

Report of	Meeting	Date
Director of Finance (Introduced by the Executive Member for Resources)	Executive Cabinet	24 May 2007

ACHIEVING VALUE FOR MONEY

PURPOSE OF REPORT

- To update Executive Cabinet on progress with our drive to managing and improving value for money within the organisation

CORPORATE PRIORITIES

- Value for Money is central to our corporate priority of being a performing organisation

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	✓	Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	✓
People	✓	Other	

- Achieving, managing and improving Value for Money form a key part of how we are assessed and scored in our annual Use of Resources assessment. A poor score would impact adversely on the organisation's strategic aspirations, and on its reputation. Additionally non-achievement of Value for Money would potentially have detrimental financial implications for the Council.

BACKGROUND

- Executive Cabinet approved a strategic framework for delivering our aspirations on Value for Money in December last year.
- This required the formulation of a programme of Value for Money reviews of services across the organisation to be developed and implemented.

PROGRESS

- Following submission of our annual Use of Resources self-assessment on Value for Money for 2006, we were recently informed that the highest score of 4 was to be awarded against that theme. This score denotes that we are operating at well above the minimum standards and performing strongly in this category and clearly is excellent news for the council.

8. The judgement did however confirm the need to develop an implement a programme of VFM reviews.
9. The following programme has now been formulated by Strategy Group
 - Year 1 2007/8 - Streetscene, Neighbourhoods and Environment
 - Year 2 2008/9 - Revenues and Benefits
- Planning
 - Year 3 2009/10 - Support Services
(ICT, Finance, Property, HR, Customer and Legal)
- Leisure and Cultural Services
10. This programme will be led by my Business Improvement Team but clearly will involve significant impact from the Service Directorate being reviewed and by key staff in other support service areas such as Accountancy, Policy and Performance and ICT. Additionally I have highlighted the likely need for external support during the Review programme.
11. My report to Strategy Group which sets out the rationale behind determining the review programme in more detail is attached at Appendix A for member's information.

COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

12. Not applicable to this report

RECOMMENDATION (S)

13. That the progress on establishing VFM within the organisation and the 3year programme of reviews be noted
14. That Executive Cabinet and Overview and Scrutiny Committee receive the Outcome reports on each of the reviews carried out.
15. That the appropriate Executive Cabinet portfolio holder sits on the project board for each of the VFM reviews

REASONS FOR RECOMMENDATIONS

16. To ensure that the Council continues making progress on embedding VFM within the organisational culture and to ensure that the specific recommendations made by the Audit Commission in the 2006 Use of Resources report are effectively addressed.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

17. None

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Jim Douglas	5203	2/5/07	FINREP/0305LM2

Report of	Meeting	Date
Director of Finance	Strategy Group	17/04/07

ACHIEVING VALUE FOR MONEY

PURPOSE OF REPORT

1. To consolidate our strategic approach to VFM into a clear way forward.
 To present a draft 3-year Value for Money Review Programme, which puts delivery of VFM at the core of the Transformation Agenda.
 To suggest a Review Methodology and process for undertaking VFM reviews.

OUR VALUE FOR MONEY VISION

2. To provide consistently high quality services at the optimum price to meet and fulfil the needs of our customers.
3. To be an exemplar Council exercising internal processes in the most cost effective manner.
 To have a Value for Money culture firmly embedded at all levels of the organisation.

NATIONAL BACKGROUND

4. At national level the Local Government White Paper demands the delivery of transformed services and value for money that Communities want, through challenging traditional methods of service delivery.
5. Ambitious efficiency gains of 3% cashable savings per annum will be required for the period covered by the CSRO7 spending review (2008-2011) and this demand in itself provides a very strong driver for innovation in service delivery.
6. Additionally the Varney report identifies major opportunities to strengthen public service delivery to make it more accessible, convenient and efficient to meet changing citizen and business expectations, including the development of a change of circumstances service and reducing operating costs in Contact Centres by 25% by 2010. Our strategy on Customer Access will be the key driver for this area of transformation and it is suggested this needs to be refreshed to address these issues.

STRATEGIC APPROACH AND OBJECTIVES

7. In December last year the Executive Cabinet approved a Strategic Framework for delivering our aspirations on Value for Money(Appendix 1)

8. Achieving our objectives on VFM was considered critical to the following strategic objectives being achieved:
 - Service Provision in the upper quartiles
 - Improving our Use of Resources scores in 2006
 - Recategorisation of our CPA rating from fair to excellent
9. Section 5 of our Strategic Framework for VFM sets out our objectives for managing and improving VFM, how we plan to achieve these objectives and how they will be monitored and measured. The relevant extract from the framework is set out below

Improving Value for Money

How we Plan to Get There	How do we Measure Success?
Implement the use of Resources VFM – key lines of Enquiry Action Plan.	Use of Resources Assessment.
Undertaking VFM studies on specific areas of activity identified as worthy of review.	An active programme of VFM studies is ongoing. Achieving annual efficiency targets.
Establish guidance documentation and a VFM measurement template to enable comprehensive VFM review to be undertaken.	VFM being carried out in accordance with corporate guidance and standards.
Implement a robust benchmarking framework.	Thorough comparison of performance against other similar Councils.
Raise the profile of Value for Money across the Council.	Through surveys of staff members and other stakeholders.
Reward ideas for change through development of an appropriate staff incentive scheme.	Evidence of change through staff suggestion scheme.
Establish a VFM corporate support function within the Finance Directorate.	Formal approval of new structure for the Finance Directorate.
Establish a corporate framework for partnership working in accordance with best practice.	External assessment of partnership arrangements by the Audit Commission.

PROGRESS TO DATE

10. Chorley began its quest for Value for Money in earnest at the beginning of 2004 following production of an e-Readiness Audit of internal processes and services.
11. Although fully focused on e-enablement of internal processes and work practices, this Audit provided the catalyst and platform to a new way of thinking, about how we operated at our organisation.

12. Over the following 2 years through the e-workforce programme we were able to reduce the administrative support establishment through e-enablement, the introduction of new electronic processing of systems, and the eradication of processes that were not adding value. The following is an extract from the conclusion of the consultant's report, which identifies the various process areas and the estimated number of staff time in weeks, which could be saved.

Absence Management	5.8	weeks
Annual Leave	5.74	weeks
Car Mileage	17	weeks
Committee Administration	40	weeks
Flexitime Administration	34.2	weeks
Mail Handling	81	weeks
Parking Permits	3	weeks
Planning Administration	47	weeks
Purchase Orders and Invoices	112.5	weeks
Reception (Gillibrand)	<u>64.35</u>	<u>weeks</u>
	410.59	weeks
Bengal Street Purchase Admin	128.2	weeks
DTP under utilisation	<u>225</u>	<u>weeks</u>
	763.79	weeks ÷ 44 = 17.35 FTE's

13. This equates to approximately 17.35 FTE and although our actual reduction in the establishment achieved through the e-workforce programme did not mirror the savings estimated in these process areas exactly, we were able to reduce the administrative support staff establishment by 17.5 FTE's over the financial years 2004/5 and 2005/6.
14. Through investment in new technology, re-engineering of back office processes and a more strategic approach to procurement, we have therefore been able to substantially reduce costs enabling us to report efficiency gains which will be considerably in excess of our target of £1.29 million for the 3 year period covered by SR04 ending, 2007/8. I currently estimate that we will achieve savings in excess of £2 million over the review period and attach our 2007/8 Forward Looking Statement. (appendix 2)
15. This ambitious change programme implemented across the Council over the past 3 years has given us an excellent platform to take the organisation forward through the next phase of transformation Our position has also been significantly strengthened corporately through the recent review of our Business Planning Process which is now more clearly aligned with our Financial and Performance management cycle.
16. At the heart of this change process will be the delivery of Value for Money. We have already made significant progress in the delivery of VFM, a fact recognised in the recent excellent status awarded to the VFM theme in our Use of Resources Assessment 2006. The UOR report however states that we need to develop and implement a programme of review. This will of course be crucial to us maintaining the 'excellent' status in years to come and will carry significant weight in the CPA judgement. It will also help us ensure that we target areas where it appears we are either providing an expensive service or one that is not performing to the high quality standards we, and our customers expect and demand.

