. This includes looking at spend with Sweet and Maxwell.	C Moister	Feb 2010
Assess the value of work relating to Highways, activity and reduce it, if possible.	Identify options to reduce time spent on Highways support.	C Moister	Feb 2010
Investigate the apparently high overhead costs for the unit.		C Moister / R Ashton	Dec 2009
Introduce some service standards for customers, measured using the LCMS.	Introduce some formally customer focused service quality targets. For example time limits could be set for the production of key types of work.	C Moister / A Docherty	Feb 2010
	Use the LCMS to report on response times and allow the service to set and monitor performance against targets.	C Moister	Feb 2010
Undertake review of work put out externally by other directorates.	Set up a measures to ensure that all external work is approved by Legal Services	C Moister / All Directorates	April 2010

# Corporate Services Value for Money Review

## Civic Services



## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT Directorate
- Policy and Performance Directorate
- HR and OD Directorate
- Office of the Chief Executive
- Legal Services
- Democratic Services
- Civic Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in Civic Services, and to make some recommendations for improvement.

### Review Methodology

A team from Policy and Performance and Business Transformation undertook the review of Civic Services. The review assessed Civic Services against the Council's value for money criteria. These can be broadly summarised as follows:

- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

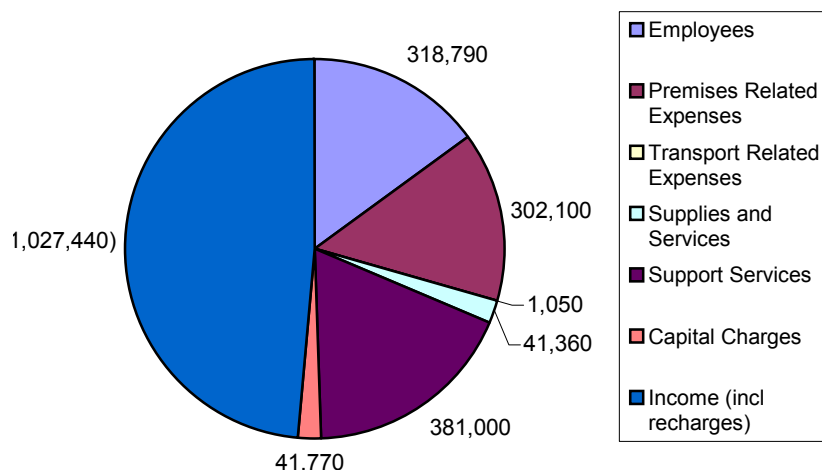
Evidence to assess the value for money against each of the evaluation criteria was assembled by examining the Sustainable Community Strategy, Corporate Strategy, Business Improvement Plans and through interviews with senior managers. In addition, a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allowed the cost per unit of output from each service to be calculated so that a judgement could be made on whether the cost was reasonable or not.

### Service Context

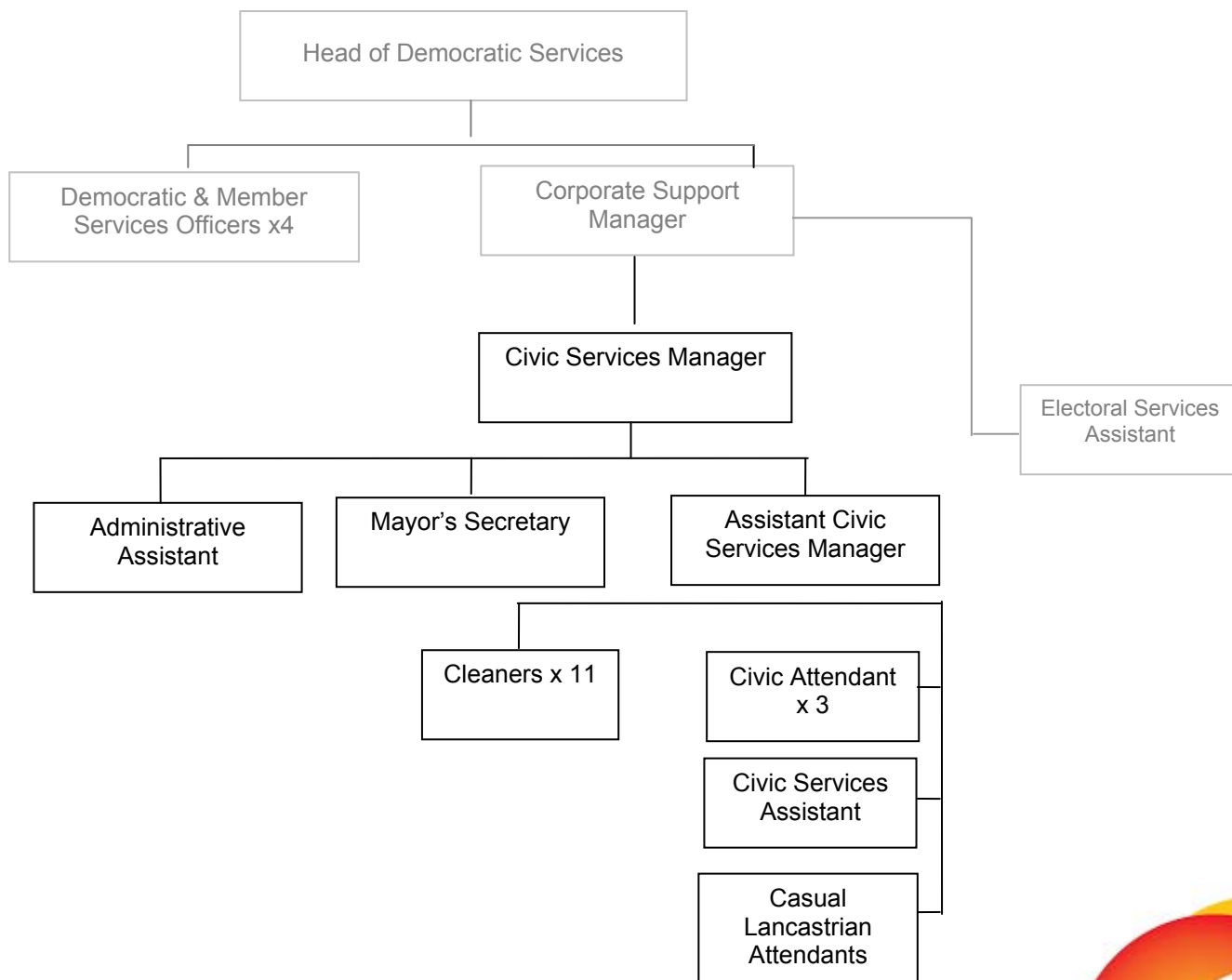
The service has responsibility for the day to day management of the Council's buildings, including building security and cleaning and fire management. The service also provides the mayoralty support function, the provision of the Lancastrian suite and support for elections.

The chart below gives a breakdown of the Civic Services revenue budget for 2009/2010.

**Civic Services Estimates 2009-10**



The chart below shows the structure of the civic services function, and its position within the Corporate Governance directorate.



## Initial Findings

This section contains the key findings from the review carried out in Civic Services, with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria.

### Rough Cut Costing Exercise

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £284,408. This includes the cost of the Civic Services Manager and the posts below that in the structure, but excludes the Corporate Support Manager and Head of Democratic Services, as these posts will be examined in the review of Democratic Services.

### Procurement Review

An analysis of the service's revenue and capital spend during 2008/09 was undertaken. The main areas of spend were on utilities provision, building alarms and building maintenance spend.

### **Benchmarking**

There was no readily available benchmarking information for the whole service, because of the differing ways in which it is organised and provided at different Councils. However, it was possible to compare some costs with other Councils.

The service area participated in a benchmarking exercise with other Lancashire councils on the level of allowances paid to the Mayor/Deputy Mayor. This has shown that in terms of allowances, the Mayoralty in Chorley costs 28% more than the Lancashire average and is the most expensive in Lancashire. The service also participated in a further benchmarking exercise with other district Councils, looking at how many staff are employed to support the Mayoralty. According to rough cut costing, Chorley Council has 2.33 FTEs supporting the Mayoralty. This is fairly similar to the results of the benchmarking exercise, which showed that the average level of support staff was 2.1 FTEs.



## Civic Services

### Rationale

There is no statutory requirement to provide Civic Services. However, the service supports statutory function such as elections. In addition the cleaning of the buildings, the provision of building security and organisation of fire management ensures that the Council meets its statutory health and safety duties. Civics links to the Corporate Strategy Strategic Objective 3, particularly in their support for elections, but also in the organisation of civic events. Civic Services support the rest of the Council in delivery of services.

The Business Transformation and Improvement Business Improvement Plan covers this unit but this contains a very limited number of actions relating to improvements in Civic Services, around mayoralty. The directorate has developed a more detailed work plan that picks up lower-level actions than the Business Transformation and Improvement BIP. This gives some additional actions for the service, but lacks milestones.

