

# Chorley Council

## Use of Resources: Value for Money Self Assessment October 2006

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# USE OF RESOURCES: VALUE FOR MONEY SELF ASSESSMENT

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## CONTEXTUAL INFORMATION

2006 has been another important and productive year for the Council that has seen further substantial organisational change and development.

A key contextual change during the last year has been the change in both political leadership and at senior management level. Following the appointment of a new Chief Executive in January 2006 political control of the Council changed in May this year with the Conservative Group forming the new Executive Cabinet. In addition a new Senior Management structure has been implemented which will generate £110,000 savings during 2006/07 and deliver better coordinated services to the public.

Significant other changes to the organisational structure have also occurred during 2006 or will occur during the course of this year. The Highway Agency was transferred back to Lancashire County Council in June this year along with the relevant staff resource, a Yes vote on the Housing Stock Transfer issue will see this happen in March 2007 and tenders are currently being considered on the Property Services and Markets outsourcing contracts. These changes present major management and organisational issues that are currently being addressed.

The need to deliver VFM has been further strengthened by the new Administration's Strategic Objective to deliver a zero percent Council Tax increase in 2007/8 without adversely affecting our high quality service provision. Over the past few months a process has started to identify £1million in savings across the organisation to achieve the strategic aim.

The Council's major accommodation change programme also continues geared alongside our commitments to Mobile and Homeworking, to maximising efficiency savings in the provision of staff accommodation. Two Council administrative centres closed during 2005/6 at King St and Duxbury and further reductions are planned during 2006/7 to meet our changing needs.



Donna Hall  
Chief Executive



Cllr Peter Goldsworthy  
Leader of the Council



Cllr Pat Case  
Executive Member  
for Policy & Performance

**KLOE 5.1 How well does the council currently achieve good value for money?**

**Reference to evidence source**

In this section details are provided of some of the Council's achievements during 2005/06, focusing on areas of improvements made in particular in the last twelve months.

**INTRODUCTION**

The last twelve months were particularly satisfying. The Council has continued its drive to improve Value for Money. More details are provided about key elements of the work we have undertaken within the section. However as an overview we have:

- Managed to create opportunities for budget growth against a background of a limited increase in Council Tax.
- Continued to build on improving the Council's approach to the key building blocks required to deliver Value for Money such as:
  - Establishing a much improved Corporate Strategy and vision for the Borough
  - Trialling Area Forum working
  - Improving performance management arrangements
  - Looking to improve further the Council's Use of Resources standing.

This is in addition to consolidating the work we have already done in relation to areas such as Procurement, Capacity Management, Partnership Working and Customer Services.

In this Self-Assessment we have tried not to replicate the messages in the Direction of Travel report<sup>(36)</sup>, but clearly there will be the overlap and that document is a useful reference point and is attached for completeness.

36. Direction of Travel Self-Assessment

**KEY MESSAGE**



Chorley Borough Council has a very strong Value for Money (VFM) ethos, driven from the top by Chief Officer and through Senior Executive Member Champions in areas like Customer, Procurement, Risk Management and e-Government. Officers are encouraged and empowered to deliver improved economy, efficiency and effectiveness through their participation in a variety of review mechanisms.

**OVERVIEW AND SCRUTINY**

The Overview and Scrutiny role continued to be strengthened during 2005/06 and this has made a direct contribution to the delivery of value for money. Notable achievements include inquiries into the Provision of Youth Activities in Chorley, the effectiveness of the One Stop Shop, involvement in the budget setting and monitoring process and monitoring of performance and unit business plans<sup>(4)</sup>.

4. Overview and Scrutiny Report

Additionally, following completion of a centre for Public Scrutiny Self Evaluation Framework for the Overview and Scrutiny functions, an Overview and Scrutiny Improvement Plan<sup>(5)</sup> was prepared.

5. Overview and Scrutiny Improvement Plan

**KLOE 5.1 How well does the council currently achieve good value for money?**

**Reference to evidence source**

Underpinned by 4 key scrutiny principles:

- Provide 'Critical Friend' challenge.
- Recruit the voices and concerns of the public and its communities.
- Take the lead and own the scrutiny process.
- Make an impact on Service Delivery.

The improvement plan sets out a detailed services of action geared to ensuring that this committee's critical role is further developed, building on the substantial progress already made to date.

**PERFORMANCE MANAGEMENT**

The Audit Commission PI tool showed that in 2004/05, 60% of the Council's basket of CPA performance indicators showed improving performance from the 2002/03 baseline.

The drive for continuous improvement is also reflected in the results for 2005/06 with 64% of comparable CPA Performance Indicators showing improving or consistent performance between 2004/05 and 2005/06 and 71% of all BVPI's achieving or exceeding target in 2005/06. Importantly the Overview and Scrutiny end of year report on BV Performance Indicators identified an Improvement Action Plan for only five key indicators which needed consideration and these will be closely monitored during 2006/07. <sup>(6 and 7)</sup>

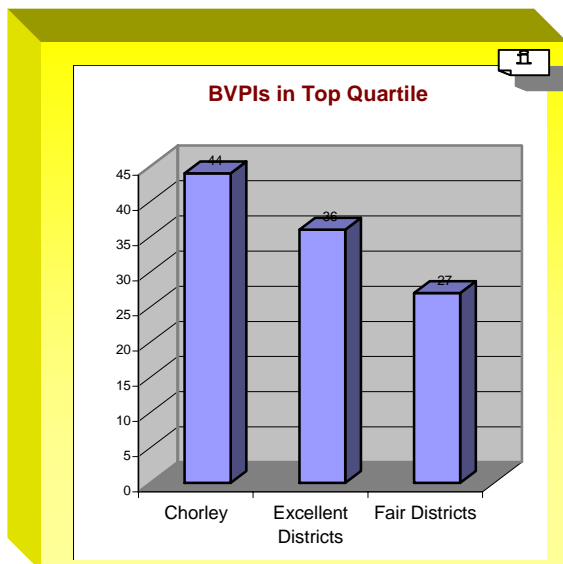
- 6. Quarterly Performance Indicators 2005/06. Overview and Scrutiny Monitoring Report 2005/06
- 7. Quarterly report on best value performance indicators

**KEY MESSAGE**



71% of Performance Indicators met or exceeded targets in 2005/6 and those showing concern targeted for improvement. This continued our year on year performance improvement. Our performance compared to other Councils is good.