3 YEAR REVIEW PROGRAMME

17. It is proposed that we develop and implement a programme of service reviews over the next 3 years. We envisage 2 reviews per year being undertaken, with each service following a clearly defined methodology for completing the review.
18. Clearly there are a number of options available to us for undertaking the Service Reviews. The pros and cons of the various approach alternatives are considered later in this report.

HOW HAVE WE SELECTED SERVICES FOR REVIEW?

19. As part of our preparation for this report and we have undertaken an analysis of the expenditure and performance of the Authority using the Audit Commission VFM profile tool and our spend profile over a 3 year period.(Appendix 3) This information has been provided us with a useful starting point for the development of a 3-year programme and it should also assist Directors in the formulation of their Business Improvement Plans.
20. Data for benchmarking services within the Authority is limited, however we have now developed a Benchmarking Strategy, which should enable improved data to be generated in the future.
21. This will involve considering use of established benchmarking clubs such as CIPFA however, I also feel there is an opportunity to establish a Benchmarking Club with our Audit Commission Northwest Neighbour authorities with Chorley taking the lead. The Business Improvement Team will be looking into this possibility in the coming months.
22. Directors have been have been offered the opportunity to discuss their VFM aspirations or concerns with my Business Improvement Manager. They have also been informed that a 3-year programme of reviews is being presented to Strategy Group on which they will be consulted following Strategy Group deliberation.

SERVICES SUGGESTED FOR REVIEW

23. The VFM/Financial Analysis we have carried out relates to expenditure and performance data for 2005/6 and will be no doubt open to question or dispute by Chief Officers and their managers. It is however the recognised national method of comparison and in the absence of more up to date benchmarking data it is the best we can do with the information available. In prioritising the programme we have also taken into consideration the fact that the corporate focus on delivering efficiency savings so far has been through back office services. It is felt important therefore that the initial part of the 3-year programme is focused on front line services.
24. The draft plan has been prepared as a result of this analysis although it may become subject to change over the 3-year period as the process develops, priorities change and more information about services becomes available.
25. The services selected for inclusion in the draft 3-year programme are as follows. The percentage figures shown are calculated against a total revenue budget in 2005/6 of £15,136,633 and over the 3-year programme amount to around 80% of the total revenue spend.

		% of revenue budget
Year 1 2007/8	- Streetscene, Neighbourhoods and Environment	22.7
Year 2 2008/9	- Revenues and Benefits	5.5
	- Planning	5.4
Year 3 2009/10	- Support Services (ICT, Finance, Property, HR, Customer and Legal)	36.4
	- Leisure and Cultural Services	9.9

WHAT WILL BE THE SERVICE REVIEW METHODOLOGY?

26. Clearly this is a new area for us, however a methodology has been developed which we consider will serve our purpose.
27. Our suggested approach follows a self-assessment method with against a pre-defined set of 'Key Lines of Enquiry'.
28. The Self-Assessment Structure is as follows:
 - **Section 1: Context and Aims of the Service** – the aims and objectives of the service, priorities and relation to the Council as a whole
 - **Section 2: Quality of the Service** – achievements, specific outcomes and impact, particularly from a user-focus perspective
 - **Section 3: Demonstrated Improvements** – improvements in the last year, in relation to Council priorities. Where future changes are planned, outline them here.
 - **Section 4: Strategic Capacity to Improve** – how is the service equipped to improve in the future

An example showing a proposal for the content, length and layout of the Self Assessment can be found in Appendix 4.

29. If we followed this approach the Self-Assessment would need to be supported with evidence from within the service, and the assertions made within it supported not only by this evidence, but by the availability of staff and managers for interviews. The Self-Assessment, evidence and interviews should be structured to support the Key Lines of Enquiry.
30. The list of proposed Key Lines of Enquiry is based on the revised CPA Corporate Assessment procedure to be used by the Audit Commission 2005-8.

Proposed Key Lines of Enquiry around which to review Self Assessment:

- **Context and Aims of the Service**
 - Are there clear and challenging aims for the service?
 - Are these aims shared with the wider aims of the Council and its partners?
 - Does the service have robust and clear priorities for improvement?
 - Is there a strategy and action plan in place to realise these priorities?
- **Quality of the Service**
 - What specific outcomes has the service achieved in the last year?
 - What has the service achieved in increasing its customer-focus in the last year?
 - Does the service have a rigorous approach to performance management to enable performance improvement?
 - What is the performance of the service like in relation to similar services at other Authorities?
- **Demonstrated Improvements**
 - Has the service made any improvements to the efficient delivery of services in the last year?
 - Has the service made any improvements to the Value for Money obtained in its service delivery in the past year?
 - Are there any plans for service improvements in the future, and how will these impact on the way that services are delivered?
- **Strategic Capacity to Improve**
 - Is there clear accountability to enable effective decision making?
 - Is capacity used effectively to deliver ambitions and priorities?

31. The service would be reviewed based on these Key Lines of Enquiry, with scores attributed to the services based on their level of competence in each. This would allow for ease of comparison and reference between services, as well as providing an easy way of showing service managers where strengths and weaknesses are within their service. These scores could be based on best practice, which the service being reviewed would be measured and scored against. The scoring mechanism would of course also have to take account of local needs.

A proposed scoring system for the Quality Section of the Self Assessment is shown at Appendix 5.

HOW WILL THE REVIEWS BE CARRIED OUT?

32. There are various approaches that can be taken and it is useful to consider the 4 apparent alternative and their respective advantages and disadvantages.

a) Internal Review led by appropriate Directorate

Advantages

- Less expensive than external review
- Greater service knowledge and how the Council operates
- Opportunity to share good practice

Disadvantages

- Lack of external input means that we may miss out on good practice elsewhere
- Resources may be diverted to the day job
- Perhaps too close to divert easily from existing practice
- Who would score the service?

b) External review led by Business Improvement Team

Advantages

- Less expensive than external
- Team leader has knowledge of how the Council operates
- Provides challenge from outside the service area
- Provides corporate learning which can be used on other reviews

Disadvantages

- Lack of external input may mean we miss out on good practice
- Lack of experience of conducting VFM reviews
- May not be well received by the Service Directorates
- Potentially transfers 'ownership' away from Directorates
- Who would score the service?

c) External Reviews

Advantages

- A fresh perspective
- Free from prejudice
- Bring good practice
- Potential greater awareness of Government trends and Central Government requirements
- Likely to be given more respect than internal review staff from Business Improvement
- Increased validity in eyes of others

Disadvantages

- More expensive

- Availability of suitable reviewer may be an issue
- Possible confidentiality issues

d) Mixed approach involving Internal and External Advantages

- Internal knowledge
- Knowledge of service and how it operates within the Council
- Provides internal challenge from outside service area if led by Business Improvement Team
- Provides corporate learning
- A fresh perspective
- Free from prejudice
- Bring good practice
- Increased validity in eyes of others than purely internal

Disadvantages

- More expensive than purely internal
- Availability of suitable reviewers may be an issue
- Possible confidentiality issues

33. My preferred option is d) which allows for potential knowledge transfer through the build-up of skills through the internal players whilst also providing the rigour and robustness of an external inspection.
34. One further key decision if Strategy Group were similarly persuaded on this 'mixed' approach would be who would lead on the individual review. Clearly this could be assigned to an external consultant, or led internally within either the Service Unit involved or from the Business Improvement Team. My preference is for the review to be internally driven by The Business Improvement Team with a critical involvement and commitment within the Service Unit and from Corporate Support staff, where necessary, within Finance, ICT, Policy & Performance and HR. I believe this will enable us to challenge the service internally from outside the Service Directorate and also have the advantage of bringing in an external resource to contribute and challenge on the Inspection and scoring part of the review. I would envisage someone from IdEA or the Regional Centre of Excellence being able to assist us with this.
35. If my suggested 'mixed approach' were preferred led by The Business Improvement Team, there would be 2 key periods within the review.
36. Firstly a self-assessment would need to be completed but this would involve considerable preparation and gathering of evidence from within the Business Improvement Team and the service being reviewed.
37. If we were then to have an external inspection and scoring of the evidence, I would envisage an intense 3 day period where staff involved would be subject to interviews, and the external assessor would allocate scores against the key lines of enquiry. The likely cost of bringing in an external resource on each review would be £3-5k.