Some elements of property management are outsourced to Liberata, with Civic Services undertaking the day to day management of the buildings and minor maintenance. The potential for Liberata to assume more responsibility for day to day management of the buildings should be investigated.

At present, Civics Services do not undertake servicing of the Bengal Street offices as the depot manager undertook this in the past. Now that Chorley Community Housing has vacated the depot, consideration should be given to Civic Services managing the meeting rooms and offices at Bengal Street. In addition, although the current provision is not through Civic Services, the out of hours management of the depot should be reviewed.

There are links with democratic services in the work that the service undertakes, particularly around mayoral support and elections. The Corporate Governance directorate management team have responsibility for the strategic direction of the service. Consideration may need to be given to better defining the split in responsibilities between civic services, other departments and Liberata. There may be a case to strengthen the role of Civic Services in buildings management and contract management of Liberata.

**Score: 2**

### Efficiency

The service has recently procured and had installed a PA system in the Lancastrian Suite. This will give an ongoing saving of around £100 per use, as it means that it is no longer necessary to use external contractors to set up the system. There has also been a reduction in the number of cleaners, which has resulted in a saving of £5,700 in 2009/2010.

A new room booking system has been procured and is currently being piloted in the People Directorate. This will be rolled out to internal room bookings by the end of 2009, and should give a more user-friendly system that will be administered in Civics.

The procurement review identified that more than £10,000 was spent with ADT Fire &

**Score: 2.5**

Security in 2008/09. There is more than one contract in place with ADT, and there are other contracts in place with other firms for alarm systems in buildings owned by the Council. There is potential for these contracts to be reviewed and consolidated.

The spend with Bramblethorpe Ltd for the provision of supplies for Kenco coffee machines in meeting rooms was £1,799.25 but there were 46 invoices. At present, there are a number of different machines around the Council, with different contracts in place. The main contract has now expired, and the opportunity should be taken for Civics to assume responsibility for this service and work with procurement to put in place one contract for machines across all the main Council offices.

In 2008/09, two lift maintenance companies were used to service the lifts in the Town Hall. These were used because Liberata was originally unwilling to take responsibility for maintenance because of ongoing issues with their reliability. This has now been resolved and, from April 2009, Liberata have included the Town Hall lifts in the main contract.

The Civic Services Manager undertakes budget management, in conjunction with the service accountant and the directorate management team. In addition, the manager manages timesheets, holidays and sickness. The potential to move the Civic Attendants and Civic Services Manager onto the Wintime system for recording their time should be investigated. This would ensure that time recording is as consistent as possible with the rest of the organisation.

### **Economy**

In the rough cut costing model, the largest area of spend was within the 'cleaning' process (£83,000). Some of this cost is offset, as CCH pay £24,400 for the cleaning of Gillibrand Street offices. An options-appraisal should be undertaken to identify if the current method of service delivery provides value for money. This should include a review of how the consumables for cleaning are procured.

In the rough cut costing exercise, the 'Mayoralty and Civics' process is a high spend area, at £62,600 per year. Savings have been found in recent years. These include disestablishing the Mayor's Attendant post and combining the duties in the Civic Attendants' role; reducing mayoral vehicles and moving to a more energy efficient model; and reducing the budget for the Civic Dinner. Although not directly linked to the mayoralty, savings were also made with town twinning at the same time. The current establishment is similar to the number of posts in other authorities who participated in the benchmarking exercise. Much of the cost is the Mayor's Secretary, dealing with requests for the Mayor's attendance at events. Taking other spend into account (Mayor's allowance and miscellaneous spend) the cost of the Mayoralty is over £80,000 per annum. This excludes any enhancement payments to attend mayoral events. It is recommended that a review be undertaken, with members, to establish the role of the Mayor and the support required.

In 2008/09 the Mayor received an allowance of £9,750 and the Deputy Mayor received an allowance of £1,950, totalling £11,700. This was benchmarked against 10 other Lancashire districts and Chorley's spend was the highest. The lowest was Rossendale at £4,000. The average was £8,427. It is recommended that Mayoral allowances be reviewed.

**Score: 2**

<p>A significant amount of time is spent supporting mayoral fundraising activity. 0.65 of an FTE is taken up on the Mayor's Charities and Events and the Mayor's Charity Bank Account. These two activities cost around £11,500 and take up 4% of the total time of the service. Last year, £13,800 was raised for the Mayor's charities. It is recommended that a review be undertaken.</p> <p>The budget allocated for overtime and enhancement payments, when staff work at weekends or during unsociable hours, was overspent during 2008/09, and is likely to be overspent in 2009/10. The budget should be reviewed to ensure that it is the appropriate size.</p> <p>The rough cut costing exercise shows that £32,000 of Civic Services staff time was spent in Lancastrian work. This does not include the Casual Lancastrian Attendants, which amounts to a further £12k in 2008/9. This generated approximately £23,000 in income. Following the change in policy to no longer take private bookings, the predicted income for 2009/10 is £10,000. Given the reduction in external bookings, the potential to reduce the current establishment size should be considered. In addition, a review should be undertaken to decide whether the level of work currently involved in the servicing the Lancastrian Suite should continue. Consideration should be given to only taking bookings from within the Council and for events organised by the Council or, alternatively, further restricting the events the room is used for. This would mean that the room would no longer need to be licensed and booking could be done through the internal room bookings system. The establishment could then be reduced to reflect these changes.</p> <p>The potential to outsource cleaning and alarm monitoring services was investigated some time ago, but has not been reviewed recently. Consideration should be given to the potential to outsource some services currently undertaken in-house, such as building cleaning. This could include using the private sector or public sector partners.</p>	
<p><b>Effectiveness</b></p>	
<p>As the service appears to lack clear objectives as stated in a plan, there is also a lack of performance measures so it is difficult to assess performance on these terms. Generally staff attending meetings and events are happy with the service provided by the unit.</p> <p>Supervisors in the Civics team assess the effectiveness of the cleaning. Some work was undertaken in 2009 as part of the accommodation review to gather staff views. This included satisfaction with the cleaning service. 84% of people who responded were satisfied with the service.</p> <p>A high quality standard of service is provided to the Mayor and to staff in terms of servicing meetings.</p>	<p><b>Score: 2.5</b></p>
<p><b>Impact</b></p>	
<p>A number of activities undertaken by the service encourage community engagement and local democracy. For example, parlour visits and mayoral visits to community groups and schools.</p> <p>The service maintains the meeting room system to ensure that meetings take place smoothly, and buildings management contributes to the smooth running of the organisation.</p>	<p><b>Score: 2.5</b></p>

£3,860 was spent in 2008/9 on water coolers and associated systems with Maestro / Pressure Coolers. This was originally procured by a different department but, given the role that Civic Services fulfils in facilities management, the service should take the lead in reviewing the current arrangement and ensure that it the best option in terms of value for money and sustainability.

Some of the work that the service has undertaken will have brought positive environmental impacts. For example, the number of vehicles used by the service has been reduced, the external lighting has been reduced and more efficient hand dryers have been installed during the recent refurbishment of the toilets. Some consideration should be given to how the consumables used by the service are procured to ensure that they offer sustainability and value for money.

**Score: 11.5**

## Recommendations for Civic Services

Recommendations	Action Required	By Whom	By When
Better define the split in responsibilities between Civic Services, Liberata and other departments.	Map where responsibility lies for management of all Council buildings.  Make decision on the split in responsibilities and make clear to staff.		
Strengthen the role of Civic Services in buildings management and contract management of Liberata.	Review the role undertaken in buildings management and contract management of Liberata across the organisation and assess the need for a single co-ordinating post within the Council.		
Investigate the possibility of an external provider taking responsibility for day to day management of the Council Offices.	Undertaken options-appraisal of the building management service.		
Consideration should be given to Civic Services managing the meeting rooms and offices at Bengal Street.	Assume responsibility for managing the meeting rooms and offices at Bengal Street.  Include both meeting rooms in the new internal room booking system.		
Review the out of hours arrangements for the Bengal Street Depot.	Undertake review and identify the best option for out of hours cover.		
Review and, where possible, consolidate the current contracts and provision of alarm systems in Council owned buildings.	Review and map the different alarm systems used in Council owed buildings.  Investigate the options for the provision of alarm systems in different buildings.  Where appropriate, procure a consolidated contract.		
Review the provision of coffee machines in Council Offices and procure a single contract.	Take responsibility for the contracts for the coffee machines in Council offices.  Procure single contract for machines in place.		
If possible, move Civic Attendants and Civics Service Manager onto the Wintime system.	Decide whether it is possible to move Civic Services staff onto the Wintime system.		
Undertake an options-appraisal to identify the best method for the delivery of the cleaning service.	Undertake options-appraisal of the provision of cleaning services. This should include consideration of using external providers, including public sector partners such as LCC.		