**Comparison of BVPI Performance with Other Councils**



<b>KLOE 5.1 How well does the council currently achieve good value for money?</b>	<b>Reference to evidence source</b>
<p><b>BUSINESS PLANNING</b></p> <p>During 2005/06 the Council developed its new Corporate Strategy in conjunction with its key partners and stakeholders. We have built on the lessons learnt from the Plan previously produced and addressed some of the issues previously raised by the Audit Commission in terms of ambition, clarity and measurement. To support the new strategy we also revisited and developed the Council's Performance and Project management approach. We believe the changes will be key to the Council ensuring delivery of the Strategy.</p> <p>The Business Planning process was reviewed in 2005 and the changes made should see much clearer links being established with the Value for Money Strategic Framework. Business Plans updates during 2006 will identify Value for Money study areas as part of a corporate programme.</p> <p>Additionally work is well underway to integrate the Council's HR Strategy into the Local Government Regional Workforce Strategy, in conjunction with five neighbouring Lancashire Authorities and the Corporate approach to delivering strategic procurement and achieving the Efficiency Agenda targets have seen these become more closely aligned to the Business Planning process.</p> <p><b>BUSINESS PROCESS TRANSFORMATION</b></p> <p>The Council's e-Workforce Programme began in 2004 and has seen substantial reduction in staff within corporate service areas through redesign of back-office processes. Major areas of success have been the introduction of an electronic access of leave and flexitime recording system, a fully electronic procure 2 pay systems, an automated Committee Administration system, a systematic transfer of services to the Contact Centre which continues in 2006 and a major business process re-engineering exercise being conducted in planning and building control prior to transfer to the Contact Centre.<sup>(27)</sup></p> <p>The management restructure at the end of 2005/06 established a Procurement and Efficiency Team within the Finance Department to corporately manage these two key areas. Part of their brief is to co-ordinate and implement business process, re-engineering exercises as part of service reviews.</p>	<p>35. Corporate Strategy Overview 2006/07 – 2008/09</p> <p>32. People, Pay and Performance Action Plan</p> <p>27. Contact Chorley reports</p>

KLOE 5.1 How well does the council currently achieve good value for money?	Reference to evidence source
<p><b>PROCUREMENT</b></p> <p>Major procurement exercises were conducted during 2005/06 on the Golf Course and Leisure Services contracts and the potential outsourcing contracts on Property Services and Markets and their successful outcomes will ensure improved VFM for the Council in future years through either delivery of efficiency savings of achieving more for less <sup>(8)</sup>. Other notable successes have been in the procurement of Insurance Services which will result in savings of £100,000 in 2006/07 and in the major contribution overall that procurement savings have made to the Annual Efficiency Targets during 2004/05 and 2005/06 <sup>(9 and 10)</sup>.</p> <p>In January 2006 the Council report on procurement “Delivering the Strategy” <sup>(11)</sup> was presented to Executive Cabinet highlighting the significant progress made on implementing our own strategy and in achieving the milestone targets contained in the National Strategy.</p> <p>An IDEA fitness check was conducted in March 2006 to challenge the Council’s progress against the National Procurement Strategy Milestones for Local Government. The subsequent report <sup>(12)</sup> identified that Chorley had completed 17 of the 20 milestones applicable to District Councils and the Challenge Team commended the Council on their excellent progress. Work is now underway to ensure the three outstanding milestones are tackled prior to the end of March 2007 which is the deadline for achieving all the milestones.</p> <p>Going forward we have established our strategic approach to stimulating markets and achieving community benefits through procurement and noticeable examples to date are Buckshaw Village, Recycling Waste, and the markets outsourcing exercise. Community Benefits are now being considered as part of all major procurement projects <sup>(13)</sup>.</p> <p><b>EXTERNAL FUNDING STRATEGY</b></p> <p>Chorley appointed it's first funding officer in 2002 and since then grant offers have totalled £746,820. The sources of funding ranged from small trusts to major lottery distributors, from UK government sources to European Structural funds. Following this initial success a more strategic approach has been put in place with the development of an External Funding Strategy <sup>(14)</sup> clearly linked to Council priority areas and following a detailed risk analysis of funding streams focused on working in partnership with other organisations to attract funding to Chorley.</p>	<p>8. Corporate Procurement Strategy 2004 – 2009.</p> <p>9. AES 2004/5 BL.</p> <p>10. AES 2004/5 BL.</p> <p>11. Report to Executive Cabinet – Delivering the Procurement Strategy, Jan 2006.</p> <p>12. IdEA Procurement Fitness Check Programme Report</p> <p>13. CBC approach to structuring markets and achieving community benefits, App D Corporate Procurement Strategy</p> <p>14. External Funding Strategy</p>



**KLOE 5.1.1 How well do the council's overall and service costs compare with others?**

**Reference to evidence source**

An analysis of service costs against our nearest neighbours has been carried out which can be summarised as follows, details are provided in the supporting evidence.