TIMETABLE

38. It is suggested in the programme that the reviews are carried out over an initial 3-year programme.
39. It is important that the first review is completed prior to our CPA submission date in October this year.

40. It is therefore recommended that the Streetscene, Neighbourhood and Environment Service be the first service reviewed and that this is completed during 2007.
41. It is planned that the first review will be undertaken during Year 1 with 2 reviews per year being undertaken during the remainder of the programme.
42. It is difficult to assess the likely resource implications and this will of course be influenced on the decisions Strategy Group on the method of conducting the review.

OUTCOMES

43. Clearly we want to see a robust series of reviews, which challenges service provision, forms an opinion of whether VFM is being delivered and has a recommended Improvement Plan.
44. From this an Action Plan would need to be established for the service to address any weaknesses identified and to improve areas of strength whenever possible.
45. A corporate monitoring and review of progress system would have to be established to ensure that the Action Plans are implemented and it is suggested that progress on Action Plans be reported to Strategy Group 6 months after publication.

OTHER VFM ACTIVITY

46. Procurement

Since establishment of the Corporate Team back in 2004, major VFM gains and Efficiency savings have been achieved through improved procurement practice and a more strategic approach.

Following a study undertaken by an external consultant in 2005, a number of major spend areas were identified for investigation. Many of these have or are currently being looked at and major improvements have been achieved in the procurement of Agency staff, Mobile Phones, Property Services, advertising and printing. Major procurement exercises are currently ongoing for ICT and Telecommunication services from which we are confident major savings will be delivered.

However as part of our VFM financial analysis a number of other expenditure areas have been identified where it is felt further investigation is necessary to ensure we are getting the best value for money. These are set out below showing budget spend and I have added ICT and Telecommunications expenditure budgets to present a full picture.

	Annual spend £
Postages	105,890
Publications	38,890
Computer Software Maintenance	132,440
Gas and Electricity	111,750
Subscriptions	73,790
Thin Client	150,000
Telephony	160,000

47. The total revenue budget for these expenditure areas amounts to £772,760, which equates to approximately 18% of the Supplies and Services budget. I suggest that these areas of expenditure be examined as part of the VFM programme and a report produced on the findings.
48. Strategic Asset Management

Improving management of our assets is vital to achieving efficiency gains and ensuring VFM. As part of the Property Services Contract the contractor is required to produce a

strategic review of our assets within 3 months of the contract commencement date and this will help inform decisions about how they can be used more effectively.

49. Income Maximisation

Internal Audit are undertaking an exercise to investigate the potential for maximising current income streams and areas where opportunities to generate additional income might exist.

50. Collaboration

Chorley is involved in a number of partnership and collaborative ventures and has a strong record of delivery in this area. Improving collaboration and sharing back office services form a key strand of the LG White Paper Efficiency section and the Transforming Local Government in Lancashire sets out a development programme on a menu of back office processes. Additionally, work continues on the Shared Financial Services project with South Ribble Borough Council and other collaborative ventures achieving Efficiency and Procurement savings can be found in most of the Council's directorates

51. Business Improvement and Customer Focus

Clearly this is an area that presents opportunity for the Council to improve service delivery through ensuring we are making the best use of finite resources and becoming more responsive to the needs and preferences of service users.

Although an integral part of delivering VFM, Business Improvement essentially looks at the whole approach of how we can improve our business. This involves improving end to end service delivery chains and the associated processes, activities and jobs of which they are comprised, accurately costing service delivery, meeting customer needs and providing enhanced service access channels and identifying opportunities for collaboration and sharing services.

The National Process Improvement Project BPA project on which the Council has been leading Council has been leading should provide a strategic lead on a Change Programme for Chorley incorporating business improvement. However the Director of Customer, Democratic and Legal Services has a separate report on this meeting agenda which looks at this issue in more detail, particularly in respect of key services transferring to the telephone contact centre and the specific need to tackle the business processes attached to these service areas as part of the CRM implementation programme. Whilst agreeing this is an important piece of work, I feel it is important that this is not dealt with in isolation and forms part of a corporate, longer term approach to delivering VFM through business process improvement

RECOMMENDATIONS

52. That the VFM review approach and methodology programme set out in the report be approved by Strategy Group.

53. That the VFM Action Plan shown as Appendix 6 be approved.

54. That the outcome report from each review be presented in draft form to the Corporate Improvement Board.

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Jim Douglas	5203	11 April 2007	FINREP/1104LM4

Value For Money Framework 2006 - 2009

Finance Directorate



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1. INTRODUCTION

- 1.1 The Council's vision is to make Chorley the place of choice to live, work and invest in the North -West.
- 1.2 Our priorities are set out in the Corporate Strategy as follows:

PRIORITY	PROSPERITY		PEOPLE		PLACE	PERFORMANCE
STRATEGIC OBJECTIVE	1. Put Chorley at the heart of regional economic development in the central Lancashire Sub-Region	2. Reduce pockets of inequality.	3. Get people involved in their communities	4. Improved access to public services.	5. Develop the character and feel of Chorley as a good place to live.	6. Ensure Chorley Borough Council is a performing organisation.

- 1.3 Achieving value for money is a core requirement of the strategic objective of ensuring Chorley Borough Council is a performing organisation, and successful achievement of VFM will be a major contributor to CPA and use of resource assessments.
- 1.4 In recent years the Council has taken the following significant steps to ensure that value for money is obtained in the provision of its services.

- Audit Commission Analysis** → Analysis of service performance indicators undertaken in August 2006, showed that the proportion of PI's where the Council is performing in the best quartile is 44%. This equates to that being obtained by CPA rated 'excellent' Councils.
- Best Value Reviews** → Highest scores in Lancashire as at 15/09/05.
- Improvement Planning** → The Corporate Improvement Plan addresses the issues raised following our 2004 CPA inspection and is subject to regular review.
- Internal Audit** → Conduct VFM reviews of specific business areas.
- Overview and Scrutiny** → Strengthened roles in ensuring VFM.
- Performance Management** → Performance Plus used to assess performance across the organisation against pre-set targets.
- Business Planning Process** → Reviewed process strengthens the link between business and financial planning.
- Efficiency Agenda** → Substantial efficiency gains and cost savings already achieved. Corporate programme of business process transformation has also commenced.

Project Management Methodology → System developed in-house and now embedded within organisation and advocated for use across the North West by the Regional Centre of Excellence. Formal business case for projects must be approved before project can commence.

Procurement → Significant savings achieved through more effective procurement processes and good practice and a real focus on a more strategic approach. As at June 2006 85% achievement of National Procurement Strategy milestones confirmed through external assessment by ID⁹A/RCE.