	Investigate the procurement of consumables for cleaning, to ensure they are sustainable and offer value for money.		
Review the support given to the Mayor.	Work with Members to establish the role of the Mayor.  Identify the level of support required from Civic Services.		
Review the current Mayoral Allowance.			
Review the Mayor's Charity.	Identify the most efficient and effective method of operation.		
Review the overtime/enhancement budget to ensure that it is appropriate.			
Consider reducing the establishment size in the light of reduced bookings of the Lancastrian.	Review the level of support needed in the management of the Lancastrian Suite.  Decide on any possible reductions in establishment size.		
Review the arrangements for the Lancastrian Suite, with a view to reducing the cost or establishing a business case for continued use.	Review arrangements of the Lancastrian.  Undertake a cost-benefit analysis of continuing to provide the Lancastrian for external use.  In the light of decision made, review the licensing arrangements and the establishment size.		
Review the current arrangements for provision of water coolers.	Take responsibility for the current arrangements for the provision of water coolers.  Review the provision, and investigate the potential of more sustainable options.		

# Corporate Services Value for Money Review

## ICT



## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT Directorate
- Policy and Performance Directorate
- HR and OD Directorate
- Office of the Chief Executive
- Legal Services
- Democratic Services
- Civic Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in the ICT Directorate, and to make some recommendations for improvement.

### Review Methodology

A team from Policy and Performance and Business Transformation undertook the review of the ICT directorate. The review assessed ICT against the Council's value for money criteria. These can be broadly summarised as follows:

- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

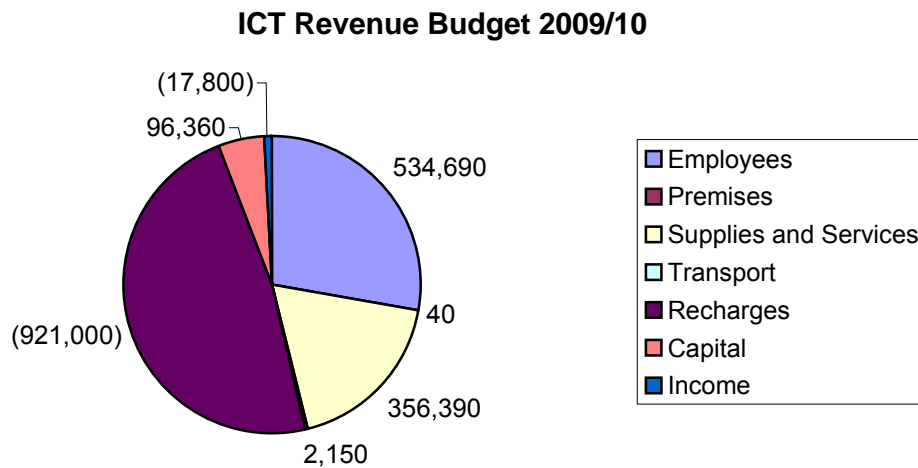
Evidence to assess the value for money against each of the evaluation criteria was assembled by examining the Sustainable Community Strategy, Corporate Strategy, Business Improvement Plans and through interviews with senior managers. In addition, a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allowed the cost per unit of output from each service to be calculated so that a judgement could be made on whether the cost was reasonable or not.



### Directorate Context

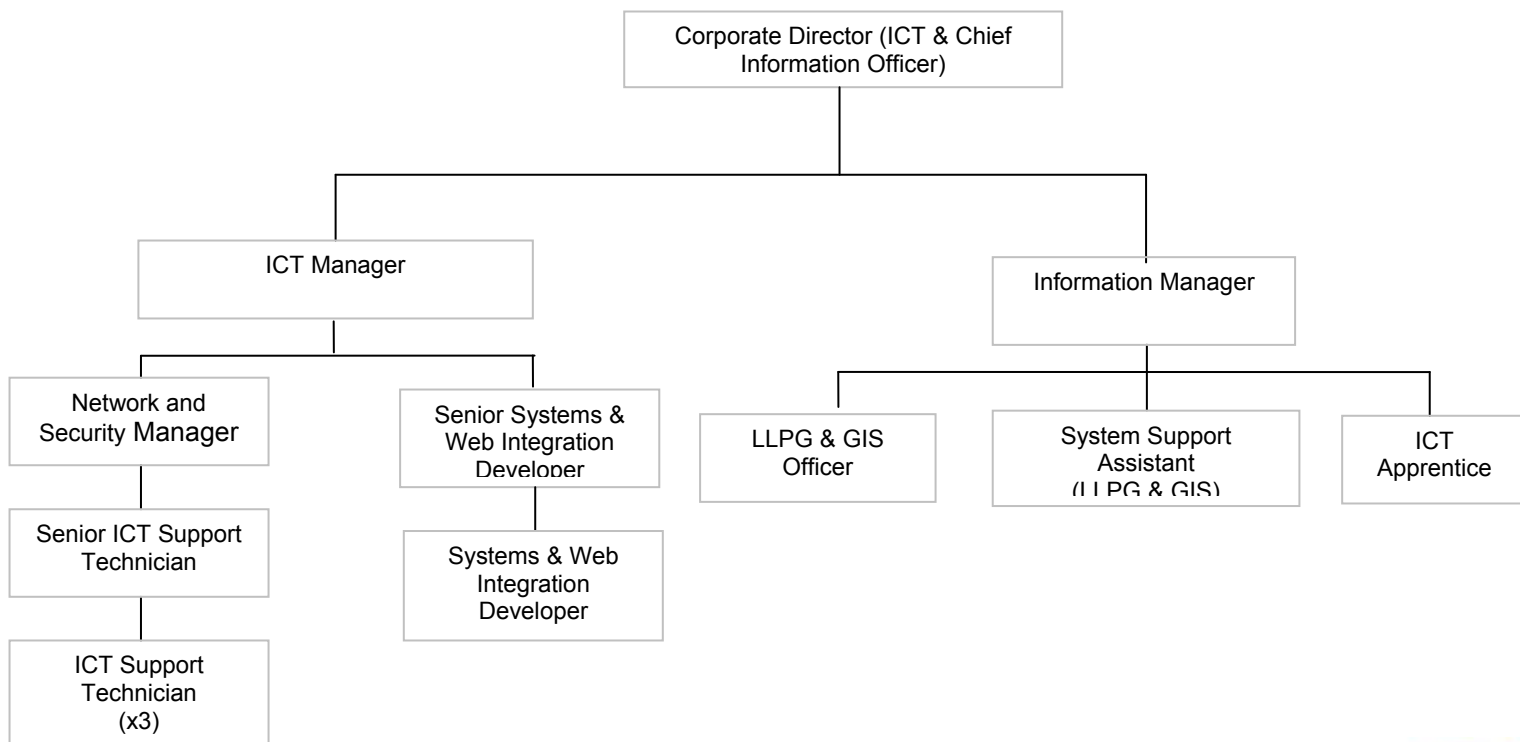
The directorate has responsibility for; the management and maintenance of the Council's ICT infrastructure and systems; the telephony system; development and integration of applications; information management and security. In addition, it has responsibility for GIS, the maintenance of the LLPG and information management, including freedom of information requests and data protection.

The chart below gives a breakdown of the ICT revenue budget for 2009/2010.



The directorate was restructured in 2008 to reflect additional responsibilities around information management and security and to ensure that the directorate was able to more effectively support the transformation of the Council's services. The service has only recently been restructured at the time of the review, so the comments and scores reflect this.

The current establishment is shown below:



## Initial Findings

This section contains the key findings from the review carried out in the ICT Directorate, with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria and a table to set out recommendations for improvements.

### Rough Cut Costing Exercise

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £405,955. This excludes the cost of the Corporate Director (ICT).

The largest process cost for the directorate was in responding to requests for supporting users. 62% of an FTE is spent amending datasets in GIS. In addition, team management presently accounts for £18,000 of staff costs.

### Procurement Review

An analysis of the directorate's revenue and capital spend during 2008/09 was undertaken. The directorate is responsible for procuring ICT hardware and main corporate software for the Council, as well as paying for the telephone lines and internet connection for Council buildings and Councillors. Some work may be needed to ensure that best practice is used in all procurement undertaken by the directorate.

### **Benchmarking**

There was no readily available benchmarking opportunity for the directorate, although the Corporate Director did contact colleagues in other Lancashire districts to invite them to participate in a high level benchmarking exercise.

## ICT Directorate

### Rationale

There is a statutory requirement for the Council to provide an LLPG and street naming and numbering function. The Corporate Director is the Chief Information Officer and the directorate deals with information management, data protection and freedom of information.

There is an ICT Strategy, which covers the period 2006-2009 and links clearly with the Council's overarching strategies. The current strategy comes to an end this year and will be refreshed at the end of the year. This strategy should reflect the role that ICT will play in transforming the Council.