**TOTAL EXPENDITURE AND PERFORMANCE**

**Expenditure**

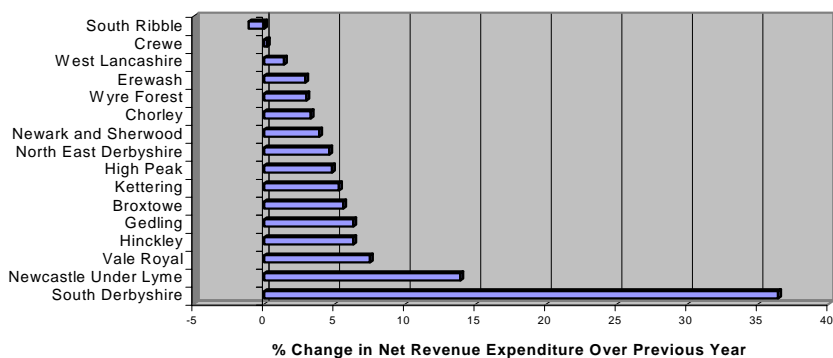
**KEY MESSAGE**



In 2005/06 the change in net revenue expenditure over 2004/05 was 3.3% which was substantially less than the nearest neighbour average of 6.5%. Chorley ranked 6<sup>th</sup> lowest of 16 against this indicator. Chorley's expenditure per head is either reducing or not increasing at the same rate as its nearest neighbours, in 10 of the 14 expenditure areas. <sup>(15 and 16)</sup>

- 15. VFM Profile NN Data extract
- 16. VFM Nearest Neighbour Profile Report

2005/2006



**Variations**

The VFM Nearest Neighbour profile Report identifies a number of significant movements between this year and last. As can be seen from Table 2 below these movements can be directly linked to policy decisions to either invest or disinvest in the respective service areas.

Area of expenditure	Expenditure per Head (£)		Explanation
	2004/05	2005/06	
Economic & Community Development	8.60	1.80	Reflects the Council's Policy decision to disinvest in Economic Development area during 2005/6. Reinstated as a key corporate Priority in revised Corporate Strategy with associated targeted investment in 2006/7
Community Safety	4.96	7.79	Reflects the Council's Corporate Priority to improve results in this area. Major investment in Community Safety Partnership with organisations has seen substantial improvements. Now looking at more innovative ways of delivering the service whilst achieving Efficiency savings for the Council
Planning	10.30	18.46	Major investment to improve performance in this service area. This has seen major improvements in service performance funded by additional Planning Grant
Sport & Recreation	1.78	7.48	Reflects investment in this key corporate priority with resulting excellent performance in service delivery



**Performance**

**KEY MESSAGE**



The key service areas identified in the VFM cost profiles showed that cost per head had improved in the 13 of the 28 indicators, had remained consistent in 11 and fell in only 4

16. VFM Nearest Neighbour Profile Report (Table 3)

**Unapportioned Central Overheads**

These continue to be low at 1.4% in comparison with our nearest neighbour average of 2.11% and show a slight drop from last years 1.5%.

Chorley's allocations over time show no significant shifts and we comply with CIPFA's Best Value Accounting Code of Practice (BVACOP), but in terms of cost analysis this has potentially a significant impact with other Councils not showing the true cost of service.

**CAPITAL PROGRAMME**

The introduction of the Capital Programme Board and the project management toolkit has seen a significant improvement and a more controlled and successful delivery of the programme during 2005/06. Indeed effective project management has been a key driver for efficient and effective management and implementation across the whole range of our services and the Chorley Toolkit is now being used and advocated for use by other North West Authorities by the NW Centre of excellence.

High level monitoring of the Capital Programme is carried out through four performance indicators, which have been described in previous Executive Cabinet reports. The table below lists these and shows targets and year-end results against the performance last reported to Executive Cabinet on 9 March 2006.

Performance Indicator	Target 2005/06	Performance	
		At March 06	Year End 05/06
	%	%	%
1. The % of the Capital Programme budget actually spent.	80	92	105
2. The % of capital schemes intended to be completed during the year actually completed.	80	67	82
3. The % of project using the toolkit.	50	29	34
4. The % of successful projects.	80	100	10

At the end of 2005/06 three of the four performance indicators have exceeded target. Improvement plans are in place to ensure that in particular the % of Schemes using the project management tool kit increases and we have already seen a significant improvement in this financial year 2006/07. Action taken includes more familiarisation and training for staff involved in projects of this nature and updating the Council's toolkit.

The following external factors impact on our costs.

### **Growing Population**

Chorley is one of the few significant population growth areas in the North West. Historically the Council's RSG settlements have failed to reflect the true level of population growth and thus demand on Council Services. This population growth is caused by net immigration, resulting in a more immediate increased demand for services rather than through an increase in birth rate.

#### **KEY MESSAGE**



The major external factor affecting costs continues to be Chorley's growing population which at 0.98% in 2005/06 far outstripped the NN average of 0.56% and placed us at 4<sup>th</sup> highest of 16. As a result of this increase we have to achieve greater value for money because of increased demand just to maintain existing levels of service in terms of quality and quantity.

Table 1 in the VFM Profile document <sup>(16)</sup> illustrates the movements in Chorley's expenditure per head figures for the more material areas of the budget. Overall we have been able to generally maintain our rankings against 2005, despite the increasing population substantially above the NN average and will be seen in 5.1.3 we have seen significant increases in performance and outcomes against this costs profile.

### **High Level of Population Working Outside the Borough**

The large travel to work catchment area and good communications make for a very competitive labour market. This, combined with skills shortages in key areas, add to employment costs for example Planners, Building Control Officer, IT professionals, Environment Health Officer, Lawyers, Accountants and some building trades. The Council is therefore currently paying market supplements in a number of these areas.

### **Rural (60%) and Urban (40%) Mix**

The Borough's largely rural nature leads to higher costs being incurred in areas such as grass cutting and street cleaning (due to the greater dispersment of services) and highways where heavy verge planting results in significant costs which are not covered by the County Council's Contact Centre Strategy, the introduction of the "Allpay" system, which allows payments to be taken at over 200 outlets across the Borough has further increased costs.

**KLOE 5.1.2 How do external factors affect costs and how do adjusted costs compare?**

**Reference to evidence source**

**Relative Affluence of the Borough**

This has resulted in the Council not being able to access external funding that is available to others (for example NRF). Hence the need for the Council to use its own resources in areas like neighbourhood wardens, whereas more deprived authorities would be able to lever in far more significant amounts of outside funding. This has also resulted in the Council having to pump-prime schemes in terms of initial preparatory work, which may not subsequently receive external funding due to reliance upon partners. The Greater environmental awareness of a more affluent population increases the take-up of services such as green waste and recycling.