1.5 The Council's use of resources assessment recognised that the Council was providing good value for money in the provision of services in comparison with other similar District Council's and we received a score of three out of four. However, they found an absence of a clear structure for assessing the wider VFM issues of policy decisions for the whole community, an inconsistent use of benchmarking as a means of challenging costs, performance and VFM and no clear definition of what VFM means at Chorley and how this will be assessed and monitored.

1.6 It is therefore against this background that an integrated and coherent VFM Strategy, focusing on achieving good value for money and managing and improving value for money, is essential if we are to continue the good progress already made.

1.7 If we are to be successful in our pursuit of VFM we believe this will make a significant contribution to the following strategic targets being met:-

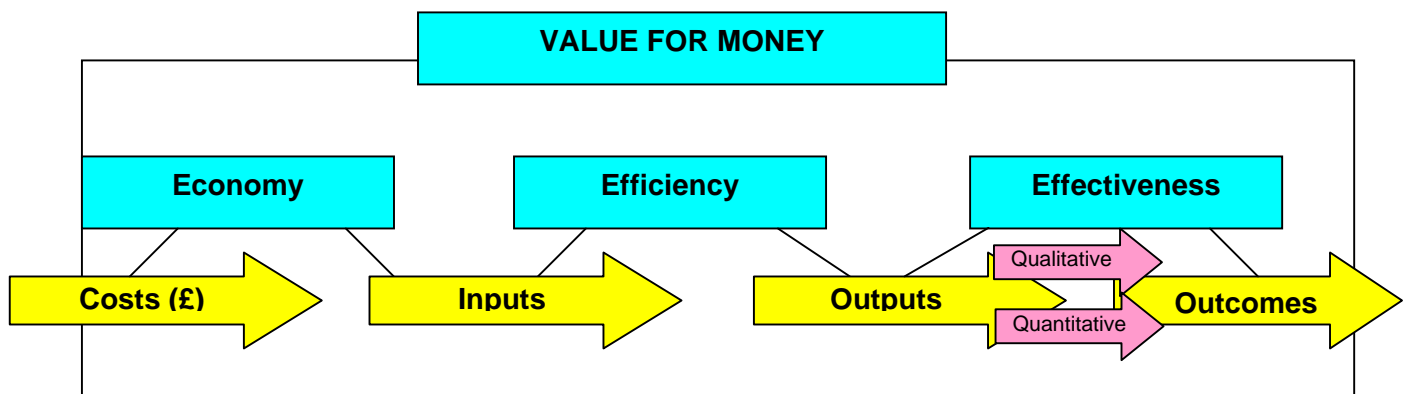
- Service provision in the upper quartile.
- Achievement of score of _____ in Use of Resources Assessment consistent with achieving excellence on CPA.
- Recategorisation of our CPA rating from Fair to Excellent.

2. DEFINING VALUE FOR MONEY

2.1 Value for Money (VFM) is a concept that has been around in local government for over 20 years. VFM has long been defined as the relationship between economy, efficiency and effectiveness, sometimes known as the 'value chain'.

2.2 VFM 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 or only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timelines, and convenience to judge whether or not, together, they constitute good value.

2.3 VFM is illustrated by the following diagram:



Economy is the price paid for what goes into providing a service, for example, the annual cost of a Neighbourhood Warden, the rent per square metre of accommodation. Economy is about minimising the cost of resources for an activity ('doing things at a low price').

Efficiency is a measure of productivity – how much you get out in relation to what is put in. For example, the number of benefit claims processed per week by a Claims Officer; kilometres of road maintained per £1,000 spent. Efficiency is primarily associated with the process and delivery ie performing tasks with reasonable effort ('doing things the right way').

Effectiveness is a measure of the impact achieved and can be quantitative or qualitative. For example, how many people chose the postal vote option rather than the traditional ballot box method (quantitative); satisfaction levels among different sections of the refuse collection service (qualitative), and so on. Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity. Effectiveness is primarily associated with the outcomes for customers ie the extent to which objectives are met ('doing the right things').

VFM is high when there is an optimum balance between all three – relatively low costs, high productivity and successful outcomes. The Improvement and Development Agency (IDeA) in its procurement guidance defines best value for money as the 'optimum combination of whole-life costs and benefits to meet the customer's requirement'.

2.4 The Council has a statutory duty to deliver Best Value in the provision of its services. Best Value means continual improvement in terms of the economy, efficiency and effectiveness of service delivery.

2.5 Under Best Value we need to demonstrate that our services:

- meet the needs of local people;
- are being provided to the level and quality desired by the community;
- are at a price local people are willing to pay;
- are competitive with other potential suppliers;
- are capable of securing continuous improvement over time.

- 2.6 Chorley Borough Council continually looks for ways to improve economy, efficiency and effectiveness in the delivery of its services. Not least this process is driven by:
- constraints on available funding to meet budget pressures;
 - savings targets declared as part of the budget process;
 - the Gershon regime and additional efficiency targets set by the Members.

3. CREATING AND MAINTAINING A VALUE FOR MONEY CULTURE

- 3.1 If we are to be successful in achieving our strategic aspirations and targets for VFM, establishing and maintaining the right culture within the organisation is of paramount importance. To do this we must:
- Stress the need for the Council to continually strive to do more at the appropriate quality, for less money.
 - Effectively communicate this message to staff at all levels within the organisation.
 - Clearly define the organisation's aims, strategies and policies.
 - Ensure members/staff are clear about their responsibilities in relation to best value through appropriate training and development.
 - Embrace good practice and ensure success is communicated across the whole organisation.
 - Ensuring an effective infrastructure is in place to corporately manage value for money.

4. KEY PRINCIPLES OF THE VFM STRATEGY

- We will be clear about the objectives of services/activities provided.
- We will demonstrate that the service/activity fits with the Corporate Strategy and where appropriate adopts a community wide perspective.
- Focus is not on costs alone – local context and quality need to be accounted for.
- The VFM process will be open, transparent and measurable.

- Judgement will address current performance in achieving VFM, how well VFM is managed and improved over time and the extent to which a long-term approach is taken.
- Judgement should rely primarily on evidence showing the outcomes achieved.

5. STRATEGIC OBJECTIVES AND APPROACH

It is essential that we link our strategic objectives to the VFM criteria set out by The Audit Commission in their Annual Governance report. This approach will clearly demonstrate how we plan to tackle each of the criteria and how we will monitor and measure outcomes.

Audit Commission Criteria

Strategic and Operational Objectives

The body has put in place arrangements for setting, reviewing and implementing its strategic and operational objectives.

How we Plan to Get There	How do we Measure Success?
Produce a cohesive corporate strategy supported by effective programme and project management.	Delivery of key projects, performance targets and long term outcomes.

Audit Commission Criteria

Communication

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.

How we Plan to Get There	How do we Measure Success?
Implementation of the Communications Strategy.	Achievement of the Level 1, Level 2 and Level 3 benchmarks as set out in the strategy.

Audit Commission Criteria

Performance Management

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.

How we Plan to Get There	How do we Measure Success?
Implementation of an effective Business Planning Framework	Production and monitoring of Directorate plans in accordance with revised business planning requirements.
Maintaining an effective staff performance approval system.	Achievement of 100% staff performance review.
Through a robust and effective Overview and Scrutiny process.	Achievement of the Overview and Scrutiny Forward Plan.
Through a robust and effective Audit Committee process.	Full compliance with new CIPFA guidance on Audit Committees.

Audit Commission Criteria

Data Quality

The body has put in place arrangements to monitor the quality of its published performance information, and to report the results to members.