Support for the network and telephony support are outsourced, as is the support for the Revenues and Benefits system. There is potential for other elements of the ICT service to be outsourced, or provided through shared services.

**Score: 3**

### Efficiency

The directorate contributed £18k in efficiencies for NI 179 during 2008/2009. The directorate has also had a role in supporting other directorates to deliver innovative projects that have led to efficiency savings.

There is a GIS Catalogue on the loop that contains a list of the datasets that the Council has. This should help ensure that where information is already mapped in GIS it is not duplicated. The catalogue, however, only lists available datasets and the current GIS is not fully available on the loop. This means that the potential impact that GIS can have is somewhat limited.

There is also an opportunity to automate some information gathering from some sources such as the Office of National Statistics.

The spend analysis of the directorate during 2008/09 identified that it has large spend with external suppliers, particularly on hardware, phone lines and some consultancy work. Much of the spend, particularly on hardware, is procured individually based on three quotes. Within a year, these often amount to over £10k with one company.

The waiver period for the contract extension with Telewest broadband has now expired and work should now be undertaken to up date this contract.

**Score: 3**

### Economy

The largest area of spend in terms of staff costs is within the 'front-line customer support' process (approximately £94k, accounting for 20% of the directorate's time). This includes receiving and logging calls on the helpdesk and resolving reported incidents. This work is reactive, and was identified by the directorate's senior management as an area where they would like to spend less time.

The planned helpdesk application would have the advantage of providing additional information to manage the service, identifying trends in problems so they can be tackled proactively. There is also the potential to introduce a self service element to respond to some calls. There is, however, the potential to utilise the CRM system to log and manage calls to the helpdesk instead of developing a new application. While it may lose some of the flexibility, it presents an opportunity to save time and money by using an existing system.

At present, £7k (20% of one FTE's time) is spent each year on visiting Councillors to resolve helpdesk calls. Much of this is travelling time to Councillors' homes.

62% of 1 FTE is spent amending datasets for GIS. This includes a great deal of time that is spent on the PAI project, which is a 12 month project to redevelop GIS datasets following changes made by Ordnance Survey. Although there will be some residual work in terms of data cleansing and maintenance. Consideration should be given to the role of the team once this project comes to an end. Following the restructure in 2008, the directorate assumed responsibility for information management. An information management project is soon to start, which will examine across how and why we collect and store information across the authority. This will start with a pilot in the Neighbourhoods Directorate.

£18k is currently spent in staff costs on team management. This may reflect the recent restructure where a number of staff have taken on management responsibility, but the number of management meetings should be reviewed on a regular basis to ensure they are still necessary to manage the service.

**Score: 2.5**

<b>Effectiveness</b>	
<p>The majority of business plan and other projects undertaken by the directorate are delivered on time. Some of the major projects that the directorate is currently undertaking should help to drive effectiveness in the delivery of the service. For example, ARCGIS will upgrade the corporate dataset and web-enable the GIS. The virtualisation project will bring a number of benefits, including improving disaster recovery, energy savings and management. There has been some delay in the implementation of these projects, as the capacity has been used to support other projects prioritised corporately. While this means the directorate is effective in supporting individual projects, it does have an effect on the overall effectiveness of the service. The delays have an impact on the operational management of the directorate, as the changes that the projects will introduce have the potential to bring massive changes to way work is undertaken.</p> <p>Performance management of the helpdesk is currently monitored by the team leader and ICT Manager and reported to the directorate management team. The planned helpdesk application should help to introduce more effective performance management of helpdesk calls. This could also be done through use of the CRM system. When a system is in place, consideration should be given to introducing local indicators to the service to monitor standards and assist resource allocation.</p> <p>The delays in implementing some major projects have impacted on the effectiveness of the directorate. The delays are often caused by a lack of capacity in some areas, as other projects, such as CRM, are prioritised.</p>	<b>Score: 2.5</b>
<b>Impact</b>	
<p>The service effectively supports the delivery of the corporate strategy through support in developing systems and use of technology.</p> <p>Equality Impact Assessments have been undertaken and most required actions delivered. The implementation of EqIA and business improvement plan actions are monitored at regular management team meetings and meetings with the Assistant Chief Executive (Business Improvement).</p> <p>There appears to be the potential for the directorate, with a strengthened role in information management, to strengthen the use of customer insight throughout the authority, and use technology to enable this.</p>	<b>Score: 3</b>
<b>Score: 14</b>	

## Recommendations for ICT

Recommendations	Action Required	By Whom	By When
A new ICT Strategy needs to be developed that reflects the Council's transformation priorities.	<p>Develop a new three-year strategy by the end of 2009, in line with the judgement of the transformation review in the Corporate Services VFM review and setting out the key priorities for the service.</p> <p>Include a review date in the strategy on a twelve monthly basis, so that changes in the Council (such as shared services) are taken into account.</p>	<p>Tim Murphy</p> <p>Tim Murphy</p>	Jan 2010
Investigate the potential for shared services or for additional elements of the ICT service to be outsourced.	Identify areas in the directorate that could be shared or outsourced, with an options-appraisal.	Tim Murphy	
Ensure that GIS is updated in the most efficient way.	<p>Ensure the current GIS database is up-to-date and publicise the availability of data to staff.</p> <p>Undertake Options-Appraisal into the possibility of automating systems to gather and map customer insight information onto GIS, possibly using the Neighbourhood Statistics Information Data Exchange.</p> <p>If appropriate, develop a business case.</p>	<p>Paul Sudworth</p> <p>Paul Sudworth, Tim Murphy</p> <p>Tim Murphy</p>	
Strengthen lead role in customer insight across the organisation and make better use of technology in presenting information.	<p>Identify the customer insight held across the authority, using the current spreadsheet as a starting point.</p> <p>Identify the customer insight held by Lancashire County Council and whether it can be made available to the Council.</p> <p>Develop a GIS strategy, with a strong link to customer insight, identifying the priority sources of insight and the best way to map information. This may include proactively mapping information onto GIS.</p>	<p>Vicky Witts and Paul Sudworth</p> <p>Vicky Witts and Paul Sudworth</p> <p>Paul Sudworth</p>	
Use should be made of the OGC framework and advice from the procurement team on how to deal with procurement undertaken by the directorate, particularly regular purchases.	<p>Undertake a spend challenge with procurement and exchequer to identify the most appropriate method for procuring regular purchases.</p> <p>Work with the Procurement team to ensure the Sustainable Procurement</p>	<p>Debbie Wilson with Procurement</p> <p>Debbie Wilson with</p>	

	Policy is being properly implemented.	Procurement	
Work should be undertaken as soon as possible to identify the next steps with the Telewest contract.	Undertake options-appraisals and procurement as necessary to update the Telewest contract.	Tim Murphy	
Helpdesk/CRM Application	Undertake options-appraisal of the potential helpdesk application compared to the use of CRM.  Implement the solution.  Develop local performance indicators to help manage the helpdesk, including an element of customer satisfaction monitoring.	Debbie Wilson  Debbie Wilson Debbie Wilson with Policy & Performance	
Further training of Councillors may need to be undertaken to tackle some of the more frequent problems.	Identify common issues and possible training requirements.  Undertake training of Councillors.	Debbie Wilson  Tim Murphy	
Some work needs to be undertaken to identify the priority projects for the directorate and the Council that need ICT involvement. An explicit decision then needs to be made on the timetable for projects based on their potential benefits and imperative.	An audit of current projects should be undertaken to assess their importance and scope.  Proactively use the business planning process to identify projects that require support and capacity from ICT.	DMT and Strategy Group  DMT	
Review management of the directorate	Review the number and level of team and management meetings to ensure they add value to service provision.	Tim Murphy	
Review the role of the technicians when the Virtualisation and Thin Client projects are implemented.	As part of end-project process for these projects, identify the impact that the changes will have on the capacity and resources in the directorate.	DMT	
Review the role of the GIS team when the PAI project comes to an end.	Review any spare capacity following the end of the PAI project	Paul Sudworth	

# Corporate Services Value for Money Review

## HR & OD





## Background and Context

As part of its ongoing value for money review programme, which to date has examined the Neighbourhoods and Business directorates, the Council is undertaking a review of its corporate support services to identify any potential improvements in services and efficiency savings. The review will look at each of the support services in turn:

- ICT directorate
- Policy and Performance directorate
- HR and OD directorate
- Chief Executive's Office
- Legal Services
- Democratic Services
- Civic Services
- Synergy Shared Financial and Assurance Services

A final report will be written once all the services across the corporate support services have been reviewed. That report will include the final findings from each directorate's review, and also include any common recommendations across the corporate support services and draw together any common themes. However, to ensure that the findings are considered in a timely manner, the interim findings of the reviews into each service will be published in a separate report.

This is a report to present the initial findings from the review undertaken in the HR & OD Directorate, and to make some recommendations for improvement.