**KLOE 5.1.3 To what extent are costs commensurate with service delivery, performance and the outcomes to be achieved?**

**Reference to evidence source**

The following section outlines the level of standards and performance achieved by the Council, the service inspections undertaken and where we have targeted investment in specific service areas.

**KEY MESSAGE**



Based upon the 2004/5 and 2005/06 VFM Profiles, Chorley's most recent Best Value Satisfaction Survey undertaken in 2003/04 for services (preparation currently underway for survey to be undertaken during 2006/07) and the BV Performance data for 2006/7 <sup>(17)</sup> Chorley's services continue to be typified by very high satisfaction levels with high performing, quality service provision at lower quartile or median quartile cost. The following conclusions have been drawn.

17. The Performance Agreement 2006/7

**CUSTOMER FOCUS**

This sustained drive for excellence in service performance has been delivered through a number of initiatives recognised regionally and nationally by partners and stakeholders as excellent and innovative.

**IMPROVING OUTCOMES**



**Our innovative approach to Customer Service and Partnership working has resulted in:**

- Over £300,000 of savings over seven years (Average of £43,000 per annum)
- An average of **13,700 calls** handled per month
- **97% of Customers** being satisfied or very satisfied with how we dealt with their enquiry in the One Stop Shop
- Chorley being ranked second out of eighteen authorities for Customer Satisfaction



**KEY MESSAGE**



In August 2005 the Council achieved the highest possible level of recognition of its excellence in Customer Service with the Audit Commission recognising us as having a three star approach to Customer Access and Focus with excellent prospects for improvement, realised through ***“Strong and visionary leadership in customer services, ensuring that the needs of customers and service users are at the heart of planning service and delivery”.***

This recognition of exceptionally high levels of performance is echoed by customers ***“The service at the One Stop Shop is always exemplary. My wife is disabled and we regularly come in to speak to members of the customer service team. They even remember my name and everything about our case so we don’t have to keep repeating ourselves.”***

The delivery of the Shared Services Contact Centre has enabled the Council to offer co-located Services, for example Lancashire County Council community services and the Now Card (concessionary travel) can be accessed through the One Stop Shop as part of our continued commitment to facilitate constructive working arrangements across local authority boundaries. Furthermore, the Council works in partnership with agencies such as Citizen’s Advice Bureau, Patient Liaison Advice Service (PALS) and the Department of Work and Pensions to provide surgeries in the One Stop Shop 260 surgeries have taken place over the last 12 months. Our Customer Access Strategy is our strategic approach to improving access and outcomes for the customer and the Council has committed additional resources into this area.

**ENVIRONMENT AND PLANNING**

Our investment in recent years in these two priority areas continues to pay dividends in terms of our performance.

- We topped our nearest neighbour tables on BV90d, 82a and 82b covering waste recycling and achieved a 92% score against BV90a, the indicator for people satisfied with household waste collection put us 3<sup>rd</sup> of 16 in the NN table.
- In 2003/04 Planning Delivery Grant was the lowest at £84,000 in comparison with our NN average of £231,000. Due to improved performance this increased to £512,000 in 2004/05 which was substantially higher than the NN average of £385,000 and placed us 5<sup>th</sup> of 16 in the NN table.
- The percentage of planning applications granted has seen a substantial increase from 73% to 85% instead of a NN average for 2004/05 of 75% and this moved us from 10<sup>th</sup> in the 2003/04 rankings to 4<sup>th</sup> in the 2004/05 rankings.

37. Customer Access Strategy

15. VFM Profile Data Extract

**KLOE 5.1.3 To what extent are costs commensurate with service delivery, performance and the outcomes to be achieved?**

**Reference to evidence source**

- Substantial improvement in the 7% of appeals allowed where we moved from being lowest ranked of our NN to 9<sup>th</sup> highest in 2004/05. In percentage terms this saw us drop from 60% in 2003/04 to 30% in 2004/05 which put us slightly under the NN average of 30.56%.
- Between 2003/04 and 2004/05, the number of planning applications determined in the target time has improved from 48% to 74% (major applications) 51% to 71% (minor applications) and 80% to 88% (other applications). Further investment in an e-Planning project being implemented during the financial year should also help to improve performance further.
- Our current recycling performance of over 40% exceeds our statutory target of 23% and the 36% target set by the Lancashire Waste Management Strategy. This has significantly reduced the amount of landfill waste generated by households.
- Just over 24,000 tonnes of household waste went to landfill in 2005/6 compared to over 42,000 tonnes in 2003/4. All of this has been achieved by an increase of just £1 per household per year in the cost of waste and recycling collections in 2005/06.

We recognise that this level of achievement could not have been realised without the co-operation of our residents and have ensured that the information provided to residents has been second to none, the success of this is evidenced by feedback from residents ***“The recycling scheme in Chorley is excellent. It is easy to use and easy to understand. It is encouraging people to recycle who may not have done previously”***

Doorstep surveys were conducted by an independent organisation in October 2005. The results showed that 97% knew about the kerb-side recycling scheme and 75% rated the scheme above average.

**The Council has also become one of the Countries first ‘Green Heroes’** an award presented to Council’s who have not only won a Green Apple for environmental best practice, but additionally demonstrated their commitment by helping others to follow their lead. Chorley has been recognized for the way in which it consulted with residents and promoted the new recycling arrangements. The Council’s achievements have been published in the Green Book, which will enable other companies, Council’s and communities to benefit from our experience and successes.

## **HOUSING**

In June this year, following a Tenant ballot voting “Yes” to a Housing Stock Transfer work started on the arrangements for a transfer of the whole housing stock to a regulated Social Landlord. The Council was committed strategically to this transfer as it saw this as the best way forward to ensure the long term viability of the Housing Stock.