How we Plan to Get There	How do we Measure Success?
Production of an effective quality assurance system for the collection and publication of performance information.	Positive feedback within the Audit Commission's annual Data Quality Report.

Audit Commission Criteria

Internal Control

The body has put in place arrangements to maintain a sound system of internal control.

How we Plan to Get There	How do we Measure Success?
Conduct an annual review of the system of internal control and the publication of a statement of internal control alongside the Annual Accounts.	Publication of a CIPFA compliant statement of internal control and subsequent "sign-off" by the Audit Commission.

Audit Commission Criteria

Risk Management

The body has put in place arrangements to manage its significant business risks.

How we Plan to Get There	How do we Measure Success?
Production of a cohesive strategy for the management of strategic and operational business risk.	Production and ongoing review of strategic and operational risk registers
Production and maintenance of effective emergency and business continuity plans.	Regular testing to ensure plans are effective.
To ensure appropriate and cost effective insurance cover is in place.	Cover effectively meets claims experience.
To ensure appropriate health and safety policies and procedures are in place.	Monitoring compliance level through health and safety audit process.

Audit Commission Criteria

Improving Value for Money

The body has put in place arrangements to manage and improve value for money.

How we Plan to Get There	How do we Measure Success?
Implement the use of Resources VFM – key lines of Enquiry Action Plan.	Use of Resources Assessment.
Undertaking VFM studies on specific areas of activity identified as worthy of review.	An active programme of VFM studies is ongoing. Achieving annual efficiency targets.
Establish guidance documentation and a VFM measurement template to enable comprehensive VFM review to be undertaken.	VFM being carried out in accordance with corporate guidance and standards.
Implement a robust benchmarking framework.	Thorough comparison of performance against other similar Councils.
Raise the profile of Value for Money across the Council.	Through surveys of staff members and other stakeholders.
Reward ideas for change through development of an appropriate staff incentive scheme.	Evidence of change through staff suggestion scheme.
Establish a VFM corporate support function within the Finance Directorate.	Formal approval of new structure for the Finance Directorate.
Establish a corporate framework for partnership working in accordance with best practice.	External assessment of partnership arrangements by the Audit Commission.

Audit Commission Criteria

Probity

The body has put in place arrangements that are designed to promote and ensure probity and propriety in the conduct of its business.

How we Plan to Get There	How do we Measure Success?
Production and maintenance of Codes of Conduct for Members and officers.	Monitoring the number of Standards Board referrals and disciplinary incidents.
Maintenance of Register of Incentives, Gifts and Hospitality.	Evidence of ongoing upkeep of these records.
Maintenance of whistle-blowing, anti-fraud and complaints procedures.	Monitoring of awareness and usage of those procedures

Audit Commission Criteria

Financial Strategy

The body has put in place a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities.

How we Plan to Get There	How do we Measure Success?
Ensuring that a medium-term financial strategy, budget control measures and a successful capital programme are achieved.	Use of Resources Assessment, Annual Efficiency Statement, Capital Programme Board monitoring.

Audit Commission Criteria

Financial Standing

The body has put in place arrangements to ensure that its spending matches its available resources.

How we Plan to Get There	How do we Measure Success?
Setting a balanced budget in accordance with the Financial Strategy.	Avoidance of overspending.

Audit Commission Criteria

Financial Management

The body has put in place arrangements for managing performance against budgets.

How we Plan to Get There	How do we Measure Success?
Ensuring that clear, documented processes are in place to achieve effective budgetary management.	Through budget monitoring, analysis of service performance indicators, both internal and external.

Audit Commission Criteria

Asset Management

The body has put in place arrangements for the management of its asset base.

How we Plan to Get There	How do we Measure Success?
Maintenance and implementation of the Asset Management Plan.	Achievement of the key deliverables within the Asset Management Plan. Monitoring contractor performance through Property Services Outsourcing Contract.

6. ROLES AND RESPONSIBILITIES

- 6.1 Responsibility for VFM lies with all elected members and all employees of Chorley Borough Council. It is not restricted to those with resource or financial responsibilities. The Council is required to satisfy itself that VFM is being sought and achieved from all areas of the Council.
- 6.2 The Council in conjunction with the Strategy Group/Director's Team and the Capital and Efficiency Board have responsibility for ensuring that satisfactory arrangements are in place to ensure VFM is being delivered.
- 6.3 Managers have the operational responsibility to maintain an awareness of good practices in their own area of work and to ensure these are consistently followed. Managers need to satisfy themselves that VFM is being secured within the budgets they manage.
- 6.4 The Council's Overview and Scrutiny and Audit Committees will satisfy themselves that appropriate arrangement are in place to promote and achieve economy, efficiency and effectiveness.
- 6.5 The Capital and Efficiency Programme Board will ensure that all new Project Business Cases properly evaluate and measure VFM as part of the Business Plan preparation process.
- 6.6 The Finance Business Improvement Team will assist with carrying out VFM studies and the evaluation, measuring and monitoring of VFM within Service Units.

Annual efficiency statement - forward look

Details

Local authority Chorley Borough Council
Contact name James Douglas
Job title Business Improvement Manager
Email address james.douglas@chorley.gov.uk

Statement

Strategy for making and monitoring efficiency gains

Strategy for Period to 2008/09

General Strategy

Our focus on achieving efficiency gains continues unabated into 2007/08. During 2006, a change in political leadership delivered a challenge to achieve a zero based Council Tax increase in 2007/8 for the services delivered by Chorley. This has been achieved largely through a major restructure across the Authority however the process, system and technological changes we have made over the past 3 years have also played a significant part in providing the platform to enable the changes in structure to be made.

The Council is also also playing a major role at national and regional level on a number of change

programmes. On the National Process Improvement Programme, Chorley is leading on a project aiming to establish a Business Process Architecture blueprint for District Councils to restructure to deliver services. We intend to use this learning and project outcomes to implement a 3 year organisational change programme at Chorley

Partnership continues to play a major role in how we procure and deliver services. The new Property Services outsourced contract will be operational from April 2007 and this will deliver over £100,000 in savings during the financial year.

Chorley is also leading the way regionally in developing shared services. A Regional Centre of Excellence funded project investigating the feasibility of service collaboration between Chorley and

~~South Ribble Borough Councils on Financial, Asset Management, Internal Audit, Procurement and Efficiency~~ is nearing completion. We are confident there will be significant benefits delivered through increased capacity, economies of scale and sharing of expertise, skills and experience.

We are also involved nationally in a project involving 15 local authorities aiming to develop a framework for the development of a common approach to local customer profiling to improve the efficiency of services to our citizens and to improve the way we interact with them.

We are also now well resourced to maintain the momentum with the formation of a Corporate Business Improvement Team, which brings together staff involved in the Procurement and Efficiency agendas. At Corporate level the newly established Corporate Improvement Board led by the Deputy Chief Executive provides a strong, single point governance forum to manage the efficiency programme, ensuring targets are met and the change process is effectively maintained.

A critical part of our strategy will be the continuing hard focus on performance management to ensure that reductions in costs through restructure do not adversely impact on performance. This is done as part of the Business Planning process through quarterly reports to Overview and Scrutiny Committee and this enables us to take corrective action quickly if this is ever shown to be necessary.

It was also pleasing to close out 2006/07 with an improved Use of Resources score for 2006 and we think in particular our score of 4 on Value For Money confirms and properly reflects the efforts and achievements made by the Council in recent years.

Key actions in 2007/08

Key Actions in 2007/08

We are well on course to exceed our efficiency targets by the end of 2007/08, and a sub-group of the Corporate Improvement Board focusing on developing a 3 year plan for Efficiency and Transformation has now been established. This will be closely aligned to the LG White Paper Implementation Plan and the Business Improvement package recently published by the Government.