### Review Methodology

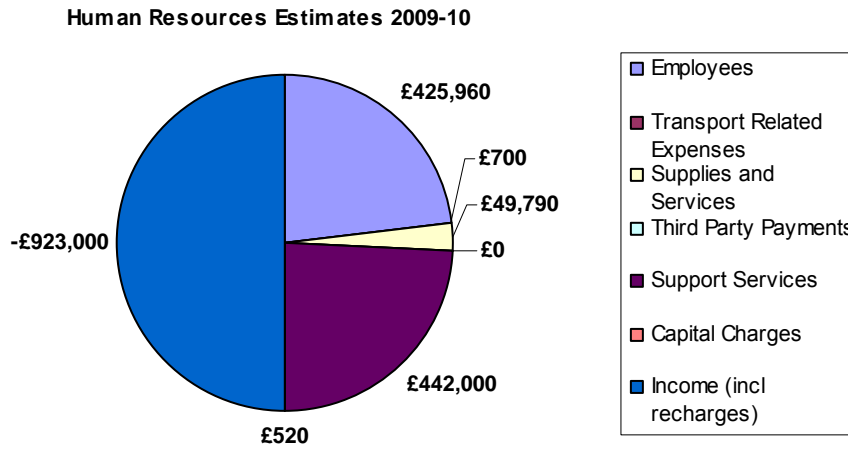
A team from Policy and Performance and Business Transformation undertook the review of the HR & OD directorate. The review assessed HR & OD against the Council's value for money criteria. These can be broadly summarised as follows:

- The rationale for providing a service, and the rationale of the method of service delivery.
- How efficiently the service is provided.
- Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
- How effectively the service achieves service objectives and performs in comparison to others.
- The impact the service has on the Council's strategic objectives and the wider community.

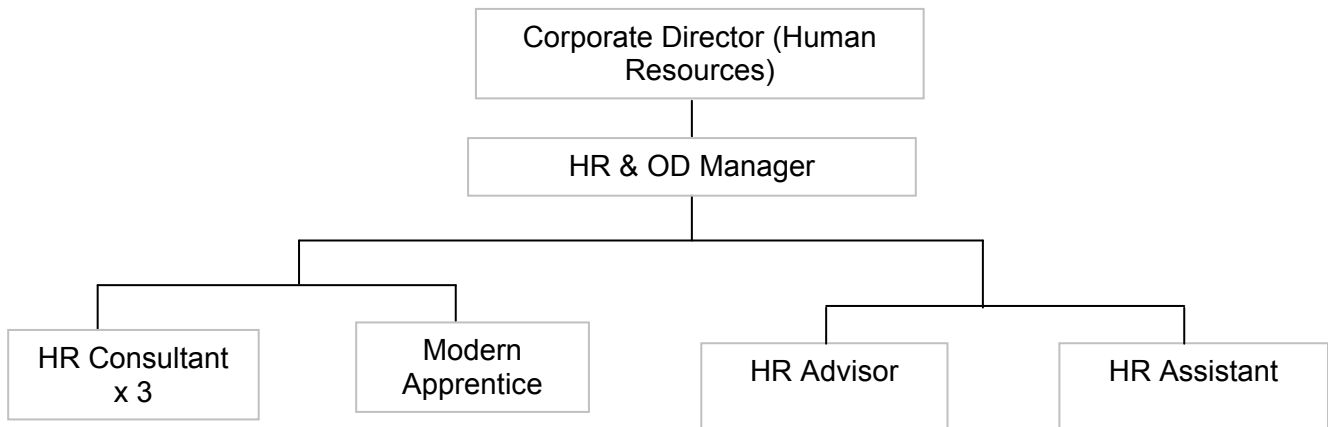
Evidence to assess the value for money against each of the evaluation criteria was assembled by examining the Sustainable Community Strategy, Corporate Strategy, Business Improvement Plans and through interviews with senior managers. In addition, a rough cut costing exercise was undertaken. The Rough Cut Activity Based Costing model allowed the cost per unit of output from each service to be calculated so that a judgement could be made on whether the cost was reasonable or not.

## Directorate Context

The chart below gives a breakdown of the HR & OD revenue budget for 2009/2010.



The directorate was restructured in 2007 to reflect the themes within the pay and workforce strategy and also to progress opportunities for joint working, shared services and supporting the transformation agenda. The chart below shows the structure of the directorate at the time of the review.



## Initial Findings

This section contains the key findings from the review carried out in the HR & OD Directorate, with recommendations for improvements. The first part gives a general conclusion of the analytical work that was undertaken, and then there is a table to set out the main findings against each of the value for money criteria.

### Rough Cut Costing Exercise

A rough cut costing exercise was undertaken to identify staff time allocations, and therefore the staff costs for each activity and process. Each member of staff in the directorate completed the model, assigning their time to processes and activities that had been agreed during an earlier workshop. The total staff cost included within the model was £223,720. This excludes the cost of the Corporate Director (HR & OD).

### Procurement Review

An analysis of the directorate's revenue and capital spend during 2008/09 was undertaken. The directorate is responsible for procuring health and safety services including occupational health, physiotherapy, first aid training and lone working arrangements as well as recruitment and advertising, corporate training and CRB checks.

### **Benchmarking**

The Service Area has participated in a Benchmarking Exercise through CIPFA, comparing Chorley against similar Councils. This has shown that as an authority we have 23% more HR staff per 1000 employees than the group average and we spend 19% more on HR staff per employee than the group average. In terms of the Health and Safety function, as an authority we spend 32% more per employee than the group average.

## HR & OD Directorate

### Rationale

There is no statutory requirement to provide the service, although the directorate ensures that the Council complies with statutory requirements around recruitment and workforce issues. HR supports the rest of the Council in the delivery of services. There is an overall workforce plan in place for the period 2008 to 2011, and directorate workforce plans have been developed for the Neighbourhoods, People and Business directorates.

The directorate is included in the Business Transformation Business Improvement Plan, and its actions support the Council Workforce Plan but not the workforce development plans that have been developed for directorates. This is due to the timings of when they were completed.

HR & OD's capacity to support the delivery of the workforce development plans needs to be reviewed. External capacity to deliver NVQ training around neighbourhood working and customer care is being sourced but where possible work should be carried out within existing capacity.

There are links to Strategic Objective 6 in the Corporate Strategy.

The directorate undertakes work on behalf of St Catherine's Hospice. As well as generating £25,000 income per year over three years, it provides a link to the third sector and raises the profile of the service, which could lead to other contracts in the future.

Shared services with neighbouring Councils are currently being considered.

**Score: 3**

### Efficiency

The directorate contributed £4,167 efficiencies for NI 179 in 2008/09. This relates to income generated from the work with St Catherine's Hospice and is less than was originally forecasted due to the later than expected start to the contract.

The directorate has e-enabled the recruitment process, and is now using JobsGoPublic to advertise all posts, with 313 applications received via this route since April 2009. This has reduced the amount of staff time spent on the recruitment process as well as significantly reducing the advertising, postage and printing costs. Now jobs can be advertised the same day, applications packs are sent electronically and managers can do online short listing.

The waiver for Jobs Go Public Ltd has now expired. Work should be undertaken to obtain quotes for the work currently undertaken by Jobs Go Public to ensure it offers value for money.

The Health and Safety function is currently outsourced to Preston City Council. Taking this into consideration the cost of managing Health and Safety is high at £11,000. The benchmarking exercise shows that the Health and Safety cost per employee is £73.5 compared to a group average of £50. We spend 32% more on health and safety per employee than the group average.

**Score: 3**

<p>Due to problems with the previous contract and general issues with the application of health and safety in some areas of the council it was felt that resources temporarily needed to be focused into this area in order improve the service.</p> <p>The management of health and safety is done by the HR and OD manager which contributes to the high cost. Now that improvements with the service have been made consideration should be given to passing some of the work such as the coordination of training to a lower level.</p> <p>The occupational health service provided by Lancashire teaching hospitals is now cheaper and more specific to our needs than the previous contract with Bolton Council. We now pay on a pay as you go basis and staff get seen by the same doctor which provides an overview of health and wellbeing of the workforce as well as highlighting any patterns of illness or injury.</p> <p>Physiotherapy costs are now declining following a reduction in the number of free sessions employees are entitled to.</p>	
<p><b>Economy</b></p>	
<p>The directorate participated in a rough cut activity based costing exercise to identify the cost of service provision. The highest area of spend for the directorate is recruitment and selection. This will reduce now following the use of jobs go public for all vacancies, and consideration should be given to the staffing levels in the transactional team.</p> <p>It appears from the rough cut costing model that £18k is spent on directorate management, with £12k spent in team meetings (although the amount of time allocated ranges from 1 to 3 hours per week). While these meeting are found to be a useful and popular way of exchanging information consideration should be given to reducing the time and/or frequency of the meetings.</p> <p>The directorate participated in the CIPFA benchmarking exercise to compare its costs to comparable councils. The draft results show that Chorley has more resources dedicated to HR than other councils, and the costs are generally above average. The Council employs 14.4 HR staff per 1000 employees compared to a group average of 11.1. We have 23% more staff per 1000 employees than the group average. The difference is particularly marked in policy and strategy and advisory work.</p> <p>Payroll services are currently undertaken by Blackpool Council. HR &amp; Exchequer both liase with Blackpool Council however it is unclear where responsibility for the contract lies. Consideration should be given to HR &amp; OD taking the lead on this contract.</p> <p>£4.8k is assigned in the model to the design and development of the competency framework. This amounts to 6.25% of two of the HR consultants' time (as well as the consultancy costs, which we had previously committed to). Now the competency framework has been implemented, future updates should be made in house.</p>	