- In 2004/05 the Council achieved one of the lowest costs of maintenance as the 2<sup>nd</sup> lowest of 9 of our nearest neighbours.





**KEY MESSAGE**



99.5% of Customers in the One Stop Shop in 2005/06 were either satisfied or very satisfied with the service they had received.

**Capacity**

The Council has also recognised the need to adequately support on a corporate level the work we need to implement as part of the Efficiency Agenda. Bringing together the Corporate Procurement and the ICT Business Analysers into a Procurement and Efficiency Team will ensure that our excellent work on achieving the National Procurement Milestones and delivering on the Efficiency Agenda Targets. We have already exceeded our annual targets for efficiency gains through to 2005/06 and are well on target to achieve the £1.29 million savings by the end of 2007/08.

A further major investment in the shape of our new Financials system went live in April 2005. Part of the implementation involved establishing a fully electronic procure 2 pay system which replaced the outdated and time consuming manual process. This resulted in substantial central support service reductions which have been reflected in the 2005/06 Annual Efficiency Statement, and we anticipate further savings through further targets set within our e-Procurement Strategy and shared services.

The percentage of staff undergoing a performance review in 2005/06 increased to 92% from a baseline of 52% in 2004/05 and we have developed a Member Development programme and are currently being considered for the Investors in People Award.

**Cleaner, Greener, Safer**

The following indications clearly show how our targeted investment in key corporate priority areas is delivering results.

- Percentage of total tonnage of Household waste which is composted or recycled increased from 28.2 in 2004/05 to 40.32 on 2005/06
- The Percentage of land assessed as having significant or heavy deposits or litter and detritus dropped from 14% in 2004/05 to 5.3% in 2005/06.
- The Percentage of people who feel safe living in the Borough increased from 75% to 82%
- Crime levels in the Borough decreased by 13%, our achievements in this area were recognised by the Home Office (letter from Home Office) <sup>(29)</sup>
- Percentage of citizens satisfied with parks and open spaces-increased from 76% to 81.7 in 2005/06
- Number of Children participating in events organised by the Council- 8,293, of which 54% were from priority areas for intervention.

29. Letter from Home Office

The following section shows how costs are assessed and in line with priority areas.

It also demonstrates our commitment to partnership working and in developing improvements through shared service provision.

**KEY MESSAGE**



The Council has adopted a revised planning approach to spending, focusing resources on priority spend areas and taking a whole life approach for major areas of expenditure.

**EXPENDITURE COSTS AND DECISION MAKING**

**KEY MESSAGE**



The current MTFs covers the period 2005/6 – 2007/8. It covers a number of key assumptions one of which is that ‘savings will be made in explicitly identified non-priority areas which do not impact on the key corporate priorities <sup>(18)</sup>.

This strategy continues to be borne out through further significant reductions in management costs implemented during 2005/06. Furthermore to achieve the new administrations zero council tax aspirations for 2007/8 savings of £1million have been identified this year as part the budget process, through further establishment reduction, and more innovative methods of service delivery, none of which will be to the detriment of service delivery.

Major investment will be achieved in leisure activities, particularly through the 25yr golf common/partnership which will see £2.5 spent on improvement to the current facilities.

The table below illustrates the way in which the Council has directed resources towards its priorities in the last few budgets.

	Total Savings	Growth Diverted to Priorities			Total
		Customers	Capacity	Greener, Cleaner, Safer	
2004/05	708	158	30	61	249
2005/06	283	0	27	166	193

		Prosperity	People	Place	Performance	Total
2006/07	558	55	59	107	24	245
	1,549	213	223		251	687

**KEY MESSAGE**



44% of savings made over the period have been directed from non-priorities into investment in the Council's current priorities.

18. Medium term financial strategy 2006/7 - 2008/9 Statutory Report

<b>KLOE 5.2 How well does the council manage and improve value for money?</b>	<b>Reference to evidence source</b>
<p><b>INTRODUCTION</b></p> <p>2006 has seen a continuation of the Focus on achieving VFM across the Council. To this end the Council is very much aware of the need to structure the organisation in a way that enables us to transform the organisation to respond to the needs and demands of our customers and to take advantage of shared services. To support this change programme Chorley is currently the lead District Council working with the DCLG to develop a Business Process Architecture with the aim of defining a change management programme to assist ourselves and other LA's in this development <sup>(2)</sup>. We have also developed a value for money framework 2006-9 <sup>(1)</sup>. This sets out how the Council will strategically approach the delivery of VFM and we have aligned our strategic objectives within the framework to the Audit Commission criteria for VFM and the Council's Corporate Strategy. We prepared a Benchmarking Strategy<sup>(3)</sup> for the Council which sets out the action we need to take to implement a robust benchmarking framework to effectively compare our performance and costs against other organisations and enable us to achieve performance improvement. Additionally the VFM framework identified the need to develop a programme of VFM studies on specific areas of activity, although the 2006 focus has been on specific project areas within the delivery of the Strategic Framework.</p> <p>The following section sets out how the Council manages its costs whilst maintaining the quality of services and responding to local needs.</p> <p><b>BUDGETARY CONTROL</b></p> <p>The Council has a robust regular budget monitoring process in place with results being reported to Executive Cabinet.</p> <p>The Council closely controls its finance and 2005/06 the Aggregate Final Outturn of all cost centres was an underspend of £161,000, representing 1.13% of the net revenue cash budget set for 2005/06 of £14.214 million. In 2004/05 the Aggregate Final Outturn of all services areas was an underspend of £199,000, representing 1.4% of the net revenue budget set for 2003/04 of £14.084 million.</p>	<ol style="list-style-type: none"> <li>1. VFM Framework</li> <li>2. Building on the BPA Project initiation Document</li> <li>3. Benchmarking Strategy</li> </ol>

**KLOE 5.2 How well does the council manage and improve value for money?**

**Reference to evidence source**

**ANNUAL GOVERNANCE REPORT**

The Audit Commission's Annual Governance Report on 2005/06 <sup>(26)</sup> assessed VFM and concluded that in all significant respects, Chorley Borough Council made proper arrangements to secure efficiency and effectiveness in its use of resources for the year ending 31 March, 2006.