Our Key Actions for 2007/8 include:

- ~~Review our Procurement Strategy to re-prioritise our focus in the light of National Guidance.~~
- Implementing our strategic approach to VFM, including carrying out 2 VFM service reviews during 2007/8 as part of a 3 year programme and implementing our Benchmarking Strategy.
- Implement a Corporate Contract Management system and ensure delivery of £100k anticipated savings through the outsourced Property Services Contract.
- Continuing transfer of key services to the Telephone Contact Centre and implementation of an integrated CRM system.
- Providing training and awareness to all levels of the organisation on the efficiency agenda as part of a drive to embed a VFM culture at the Council.
- Implementation of the outcomes from the Shared Services collaboration project with South Ribble Borough Council and the RCE on financial and related services.
- Ensure the revamped Business Improvement Planning process is effectively integrated to the Council's overall financial and performance management cycle.
- Implementation of the change programme resulting from the Business Process Architecture project being undertaken on behalf of the CLG.
- Engaging in joint procurements/collaboration to deliver savings ie IT through e-action; telephony through partnership with neighbouring Council.
- Real focus on migration of customers to cheaper access channels following the new website 'go live ' in April 2007

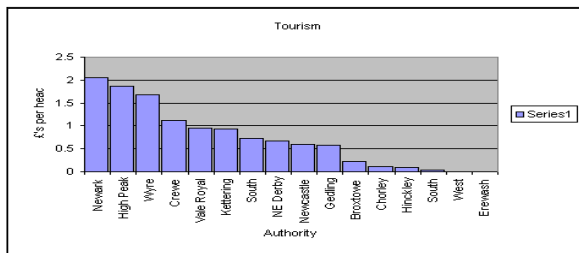
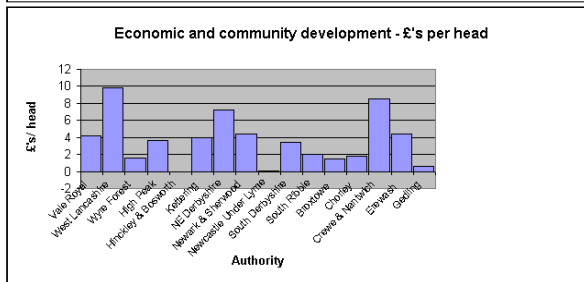
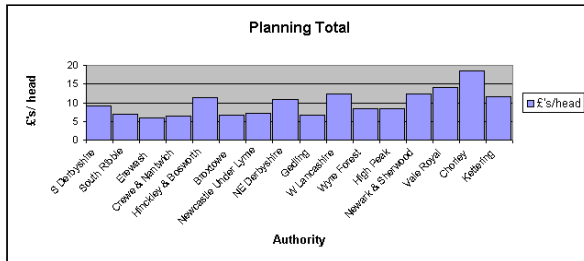
	Expected annual efficiency gains (£)	...of which cashable (£)	Related links
Adult social services			<ul style="list-style-type: none"> • Documents • People • Projects
	Strategy:		
	Key actions:		
			<ul style="list-style-type: none"> • Documents • People

Children's services			<ul style="list-style-type: none"> • Projects
Strategy:			
Key actions:			
Culture and sport	32,100	32,100	<ul style="list-style-type: none"> • Documents • People • Projects
Strategy: Our strategy for delivering major leisure services through partnership continues to deliver savings on our Golf and Leisure Services contracts. Additionally a strategic programme for transferring management of local community centres to Community groups is being implemented			
Key actions: continuing to effectively manage the major leisure and golf course contracts and implement the programme of transferring management of the council's community centres to community groups			
Environmental services			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
Local transport (highways)			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
Local transport (non-highways)			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
LA social housing (capex)			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
LA social housing (other)			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
Non-school educational services			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
			<ul style="list-style-type: none"> • Documents • People

Supporting people			<ul style="list-style-type: none"> • Projects
Strategy:			
Key actions:			
Homelessness			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
Other cross-cutting efficiencies not covered above			
Corporate services	478,890	475,890	<ul style="list-style-type: none"> • Documents • People • Projects
Strategy: Monitoring the major organisational structural changes which have been made to the Council during 2006/7 to ensure we continue to meet customer demands and achieve hgh levels of performance			
Key actions: Implementation of shared services project outcomes in financial and related service areas Carrying out VFM reviews in line with a strategic programme Implementation of HR Management Information system			
Procurement - goods and services	195,090	195,090	<ul style="list-style-type: none"> • Documents • People • Projects
Strategy: review corporate strategy focus on key areas of the national Strategy still to be effectively implemented and embedded in our procurement culture			
Key actions: embed effective contract management process to ensure delivery of major contracts Carry out major procurements in IT and Telephony services geared to delliver major savings from 2008/9 Commence procurement preparation for Waste Management Contract due for renewal in 2009			
Procurement - construction			<ul style="list-style-type: none"> • Documents • People • Projects
Strategy:			
Key actions:			
Productive time	1,700		<ul style="list-style-type: none"> • Documents • People • Projects
Strategy: continue to identify opportunities for improving productivity through Value for			

	Money and Efficiency reviews and the HR Strategy		
	Key actions: Implementation of HR e-enabled training system		
Transactions	40,670	12,830	<ul style="list-style-type: none"> • Documents • People • Projects
	Strategy: strategic focus on customer profiling as a move to migrate customers onto cheaper access channels		
	Key actions: appointment of customer access officer implementation of customer profiling project improve transactional capability of our new website		
Miscellaneous efficiencies			<ul style="list-style-type: none"> • Documents • People • Projects
	Strategy:		
	Key actions:		
Total	748,450	715,910	

Development and Regeneration	Audit Commission data using 2005/06 expenditure figures	
	Chorley	Nearest Neighbour Avg Rank
	£'s per head	£'s per head
Planning Total	18.46	9.81 Most expensive
Economic and Community Development	1.83	3.58 11th out of 16
Tourism	0.12	0.73 12th out of 16



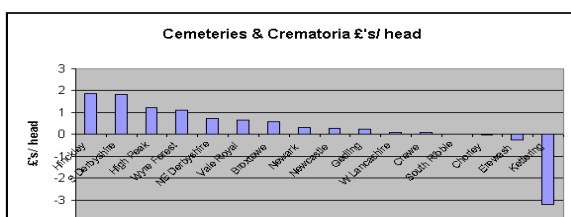
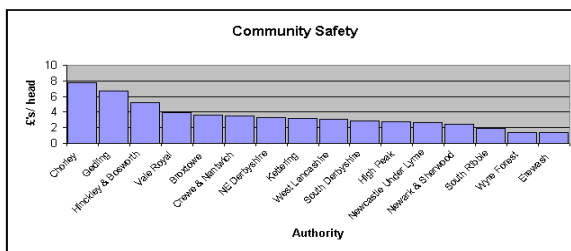
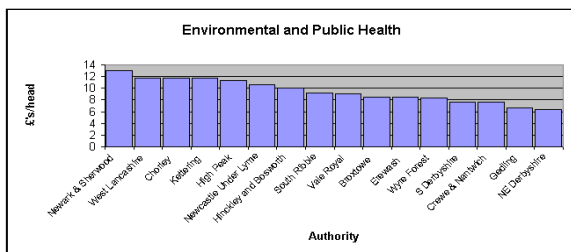
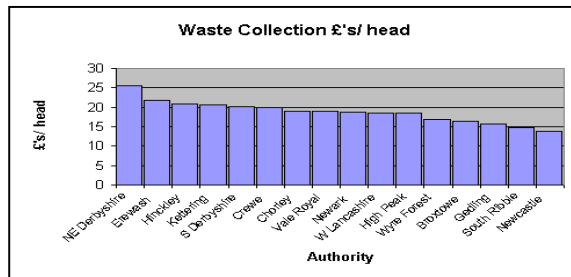
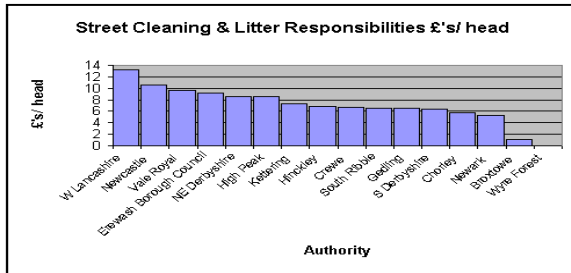
Performance Indicator	Performance		Change	Rankings		Performance 2006	Ranking 2006
	2004	2005		2004	2005		
Planning applications - Number of applications decided	1150	1207		57 9th	10th	1309	1325
Planning applications - Percentage of applications decided in target time (BV109)	73%	85%	12%	10th	4th	See breakdown below	
BV109a - Percentage of major planning applications within 13 weeks	48%	74%	26%	9th	6th	73% 6th	
BV109b - Percentage of minor planning applications within 8 weeks	51%	71%	20%	13th	10th	66% 15th	
BV109c - Percentage of other planning applications within 8 weeks	80%	88%	8%	10th	5th	85% 16th	
Appeal decisions in year - Percentage allowed (BV204)	60%	30%	-30%	16th	7th	40.70% 4th	
BV205- Quality of Planning Service Checklist	n/a	n/a	New Indicator benchmarking data not avail			78% 13th	
BV111- Satisfaction with the planning service	60%	60%	n/a				71% Not available- still awaiting compa

