

Report of	Meeting	Date
Corporate Director (People) (Introduced by the Executive Member for Resources)	Executive Cabinet	3 December 2009

VALUE FOR MONEY REVIEW OF THE CORPORATE SUPPORT SERVICES

PURPOSE OF REPORT

1. To present the findings of the value for money review into the corporate support services, undertaken as part of the Council's programme of service reviews.

RECOMMENDATION(S)

2. That the report be noted and the recommendations be approved for development and implementation.

EXECUTIVE SUMMARY OF REPORT

3. During 2009/2010, a value for money review of the corporate support services was undertaken to assess their effectiveness in delivering high quality services and value for money, and to make recommendations about possible improvements that could be made.
4. The review of the corporate support services includes the office of the chief executive, HR&OD, ICT, corporate governance (civic services, legal services and democratic services) and policy and performance.
5. 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.
6. While CIPFA benchmarking information has been received for Revenues and Benefits the findings will be presented next year as part of the fourth tranche of VFM reviews. The findings are generally positive identifying below average costs and good performance for the service. The only area of concern relates to high contact centre recharges. As the fourth tranche includes customer services it provides an ideal opportunity to look into this in more detail and to identify opportunities to improve efficiency.
7. The review found that the corporate support services generally offer good value for money, but that there were some improvements that could be made. A series of recommendations have been made, and these will be translated into a transformation plan to drive improvements.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

8. The Value for Money reviews are an integral part of the Council's drive to improve services and transformation across the Council. The report outlines possible improvements that can be made within the corporate support services to make the services more effective and efficient.



ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. N/A

CORPORATE PRIORITIES

10. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organisation	✓

BACKGROUND

11. The Council developed a programme of value for money reviews, approved by Executive Cabinet in May 2007, to ensure the Council can continue to demonstrate that it is delivering high quality, value for money services to its residents. The review of the corporate support services was the third undertaken as part of that programme.
12. A team of officers from the Policy and Performance and business transformation undertook the review with support from other directorates. It looked at each corporate support directorate in turn to establish the extent to which value for money has been secured. A high degree of value for money is found where there is a relatively low whole-life cost, high productivity and successful outcomes to meet the customer requirements.
13. To determine whether a service was delivering value for money, the following factors were examined:
 - 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.
14. In addition, the review looked at how well the directorate was delivering transformed services following the business process architecture project. The following themes were looked at:
 - Technology
 - Workforce Development
 - Procurement
 - Performance Management
 - Customer Focus
15. This report summarises some of the main conclusions drawn in the report and the recommendations made. The final report is attached as appendix A.

MAIN FINDINGS

16. The review identified a great deal of good practice in the support services directorates. All of the support services are generally offering value for money however a few high cost areas have been identified. Also there is 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. There are already successful examples of shared services (emergency planning and business continuity), providing services to others/income generation (communications work with NWIEP, policy and performances work with NWeGG and HR&OD's work with St Catherine's hospice) and outsourcing of health and safety and payroll. Each demonstrating and supporting value for money and a better use of resources.
17. Each directorate and services was examined against each of the factors set out in paragraph nine above and given a score out of four. The scores for each service are set out in the table below:

	Rationale	Efficiency	Economy	Effectiveness	Impact	Total
Office of the Chief Executive	2	3	2.5	2.5	2	12
HR & OD	3	3	2.5	3	3	14.5
ICT	3	3	2.5	2.5	3	14
Civic Services	2	2.5	2	2.5	2.5	11.5
Legal	3	3	3	2.5	3	14.5
Democratic Services	3	3	3	2.5	3	14.5
Policy & Performance	3.5	3	2.5	3	3.5	15.5

18. The table below gives a qualitative indication of the level of value for money each overall score represents:

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.

19. 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.
20. In addition the rough cut costing and benchmarking exercises 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.
21. The report makes a series of recommendations that should drive improvement in the corporate support services, to ensure that high levels of value for money continue to be achieved. These will be developed into a transformation programme plan and workforce development plan.

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