26. Annual Governance Report

The table below sets out the reports VFM criteria and conclusions.

ANNUAL GOVERNANCE REPORT VFM CRITERIA & CONCLUSIONS AUDIT 2005/06	
Criteria	Assessment Yes/No
<b>Strategic and operational objectives</b>	
The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives	Yes
<b>Communication</b>	
The body has put in place channels of communication with service users and other stakeholders including partners, and there are monitoring arrangements to ensure that key messages about services are taken into account.	Yes
<b>Performance management</b>	
The body has put in place arrangements for monitoring and scrutiny of performance, to identify potential variances against strategic objectives, standards and targets, for taking action where necessary, and reporting to members.	Yes
<b>Data quality</b>	
The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.	Yes
<b>Internal Control</b>	
The body has put in place arrangements to maintain a sound system of internal control.	Yes
<b>Risk management</b>	
The body has put in place arrangements to manage its significant business risks.	Yes
<b>Improving value for money</b>	
The body has put in place arrangements to manage and improve value for money.	Yes
<b>Financial strategy</b>	
The body has put in place medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.	Yes
<b>Financial standing</b>	
The body has put in place arrangements to ensure that its spending matches its available resources.	Yes
<b>Financial management</b>	
The body has put in place arrangements for managing performance against budgets.	Yes
<b>Asset management</b>	
The body has put in place arrangements for the management of its asset base.	Yes
<b>Probity</b>	
The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.	Yes

One aspect of our work in 2005/06 worthy of note is the Council's approach to communicating with its customers. Whilst Area Forum working has been developed the Council has undertaken its own reputation campaign to raise customer awareness of the type and range of services the Council has to offer to them.

**LONG TERM CONSIDERATIONS**

The Council continues to focus on Service Delivery policy across the whole range of Council services. Following an Overview and Scrutiny investigation and a full Options Appraisal Process the decision was made to outsource the Property Services and Markets Service at Chorley. Tenders are in for both contracts and we are confident that these Public/Private partnerships will deliver better value services.

We are also jointly involved with our neighbour South Ribble Borough Council in a project which will look at the feasibility of Chorley and South Ribble Council's collaborating in the delivery of Financial, Asset Management, Internal Audit and related services. The Council strongly believes that this is the way forward, particularly for Council's of our size, and to support this we are leading an a DCLG funded project which will help Councils better position themselves to deliver shared services.


Other noticeable examples are shared services in our arrangement with Bolton Council for the provision of our Health & Safety services and an interim arrangement with Stockport to provide HR management.

**RESPONDING TO LOCAL NEEDS**

CPA 2004 identified the allocation of resources to priority areas as being a strength. The Council's Medium Term Financial Strategy (MTFS) demonstrates how 46% of the savings made over the last four years have been directed from non-priority areas in terms of recurrent growth in order to ensure VFM from spending decisions.

**COMMUNITY ENGAGEMENT**

The Council has continued to develop its approach to Community Leadership and Neighbourhood Management through the piloting of Area Forums, a programme of Community Meetings which bring together various stakeholders and the wider community in a bid to understand and address the issues of local people.

**INFORMATION PANEL** 

**Area Forum Pilots**

The area forum pilot has:

- Responded to **116 Questions** from members of the Public
- Maintained an average attendance of 29 people at each forum meeting
- Seen representation at the meetings from other key partners including; Chorley Borough Council, Lancashire County Council, Lancashire Police, Chorley and South Ribble Primary Care Trust, Parish Council and the MP for Chorley
- Delivered 8,280 **Area Forum News Letters**

30. OBC for Shared Services Feasibility

**KLOE 5.2 How well does the council manage and improve value for money?**


**Reference to evidence source**

The pilot was, in part, a response to the Audit Commission's recommendation that the Council develop clearer plans for Local Area Meetings that enable residents to participate in plans for their communities, especially in Rural Areas.

An important outcome from the Area Forums has been 'You Said/We Did' feature. This picks up on issues raised by people attending the Area Forums or as questions raised after the event, and reports in Area Forum Newsletters and in the Chorley Borough Newspaper, what action was taken.



33. Clayton North Area Forum Newsletter – June 2006.

<p><b>KLOE 5.2.1 How does the council monitor and review value for money?</b></p>	<p><b>Reference to evidence source</b></p>
<p>The Council continually looks for ways to improve on economy, efficiency and effectiveness in the delivery of its services. Not least this process is driven by:</p> <ul style="list-style-type: none"> <li>• constraints on available funding to meet budget pressures;</li> <li>• savings targets declared as part of the budget process;</li> <li>• the Gershon regime and additional efficiency targets set by Members.</li> </ul> <p>The strengthened Overview and Scrutiny role within the Council now plays a major part in ensuring value for money services are provided. In early 2006 the Committee examined apparent high cost service areas. Planning Services, Revenues and Benefits and Environmental Services were identified in the Audit Commission's Use of Resources review as areas which needed to be reviewed. Individual reports with recommendations were then put to the Executive Cabinet <sup>(19, 20, 21, 22)</sup>.</p> <div data-bbox="113 920 927 1176" style="background-color: #00AEEF; color: white; padding: 10px;"> <p><b>KEY MESSAGE</b> </p> <p>The analysis was able to explain some of the variations and we were able to demonstrate that where we have high cost we have also high performance and satisfaction and Executive Cabinet accepted the Overview and Scrutiny Committee recommendations.</p> </div> <p>Through the VFM Framework business, financial planning and policy setting processes will be strengthened to ensure that driving out inefficiency and achieving VFM is at the heart of everything we do. A corporate support function to manage VFM has been established within the Finance Directorate and an active programme of VFM studies will be implemented in accordance with corporate guidance and standards.</p>	<ul style="list-style-type: none"> <li>19. Executive's Response to Budget Scrutiny</li> <li>20. Community Panel – Budget Scrutiny Report.</li> <li>21. Customer Panel – Budget Scrutiny Report.</li> <li>22. Environment Panel – Budget Scrutiny Report.</li> </ul>



**KLOE 5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?**

**Reference to evidence source**

The following section summarises the steps taken by the Council to improve VFM and how we have exceeded our Annual Efficiency Targets.