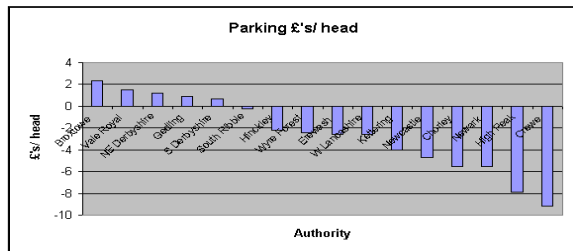
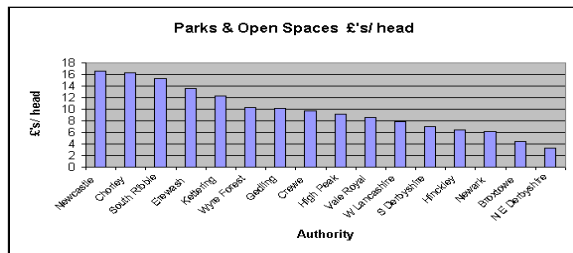
	BV109a	BV109b	BV109c	BV204
Vale Royal Borough Council	93.10	88.88	94.63	42.00
Gedling Borough Council	90.00	88.00	94.00	25.00
Kettering Borough Council	89.58	83.06	90.50	43.80
Broxtowe Borough Council	86.36	75.25	88.04	40.00
Newark and Sherwood District Council	84.00	83.00	93.00	33.00
Chorley Borough Council	73.00	66.00	85.00	40.70
North East Derbyshire District Council	69.05	81.52	90.85	25.00
Erewash Borough Council	69.00	84.00	94.00	33.00
High Peak Borough Council	66.67	91.06	95.42	33.30
South Ribble Borough Council	64.29	69.11	91.60	42.90
Hinckley and Bosworth Borough Council	64.00	79.00	88.00	29.00
Crewe and Nantwich	59.65	68.78	90.20	40.50
West Lancashire District Council	59.10	67.50	90.21	29.50
South Derbyshire District Council	56.25	69.92	86.65	19.00
Newcastle Under Lyme Borough Council	35.90	54.15	86.28	18.50
Wyre Forest District Council	34.62	70.97	86.24	36.00

Audit Commission data using 2005/06 expenditure figures
Chorley NN Average Rank
£'s per head £'s per head

Streetscene, Neighbourhoods and Environment

Street cleaning and litter responsibilities	5.77	7.01	13th out of 16
Waste collection	19.07	18.77	7th out of 16
Environmental and Public Health Services	11.76	9.48	3rd out of 16
Community Safety	7.79	3.49	Most expensive
Cemeteries and Crematoria	-0.03	0.35	14th out of 16
Parks and Open spaces	16.33	9.81	2nd out of 16
Parking	-5.5	-2.52	13th out of 16





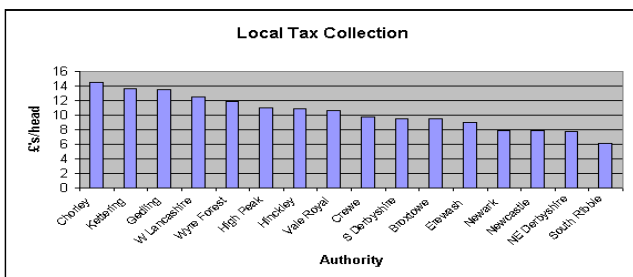
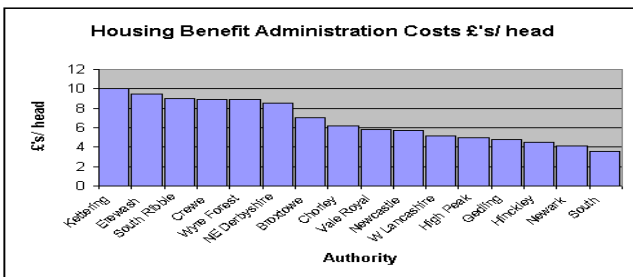
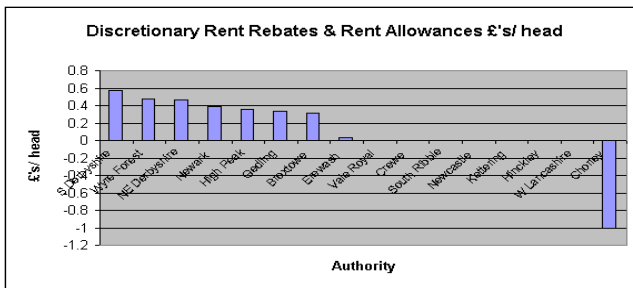
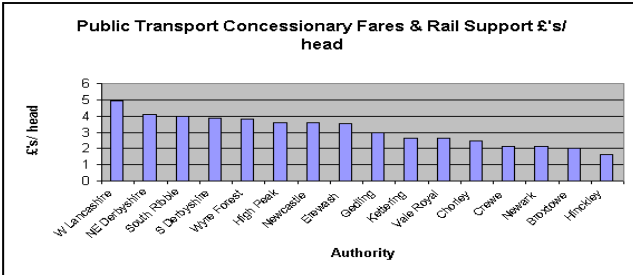
Performance Indicator	Performance 2004	Performance 2005	Change	Rankings 2004	Rankings 2005	Performance 2006	Ranking 2006
BV199 - Street and environmental cleanliness	14%	14%	0	5th	7th	See breakdown below	
BV199a - Street and environmental cleanliness (Street Dirtiness)						5.30%	1st
BV199b - Street and environmental cleanliness (Graffiti)						1%	3rd(=)
BV199c - Street and environmental cleanliness (Fly-posting)						0%	1st(=)
BV89 The % of people satisfied with the cleanliness standard		62%			7th	60%	Benchmarking data not currently a
BV90a The % of people satisfied with household waste collection		86.50%			3rd	66%	Benchmarking data not currently a
BV90b The % of people satisfied with waste recycling		79%			1st	77%	Benchmarking data not currently a
BV 82a & b - Household waste	16.20%	23.70%	7.50%	2nd	1st	See breakdown below	
BV 82a(i) - Household waste recycled						18.70%	6th
BV 82b(i) - Household waste compost						21.62%	3rd
BV119d Satisfaction with parks/ opens spaces.	63.1	76	12.9	9th	4th	75%	Benchmarking data not currently a
BV 126a Domestic Burglaries per 1000 Households	11.68	7.68				7.25	4th
BV 127a Violent crime per 1000 of population			Change in definition benchmarking data not available			16.24	9th
BV 127b Robberies per 1000 of population			Change in definition benchmarking data not available			0.23	3rd
BV 128 Vehicles crimes per 1000 of the population	8.36	9.46				7.99	4th
BV 225 Domestic Violence Checklist	n/a	n/a	New indicator			45%	Not