<p>The current structure was created in October 2007, with the aim of strengthening the strategic side of the directorate. HR and OD consultants are now able to spend less of their time in the transactional parts of the service. Consultants are also able to take the lead in certain areas such as OD and health and wellbeing. Despite these specialist areas a conscious effort is made to transfer knowledge, for example through joint working on projects.</p> <p>4% of time is spent in the attendance management activity. This includes return to work, home visits, hearings etc. This has driven improvements in sickness levels, although time is still spent chasing managers within directorates for information.</p> <p>'Supporting and managing development' are usually requests by managers for 1-2-1's and coaching. It is the second highest activity in terms of spend (£9,400). Consideration should be given to assessing and prioritising the requests as well as empowering managers to deal with some of the simpler issues on their own.</p> <p>A waiver was obtained for the occupational health service provided by Lancashire teaching hospitals NHS. This was for an initial 12 month period running from April 08 to 31 March 09 with the provision to extend for a further 2yrs should the service be successful. Work is currently in progress to obtain an extension to the waiver.</p> <p>A number of services have been obtained without competitive quotes. These include services from Philip Grundy, Stuart Robertson &amp; Associates Ltd and Shl Group Ltd. From now on contract procedure rules should be followed. This includes obtaining written or electronic quotes for low value procurement where no framework agreement is in place.</p>	<p><b>Score: 2.5</b></p>
<p><b>Effectiveness</b></p>	
<p>The majority of the business plan objectives and other projects undertaken by the directorate are completed on time.</p> <p>The director of HR and OD currently monitors the implementation of the workforce development plans which are currently not all on track. Some of the timescales need to be rescheduled.</p> <p>Succession planning works well in some areas of the organisation such as customer services and planning. For other areas the OD programme is working with managers and future managers to develop staff to be in a better position to take advantage of opportunities as they arise.</p> <p>Questionnaires are sent to both successful and unsuccessful applicants to monitor satisfaction with the recruitment process. Feedback is then used to improve the process.</p> <p>The directorate monitors the effectiveness of the support and advice it provides to services through sickness levels, number of tribunals and the staff survey.</p>	
<p>Nine local young people were recruited onto the apprenticeship programme in 2008, of these six remain however none have yet been appointed to permanent positions. As well as providing increased capacity within directorates the apprenticeship programme supports LAA targets to increase the number of young people in local</p>	<p><b>Score: 3</b></p>

<p>government. In addition all apprentices have now completed NVQ level 2 and are progressing to NVQ level 3. It is hoped that the scheme will be expanded to manual jobs in the future.</p> <p>Graduate positions are harder to fund and while they bring great benefit to the business the costs have so far prevented any corporate approach to recruiting graduate from the National Graduate Development Programme.</p> <p>The training budget was reduced from £130k to £55k in 2007. Training requests are made through the performance review process however the training budget is always over subscribed. Corporate training is identified through a training needs analysis. The main areas identified this year are around health and safety.</p> <p>Where possible training is being delivered in house or through corporate training such as the project management training organised in 2008. The HR &amp; OD consultants deliver in house training such as OD training programme, 1-2-1's around performance management, HR policies, and stress management.</p> <p>Requests for specific and specialised courses often have to be rejected and paid for by directorates if required.</p>	
<p><b>Impact</b></p> <p>The directorate supports the delivery of the Corporate Strategy by providing support in organisational development and ensuring the workforce has the correct skills in place.</p> <p>There is potential for the directorate to have wider effects through the recruitment process, by encouraging the recruitment of underrepresented groups. The coordination of the apprentice recruitment and programme has increased the number of young people employed at the Council. While the directorate also targets advertising to BME groups, there has been no impact in the percentage of BME staff working for the Council. Work is continuing to investigate barriers to recruitment of these equality target groups including working with equality forum and attending neighbourhood working drop in sessions.</p> <p>To encourage the recruitment of graduates, jobs are being advertised through graduate recruitment website (<a href="http://www.gradrecruitment.co.uk">www.gradrecruitment.co.uk</a>) and Lancashire for jobs (<a href="http://www.lancashire4jobs.co.uk">www.lancashire4jobs.co.uk</a>) which is a portal developed in conjunction with the majority of Lancashire Councils.</p>	<p><b>Score: 3</b></p>
<p><b>Score: 14.5</b></p>	

## Recommendations for HR & OD

Recommendations	Action Required	By Whom	By When
Strengthen the workforce development plan process.	<p>Review the resources required to deliver the workforce development plans and where possible ensure work is carried out using existing capacity.</p> <p>Review and update the timescales in the workforce development plans.</p> <p>Update the Business Transformation Business Improvement Plan to include objectives from the directorate's workforce development plans.</p> <p>Establish quarterly monitoring of the workforce development plans</p> <p>Ensure the annual update and three yearly refresh of the workforce development plans are completed in line with the Business Planning Process.</p> <p>Include succession planning as part of the workforce development plans</p>	<p>Lorraine C</p> <p>HR &amp; OD Consultant</p> <p>Phil Marrow</p> <p>Lorraine C</p> <p>HR &amp; OD Consultant</p> <p>HR &amp; OD Consultant</p>	October 09
Investigate the potential for shared services with neighbouring councils or consideration should be given to reducing staffing levels within the directorate.	<p>Undertake an options appraisal investigating the potential for shared services. Include options for full shared services as well as for transactional elements only.</p> <p>Review staffing levels in both the transactional and transformational teams.</p>	<p>Lorraine C</p> <p>Lorraine C</p>	
Consolidate approach to e-Recruitment	<p>Obtain quotes for e-recruitment</p> <p>Ensure all jobs are advertised through jobs go public</p> <p>Review and redirect any spare capacity.</p>	Lorraine C	
Use should be made of the Councils contract procedure rules as well as advice from the procurement team prior to the procurement of services.	<p>Arrange procurement training</p> <p>Ensure national framework agreements are used where possible alternatively ensure competitive quotes or waivers obtained</p>	<p>Rik S</p> <p>Graeme W</p>	Ongoing
Review and redirect any spare capacity.	<p>Monitor time spent on:</p> <ul style="list-style-type: none"> <li>• St Catherine's Hospice</li> <li>• The county wide pandemic flu initiative</li> </ul>	Lorraine C	



	<ul style="list-style-type: none"> <li>• Recruitment and Advertising</li> <li>• Managing health and safety</li> </ul> <p>To ensure time spent in these areas reduces as expected.</p> <p>Redirect any spare capacity to supporting the implementation of the workforce development plans.</p>		
Develop a plan to address and reduce the time spent on supporting and managing development.	<p>Consider:</p> <ul style="list-style-type: none"> <li>• Prioritising requests</li> <li>• Identify common requests/issues</li> <li>• Training to address common requests/issues</li> <li>• Action learning</li> </ul>	HR & OD Consultants	
Now that robust health and safety (outsourced) arrangements are now in place a conscious effort should be made to reduce the time spent on managing health and safety.	<p>Coordination of health and safety training to be done at a lower level.</p> <p>Review of health and safety management</p>	Graeme	
Less time in team meetings. More time in 1-2-1's	Review the frequency of team meetings to ensure they add value and establish regular 1-2-1's.	Lorraine	
Reduce the capital budget	Reduce the budget from the capital programme to £10,000 in the next capital monitoring report	Michael Jackson	
Review/establish responsibility for the payroll contract with Blackpool		Lorraine	
Develop a corporate approach to the recruitment and development of graduates within the organisation.	<p>Review the benefits of the NGDP post.</p> <p>Review the future of the NGDP post and succession strategy of graduates.</p> <p>Consider future costs and options for graduates within the organisation.</p>	<p>Lorraine</p> <p>Lorraine with Strategy Group</p>	
Review the training allocation process and make it more transparent ensuring it addresses current business requirements.	<p>Clarify and communicate the training allocation process to managers.</p> <p>Ensure training allocation also links to the workforces development plans as well as PDP's, etc.</p>	Graeme	