**EFFICIENCY GAINS AND TARGETS**

Since 2003 the Council's agenda has been firmly focussed on delivering value for money through a structured Efficiency Programme.

Led by the Efficiency and Transformation Board the Programme has seen major corporate changes through 2005/06, which have helped deliver efficiency savings to the Council of £1.17 million as at the end of 2005/06 of which £715,078 are cashable. Notably of that total £454,000 has related directly to reducing the staff establishment through management changes and organisational efficiencies at no detriment in performance as evidenced through performance indicator data.

A Corporate Procurement Working Group has also had a major part to play in implementing the Council's Procurement Strategy alongside achieving the National Strategy milestones. The Council's approach now is much more strategic with the Corporate Team actively involved in major procurement areas.

**CHANGES TO INTERNAL PROCESSES**

2005/06 has seen further massive change to the way in which Back Office systems operate. A new fully electronic Committee Administration system has revolutionised the way we organise our Committee Administration system. Significant operational and process savings are envisaged during this financial year.

The introduction of the Wintime Flexitime System has seen the transformation from a clock-in system supported normally by corporate administration staff to a PC based system driven by the individual member of staff and managers.

A new FIS has also eradicated the outdated, time consuming process associated with raising orders and paying invoices. Introduced in tandem with a business process re-engineering exercise, the ordering process is now firmly the responsibility of the service departments rather than being supported centrally. A fully electronic procure 2 pay system is now in place and substantial establishment reductions in central services achieved and reflected in the 2005/06 AES.

Work on the development of the Shared Services Contact Centre also continues with the transfer of services to the front office. This will result in efficiency savings which have been included in the AES FL 2006/07 statement and an Overview and Scrutiny Panel has been established to oversee and report on efficiency gains.<sup>(23)</sup>

23. AES FL 2006/7

**KLOE 5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?**

**Reference to evidence source**

**ONLINE IMPROVEMENTS**

Over the course of the last twelve months the Council has also delivered huge successes with the development and launch of the Council's intranet site 'the loop', which was a finalist for the Association of Public Service Excellence (APSE) Best Efficiency Award 2006. The aim of this development was to create an internal platform for council-wide efficiency and business process transformation. The success of this project has led to the delivery of savings of first year cashable and non-cashable Gershon efficiencies in the region of £70,000 and has meant that we have become a reference site for others including the North West Centre of Excellence and the Society of Information Technology Managers (SOCITM), who are compiling a best practice guide based on 'theloop'. Martin Greenwood, SOCITM Insight Programme Manager, said: ***"It is a model of how an intranet development should be tackled and what it should aim to do"***.

**PARTNERSHIP WORKING**

At strategic level the newly revamped LSP will be crucial to the delivery of the Community Strategy priority outcomes. <sup>(31)</sup>

Partnership working also continues to be a pivotal part of the Council's drive for value for money. Key areas during 2005/06 were the Suppliers Analysis Sub-regional partnership with Preston and South Ribble Borough Council partially funded by the Regional Centre of Excellence. The Single Persons Discount partnership also with Preston and South Ribble which directly resulted in savings of £100,000 to the Council by reducing the number of discounts payable and working with neighbouring authorities to procure externally resourced BV Satisfaction surveys.

Part of this success has been realised by our commitment to actively scrutinise the way in which we deliver our services and to pursue alternative ways of delivering our services where this will deliver benefits. The Council has delivered a number of innovative partnering agreements over the course of the last twelve months including the new management arrangements for the Borough's Leisure Facilities and Duxbury golf course, which will realise £152,000 of savings. Additionally, these agreements are on course to deliver £2,500,000 pounds worth of investment in greatly improved facilities and services <sup>(24)</sup>.

31. New LSP Structure

24. List of Chorley Borough Council Partnerships

**KEY MESSAGE**



**Our partnerships with Chorley Leisure Services and Glendale Golf will realise £2.5 Million Pounds of investment in Leisure Facilities in the Borough**

**KLOE 5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?**

**Reference to evidence source**

Work to outsource the management of the Council's properties and the markets is also well advanced and is currently at the advanced bidder stage. The change to the way in which we deliver our property management function will result in £80,000 of savings and will realise a significant transfer of risk for the Council. The decision to review the management of the markets was informed by an Overview and Scrutiny Inquiry into the operation of the markets and feeds into the Council's plans, as outlined in the Corporate Strategy, to transform the town centre.

**KEY MESSAGE**



**Outsourcing of the Council's property services will realise £80,000 of savings and significantly reduce the risk to the authority**

**COMMUNITY MANAGEMENT**

Additionally we have pursued initiatives such as the transfer of Fairview Youth and Community Centre into community management. This innovative project will realise savings of £29,000 and will help the Council as it strives to increase levels of engagement and cohesion in our communities. Chorley Borough Council joined forces with construction company Westbury Homes to fund the new £500,000 Fairview Youth and Community Centre in Highfield Road North, Adlington. Westbury was required to contribute £150,000 as part of planning permission for the nearby Fairview Farm housing estate. Plans to take forward Community Management will see the eventual transfer of up to seven community centres and facilities and realise savings of up to £57,000 in future years.

**KLOE 5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?**

**Reference to evidence source**

### **AWARDS AND INNOVATION**

We believe that whilst focusing on costs the taxpayers in Chorley are entitled to quality services. Whilst not a means to an end, the Council has begun to be recognised at both a local and national level as a provider of high quality services. External accreditation demonstrates to key stakeholders that Value for Money is delivered where a balance is shown between cost and quality.