## VALUE FOR MONEY REVIEW

### Corporate Support Services

#### Full Scoring Template

Evaluation Criteria	Questions to be addressed	How will they be addressed?
Rationale	Why do we provide the service?	<ul style="list-style-type: none"> <li>▪ Analyse and assess the stated service rationale.</li> <li>▪ Review relevant documentations:               <ul style="list-style-type: none"> <li>○ Local and national strategic documents</li> <li>○ Business Improvement Plans</li> <li>○ Government Directives/legislation</li> </ul> </li> <li>▪ Interviews with senior management.</li> </ul>
	Are the stated service objectives valid, clear and challenging?	<ul style="list-style-type: none"> <li>▪ Analyse and assess the stated services objectives.</li> <li>▪ Interview senior management.</li> </ul>
	Are the service objectives compatible with the Sustainable Community Strategy, Corporate Strategy, and to other Directorate Service objectives?	<ul style="list-style-type: none"> <li>▪ Assess how the stated service objectives link to the Corporate Strategy objectives.</li> <li>▪ Consider the effectiveness of crosscutting service objectives.</li> <li>▪ Interview key members/senior directorate staff/key senior staff in other directorates.</li> </ul>
	Is there an effective Business Improvement Plan in place?	<ul style="list-style-type: none"> <li>▪ Assess the quality of the Business Improvement Plan.</li> <li>▪ Identify improvements highlighted and investigate their robustness and potential for achievement.</li> <li>▪ Interview key senior directorate staff.</li> <li>▪ Assess how key projects are managed and monitored.</li> <li>▪ What monitoring systems are in place?</li> <li>▪ Is the Council's project methodology effectively used?</li> <li>▪ What action is taken to deal with problem areas?</li> </ul>
Efficiency	What are the service outputs and are the targets and timescales met?	<ul style="list-style-type: none"> <li>▪ Examine quality and effectiveness of outputs through benchmarking, performance data and interviews with key staff; customers and stakeholders.</li> </ul>
	What are the cash costs of outputs?	<ul style="list-style-type: none"> <li>▪ Rough Cut Activity Based costing</li> </ul>

Evaluation Criteria	Questions to be addressed	How will they be addressed?
	Are there complaints about the outputs and what are the levels of customer satisfaction?	<ul style="list-style-type: none"> <li>▪ Check corporate complaints register; customer satisfaction performance data; assess residents survey information; interview senior managers to ascertain what other customer satisfaction data exists.</li> </ul>
	Are management structures and resources allocated appropriate to achieve outputs?	<ul style="list-style-type: none"> <li>▪ Information from:               <ul style="list-style-type: none"> <li>○ Interviews</li> <li>○ Rough Cut Costing</li> <li>○ Benchmarking</li> <li>○ Performance Data</li> </ul> </li> </ul>
	What arrangements are in place to manage budgets and how effective are these?	<ul style="list-style-type: none"> <li>▪ Discussions with senior management and service accountant.</li> <li>▪ Examine outturn reports for under/ overspending.</li> <li>▪ Examine performance on key and capital projects.</li> </ul>
	What efficiency gains have been made by the directorate over the last three years?	<ul style="list-style-type: none"> <li>▪ Discussions with senior management.</li> <li>▪ Examination of Annual Efficiency Statements.</li> </ul>
	What evidence is there of new systems or innovative practice introduced which have improved efficiency?	<ul style="list-style-type: none"> <li>▪ Examination of Business Improvement Plan and discussions with senior management.</li> <li>▪ Interviews with staff as part of Rough Cut Activity Based Costing exercise.</li> </ul>
	What contractors are employed to deliver services and how is their performance specified and monitored?	<ul style="list-style-type: none"> <li>▪ Discussions with senior management.</li> <li>▪ Examination of contractor performance information.</li> <li>▪ Benchmarking.</li> <li>▪ Interviews with staff as part of Rough Cut Activity Based costing exercise.</li> <li>▪ Examination of procurement methodology and practice.</li> <li>▪ Assessment of avoidable contact.</li> </ul>
Economy	How does the Directorate ensure that best prices are achieved for goods and services?	<ul style="list-style-type: none"> <li>▪ Assemble and analyse trends on expenditure.</li> <li>▪ Examine procurement practice.</li> <li>▪ Cost Benchmarking.</li> <li>▪ Interviews with staff as part of Rough Cut Activity Based costing exercise.</li> </ul>

Evaluation Criteria	Questions to be addressed	How will they be addressed?
	Is there any evidence of waste or inefficient practice?	<ul style="list-style-type: none"> <li>▪ Assemble and analyse trends on expenditure.</li> <li>▪ Examine procurement practice.</li> <li>▪ Cost Benchmarking.</li> <li>▪ Interviews with staff as part of Rough Cut Activity Based costing exercise.</li> </ul>
	Is there a clear understanding of staff resource costs/inputs into service provision?	<ul style="list-style-type: none"> <li>▪ Interviews with senior management.</li> <li>▪ Interviews with staff as part of Rough Cut Activity Based costing exercise.</li> </ul>
Effectiveness	How well are the service objectives achieved?	<ul style="list-style-type: none"> <li>▪ Identify and assess output and result indicators for service.</li> </ul>
	Is there a performance gap?	<ul style="list-style-type: none"> <li>▪ Interview senior managers.</li> <li>▪ Benchmarking against others.</li> </ul>
	How satisfied are the customers with the service provided?	<ul style="list-style-type: none"> <li>▪ Interview service recipients.</li> <li>▪ Assess resident survey information.</li> <li>▪ Assess benchmarking data.</li> <li>▪ Examine level and content of service contact</li> <li>▪ Interview senior managers.</li> <li>▪ Interviews with staff as part of the Rough Cut Activity Based costing exercise.</li> </ul>
	Have alternative methods of service provision been robustly considered?	<ul style="list-style-type: none"> <li>▪ Interviews with senior management.</li> <li>▪ Investigate alternative practice at other councils.</li> <li>▪ Establish whether alternatives might be more effective.</li> </ul>
	How does service effectiveness influence policy development and setting new objectives?	<ul style="list-style-type: none"> <li>▪ Interview senior managers.</li> <li>▪ Examination of Business Improvement Plans and Corporate Strategy.</li> </ul>
Impact	What are the wider effects of the service delivery on delivering strategic objectives and on the wider community?	<ul style="list-style-type: none"> <li>▪ Assess impact of service delivery in achieving strategic objectives and on the wider community.</li> </ul>
	What are the wider socio-economic effects of the service?	<ul style="list-style-type: none"> <li>▪ Interviews with senior management.</li> <li>▪ Interviews with key partners/stakeholders.</li> </ul>

Evaluation Criteria	Questions to be addressed	How will they be addressed?
	Are there any unintended side effects resulting from service provision?	<ul style="list-style-type: none"> <li>▪ Interviews with senior management.</li> <li>▪ Interviews with staff as part of Rough Cut Activity Based costing exercise.</li> <li>▪ Interview with other stakeholders.</li> </ul>
	What overall impact does the service have for the intended beneficiaries?	<ul style="list-style-type: none"> <li>▪ Assess performance information.</li> <li>▪ Evaluate complaints level.</li> <li>▪ Residents' surveys.</li> </ul>
	Should we continue delivering the service as we do now?	<ul style="list-style-type: none"> <li>▪ Examine performance information through benchmarking.</li> <li>▪ Bring together evidence gathered during review on individual services.</li> </ul>
	What is the justification for doing this?	<ul style="list-style-type: none"> <li>▪ Interview senior managers.</li> <li>▪ Arrive at conclusions.</li> </ul>
	Are these changes considered critical to the service delivery? Should it be delivered in a different way or by a different directorate? – shared services, outsourcing, partnership working, restructure	<ul style="list-style-type: none"> <li>▪ Arrive at conclusions following consideration of evidence gather on individual service areas and interviews with senior management.</li> </ul>

## Scoring Methodology

Each service will receive a score against each of the evaluation criteria from level one to four. The matrix below shows the broad indications that would be expected at each level.

Evaluation Criteria		
<b>Rationale</b>	Level One	<ul style="list-style-type: none"> <li>▪ There are no clear reasons for providing the service and there are no stated service objectives.</li> <li>▪ There is no Business Improvement Plan in place</li> </ul>
	Level Two	<ul style="list-style-type: none"> <li>▪ There are limited/unclear reasons for the provision of the service.</li> <li>▪ The stated service objectives are not demonstrably valid, clear and challenging.</li> <li>▪ There is little linkage of the service objectives with the Corporate Strategy and to other Directorate Service objectives.</li> <li>▪ There is a Business Improvement Plan in place but this is of limited usefulness.</li> </ul>
	Level Three	<ul style="list-style-type: none"> <li>▪ There is some evidence of clear reasons for the provision of the whole service.</li> <li>▪ The stated service objectives are largely demonstrably valid, clear and challenging.</li> <li>▪ There is linkage of the service objectives with the Corporate Strategy and to other Directorate Service objectives.</li> <li>▪ There is a Business Improvement Plan in place, which is of some use.</li> </ul>
	Level Four	<ul style="list-style-type: none"> <li>▪ There is evidence of clear and detailed reasons for the provision of the service.</li> <li>▪ The stated service objectives are demonstrably valid, clear and challenging.</li> <li>▪ There is clear linkage of the service objectives with the Corporate Strategy and to other Directorate Service objectives.</li> <li>▪ There is an effective Business Improvement Plan in place.</li> </ul>
<b>Efficiency</b>	Level One	<ul style="list-style-type: none"> <li>▪ Service outputs are low and targets and timescales are missed.</li> <li>▪ Cash costs of outputs are high.</li> <li>▪ There are high levels of complaints about the outputs and low levels of customer satisfaction.</li> <li>▪ Management structures and resources allocated are inappropriate to achieve outputs.</li> <li>▪ Ineffective arrangements are in place to manage budgets.</li> <li>▪ No efficiency gains have been achieved by the service over the last 3 years.</li> <li>▪ There is no evidence of new systems of innovative practice introduced, which have improved efficiency.</li> <li>▪ Where contractors are employed to deliver services performance is not specified or monitored.</li> </ul>

	Level Two	<ul style="list-style-type: none"> <li>▪ Service outputs are relatively low and targets and timescales are occasionally missed.</li> <li>▪ Cash costs of outputs are relatively high.</li> <li>▪ There are relatively high levels of complaints about the outputs and relatively low levels of customer satisfaction.</li> <li>▪ Management structures and resources allocated are largely inappropriate to achieve outputs.</li> <li>▪ Arrangements in place to manage budgets are of limited effectiveness.</li> <li>▪ Low levels of efficiency gains have been achieved by the service over the last 3 years.</li> <li>▪ There is limited evidence of new systems of innovative practice introduced, which have improved efficiency.</li> <li>▪ Where contractors are employed to deliver services performance is largely unspecified or not monitored.</li> </ul>
	Level Three	<ul style="list-style-type: none"> <li>▪ Service outputs are relatively high and targets and timescales are generally met.</li> <li>▪ Cash costs of outputs are relatively low.</li> <li>▪ There are relatively low levels of complaints about the outputs and relatively high levels of customer satisfaction.</li> <li>▪ Management structures and resources allocated are largely appropriate to achieve outputs.</li> <li>▪ Arrangements are in place to manage budgets are largely effective.</li> <li>▪ Average levels of efficiency gains have been achieved by the service over the last 3 years.</li> <li>▪ There is evidence of new systems of innovative practice being introduced, which have improved efficiency.</li> <li>▪ Where contractors are employed to deliver services performance is generally specified and monitored.</li> </ul>
	Level Four	<ul style="list-style-type: none"> <li>▪ Service outputs are extremely high and targets and timescales are always met.</li> <li>▪ Cash costs of outputs are extremely low.</li> <li>▪ Low levels of complaints about the outputs and high levels of customer satisfaction have been sustained over a period of time.</li> <li>▪ Management structures and resources allocated are appropriate to achieve outputs.</li> <li>▪ Arrangements are in place to manage budgets are effective.</li> <li>▪ Above average levels of efficiency gains have been achieved by the service over the last 3 years.</li> <li>▪ There is evidence of new systems of innovative practice introduced, which have improved efficiency.</li> <li>▪ Where contractors are employed to deliver services performance is always specified and monitored.</li> </ul>

<b>Economy</b>	Level One	<ul style="list-style-type: none"> <li>▪ It is entirely unclear how the service ensures that best prices are achieved for goods and services.</li> <li>▪ There is significant evidence of waste and inefficient practice.</li> <li>▪ There is no clear understanding of staff resource costs/inputs into service provision.</li> </ul>
	Level Two	<ul style="list-style-type: none"> <li>▪ It is not fully clear how the service ensures that best prices are achieved for goods and services.</li> <li>▪ There is limited evidence of waste and inefficient practice.</li> <li>▪ There is a limited understanding of staff resource costs/inputs into service provision.</li> </ul>
	Level Three	<ul style="list-style-type: none"> <li>▪ It is generally clear how the service ensures that best prices are achieved for goods and services.</li> <li>▪ There is little evidence of waste and inefficient practice, over a period of time.</li> <li>▪ There is some understanding of staff resource costs/inputs into service provision.</li> </ul>
	Level Four	<ul style="list-style-type: none"> <li>▪ It is very clear how the service ensures that best prices are achieved for goods and services.</li> <li>▪ There is no evidence of waste and inefficient practice, over a sustained period of time.</li> <li>▪ There is a clear understanding of staff resource costs/inputs into service provision.</li> </ul>

<b>Effectiveness</b>	Level One	<ul style="list-style-type: none"> <li>▪ There are no service objectives against which to gauge achievement.</li> <li>▪ There is a clear a performance gap.</li> <li>▪ Customers are generally dissatisfied with the service provided.</li> <li>▪ Alternative methods of service provision have not been robustly considered.</li> <li>▪ Service effectiveness has no influence over policy development and the setting of setting new objectives.</li> <li>▪ Senior management do not assess service effectiveness.</li> </ul>
	Level Two	<ul style="list-style-type: none"> <li>▪ There are limited service objectives against which to gauge achievement.</li> <li>▪ There is a limited performance gap.</li> <li>▪ Customers are generally dissatisfied with the service provided.</li> <li>▪ Alternative methods of service provision have not been robustly considered.</li> <li>▪ Service effectiveness has no influence over policy development and the setting of setting new objectives.</li> <li>▪ Senior management do not generally assess service effectiveness.</li> </ul>



	Level Three	<ul style="list-style-type: none"> <li>▪ There are some service objectives against which to gauge achievement.</li> <li>▪ Performance generally exceeds expectations.</li> <li>▪ Customers are generally satisfied with the service provided.</li> <li>▪ Alternative methods of service provision have been considered.</li> <li>▪ Service effectiveness has some influence over policy development and the setting of setting new objectives.</li> <li>▪ Senior management do generally assess service effectiveness.</li> </ul>
	Level Four	<ul style="list-style-type: none"> <li>▪ There are clear service objectives against which to gauge achievement.</li> <li>▪ Performance exceeds expectations across the service, and this has been sustained.</li> <li>▪ Customers are consistently satisfied with the service provided.</li> <li>▪ Alternative methods of service provision have been robustly considered.</li> <li>▪ Service effectiveness has influence over policy development and the setting of setting new objectives.</li> <li>▪ Senior management do consistently assess service effectiveness.</li> </ul>

<b>Impact</b>	Level One	<ul style="list-style-type: none"> <li>▪ There is no evidence of the wider effects of the service delivery on delivering strategic objectives and on the wider community.</li> <li>▪ There are a number of unintended side effects resulting from service provision.</li> <li>▪ The overall impact of the service for the intended beneficiaries is entirely unclear.</li> <li>▪ There are clear reasons for considering alternative ways of delivering the service.</li> <li>▪ The potential for improvement through alternative methods is clear due to potential efficiencies of scale, a clear market for shared service delivery and/or no business critical implications.</li> </ul>
	Level Two	<ul style="list-style-type: none"> <li>▪ There is limited evidence of the wider effects of the service delivery on delivering strategic objectives and limited evidence of the wider socio-economic effects of the service.</li> <li>▪ There are a limited number of unintended side effects resulting from service provision.</li> <li>▪ The overall impact of the service for the intended beneficiaries is limited.</li> <li>▪ There is some potential for considering alternative ways of delivering the service.</li> <li>▪ The potential for improvement through alternative methods is clear due to potential efficiencies of scale, a clear market for shared service delivery and/or no business critical implications.</li> </ul>

	Level Three	<ul style="list-style-type: none"> <li>▪ There is some evidence of the wider effects of the service delivery on delivering strategic objectives and limited evidence of the wider socio-economic effects of the service.</li> <li>▪ There are a very few, if any, unintended side effects resulting from service provision.</li> <li>▪ The overall impact of the service for the intended beneficiaries is clear.</li> <li>▪ There is some scope for considering alternative ways of delivering the service.</li> <li>▪ The potential for improvement through alternative methods is not fully clear due to potential efficiencies of scale, a clear market for shared service delivery and/or no business critical implications.</li> </ul>
	Level Four	<ul style="list-style-type: none"> <li>▪ There is clear evidence of the wider effects of the service delivery on delivering strategic objectives and limited evidence of the wider socio-economic effects of the service.</li> <li>▪ There are no unintended side effects resulting from service provision.</li> <li>▪ The overall impact of the service for the intended beneficiaries is very clear.</li> <li>▪ The currently delivery mechanism is the only appropriate method of delivery at this point as there is little or no evidence of potential for economies of scale, no clear market for shared service delivery and the service is business critical.</li> </ul>