Accordingly, set out below are some of the key awards and some of the innovations which the Council is involved in and has delivered during 2005/06.

#### **Corporate Priority – Improved Access to Public Services**

##### **AWARDS AND INNOVATION**



**Chorley has been awarded the prestigious Charter Mark for Customer Services, when visiting the authority assessors recognised that**

- **Staff are very customer focussed**
- **The Council's long term strategy for Customer Service will enhance the service further**

**Chorley was also awarded a 3 Star excellent rating by the Audit Commission and hosted a national event on Improving Customer Service.**

**In a recent mystery shopper exercise Chorley was the only Local Authority to score 100% across all elements of the disabled access and Customer Service criteria.**

**Charter Mark assessors found that the Council has a good relationship with the Disability Forum stating that it and takes on board its ideas and acts on them.**

**All Seasons Leisure Centre has been awarded Inclusive Fitness Status, a quality mark for disability access to leisure facilities, which means that the gym can be used by people with disabilities. It is only one of a handful of gyms with this accreditation in the north of England.**

**KLOE 5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?**

**Reference to evidence source**

**Corporate Priority – Ensure Chorley Council is a performing organisation**

#### **AWARDS AND INNOVATION**



A report, carried out by independent research and testing outfit Site Confidence, shows that our website has beaten FTSE 100 company sites such as Marks and Spencer, BT and Barclays on average download speeds and availability. Work is currently underway to improve our website even further.

The North West Centre of Excellence have adopted the [toolkit used by the authority](#) to manage projects as their preferred model.

Chorley has been recognised as a model of excellence and innovation by

- The IDeA who have praised the authority for the role it has played in developing the [ESD toolkit](#) and the Council's approach to procurement
- The [National Land and Property Gazetteer](#) who have presented Chorley with the award for innovation for the most creative use of technology. Feedback from the judges stated that *“this entry was an excellent use of technology and web applications to facilitate the council's introduction of an electronic service for a change of address and business name. The application provides the public with a quick and accessible way to apply to change the name of their property or business, either online from their own home computer, or in the One-Stop shop when they come to the Council to request a change. The entry also highlighted the successful integration of services across a number of software platforms/vendors”*

#### **MEMBERS CHARTER AWARD**

The Council has been awarded the \*\*\* North West Employers Organisation. Elected Member Development Charter which recognised the excellent progress we have made in ensuring there is an \*\*\* framework for delivering training and development opportunities for members of the Council.

**KLOE 5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?**

**Reference to evidence source**

**Corporate Priority – Develop the feel and character of Chorley as a good place to live**

#### **AWARDS AND INNOVATION**



The Council's Yarrow Valley Park has been awarded the prestigious Green Flag award.

- Chorley won the Northwest in Bloom Environmental Award 2006 after entering for the first time with a hugely impressive score of 19 ½ out of 20
- Chorley won the Best Newcomer and was second runner up in the Large Town Category
- The rationalisation of street sweeping schedules have resulted in an enormous improvement in the street scene, particularly in rural areas, doubling the number of times minor roads are swept and realising a reduction in street dirtiness from 14% to 5% (BVPI 199a) and placing us well above the top quartile nationally of 11 for 2004/05 and giving Chorley the cleanest streets in Lancashire.

The Council's groundbreaking work in the field of environment has been recognised by the green organisation, an independent environmental group dedicated to recognising environmental best practice around the world. The Council has been awarded the prestigious Green Apple award for our 'Tip it in the Skip' campaign, which saw the delivery of community skips to urban and rural wards across the borough with the aim of reducing the number of incidents of fly tipping. 85% of the waste collected through this initiative was recycled, further boosting our already impressive recycling rates.

The Council's achievements in recycling have been published in the Green Book, which will enable other companies, Council's and communities to benefit from our experience and successes.

KLOE 5.2.3 Do procurement and other spending decisions take account of full long term costs?	Reference to evidence source
<p><b>CORPORATE PROCUREMENT STRATEGY</b></p> <p>The annual report to Executive Cabinet in January 2006 reported on progress on implementing the Procurement Strategy. Notable achievements to date are the achievement of the £500,000 savings target set for the strategy, the complete revision of current procedure rules to fit with today's workplace, creation of a website area for procurement including a comprehensive "Selling to the Council" guide and major improvements to the Procure 2 Pay process.</p> <p>Whole life costing is now very much embedded in the way we procure goods and services with Options Appraisal exercises used on all major procurement exercises. The importance of whole life costing was also a central theme in procurement training sessions delivered by the Corporate Team to staff involved in the Procurement Process <sup>(25)</sup>. Training has also been provided for senior officers and members involved at a strategic level in procurement.</p> <p><b>EXTERNAL FUNDING STRATEGY</b></p> <p>Closely linked with an approach to Partnership and Collaboration our External Funding Strategy provides a platform to further exploit new opportunities enabling as a result of the Local Strategy Partnership, the establishment of a Local Public Services Board and the adoption of Local Area Agreements.</p> <p>The more strategic approach is designed to ensure Chorley is a performing organisation able to deliver Community aspirations through the efficient use of resources.</p> <p>This builds on the excellent work acknowledged in the Audit Commission Direction of Travel Statement – January 2006.</p> <p>'The Council centres to improve as an organisation and has developed a confident, outward facing approach. It is seeing strong and fruitful partnership arrangements. Good collaboration is delivering important regeneration projects. The Council is beginning to play a greater role in the economic and social development of the sub-region. Chorley is emerging as a strong partner in county wide initiatives such as the Lancashire Shared Service Contact Centre and taken opportunities to build constructive relationships across Local Authority boundaries.'</p>	<p>34. Staff Guide to Procurement 34a. A guide for Contractors and Suppliers</p> <p>25. Procurement Training Presentation</p>