	BV199a	BV199b	BV199c	BV82a(i)	BV82b(i)
Chorley Borough Council	5.3	1	0	18.7	21.62
Kettering Borough Council	5.7	5	0	14.11	14.76
South Ribble Borough Council	6	0	0	15.45	18.74
Newark and Sherwood District Council	7	1	1	26	0
High Peak Borough Council	8	5	4	11.86	0.47
North East Derbyshire District Council	8	0	0	12.72	7.74
Erewash Borough Council	11	5	0	21.11	17.15
Gedling Borough Council	12	2	0	24.63	3.25
Crewe and Nantwich	12.4	6	1	14.72	10.18
Broxtowe Borough Council	15	9	4	25.39	10.05
West Lancashire District Council	15.5	1	1	12.93	18.19
South Derbyshire District Council	15.7	2	0	13.19	12.4
Newcastle Under Lyme Borough Council	16.6	3	0	12.7	3.93
Wyre Forest District Council	17	2	1	24.98	0
Vale Royal Borough Council	19	3	0	18.3	23.6
Hinckley and Bosworth Borough Council	21.7	1	1	17.62	22.7

Audit Commission data using 2005/06 expenditure figures
Chorley NN Average Rank
£'s per head £'s per head (most expensive)

Finance

Public Transport, Concessionary Fares & Rail Support	2.49	3.13	12th out of 16
Discretionary Rent Rebates and Rent Allowances	-1	0.12	16th out of 16
Housing Benefit Administration Costs	6.17	6.67	8th out of 16
Local Tax Collection	14.48	10.36	Most Expensive



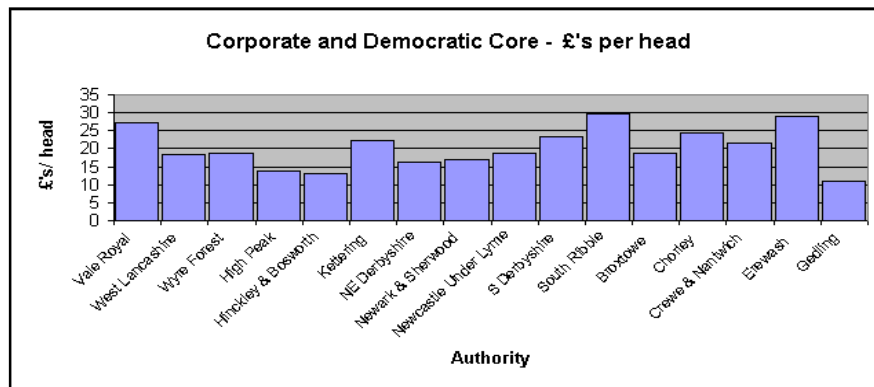
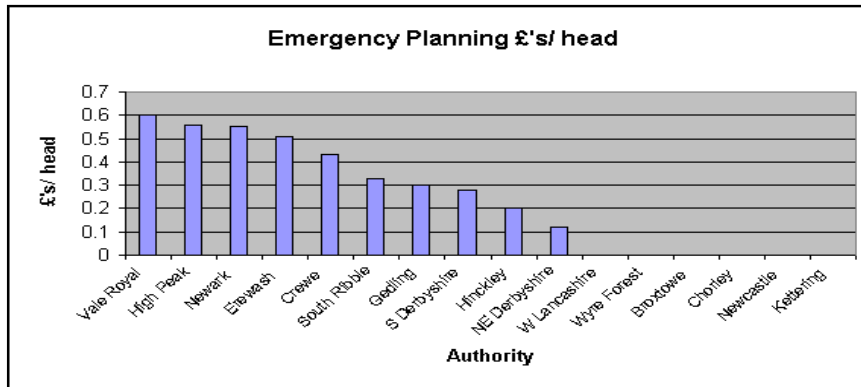
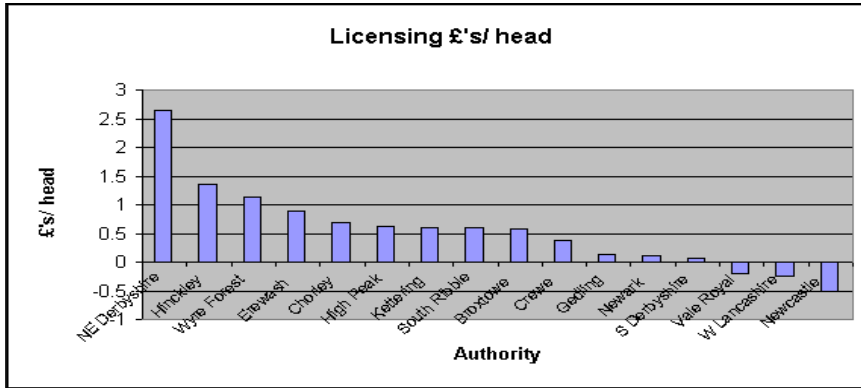
Performance Indicator	Performance		Change	Rankings		Performance	Ranking
	2004	2005		2004	2005		
BV10 Percentage of non-domestic rates collected	98.4	98.4	0	11th	9th	98.88	7th
BV78a Speed of processing new claim to HB/CTB	35	25	-10	5th	4th fastest	27	6th fastest
BV78b Speed of processing changes of circumstances to HB/CTB	9	6.5	-2.5	6th	3rd fastest	8	4th fastest
BV79a Accuracy of HB/CTB claims	98.8	98.4	-0.4	8th	6th	98.5	8th
BV9 Percentage of Council Tax collected	97.9	98.4	0.05	9th	2nd	98.51	3rd

						Benchmarking data not currently available
BV80 Satisfaction with the benefits service	82	82 n/a				86.87
	BV10	BV78b	BV78a	BV79a	BV9	
South Derbyshire District Council	99.46	24.5	6.2	97.4	98.82	
High Peak Borough Council	99.37	17.2	23	99.6	98.53	
Wyre Forest District Council	99.2	25	13.6	95.8	98.4	
Crewe and Nantwich	99.1	30.1	16	98	97.49	
Hinckley and Bosworth Borough Council	99.06	51.1	5.4	95.8	98.45	
Vale Royal Borough Council	99	29.1	9	98.6	98.09	
Chorley Borough Council	98.88	27	8	98.5	98.51	
Erewash Borough Council	98.79	40.1	10.2	99.2	97.1	
West Lancashire District Council	98.7	25.1	14.2	96.4	98.2	
Broxtowe Borough Council	98.4	49.6	10.2	98	97.5	
Newark and Sherwood District Council	97.7	43.7	11.3	99.6	97.4	
South Ribble Borough Council	97.6	21.4	2.6	98.95	97.8	
Newcastle Under Lyme Borough Council	97.5	56.3	8.6	99.6	96.46	
North East Derbyshire District Council	97.26	37.4	28.4	97.2	97.72	
Gedling Borough Council	96.1	41.6	12.8	96.2	97.5	
Kettering Borough Council	94.44	39.1	19.5	99.2	97.39	

Audit Commission data using 2005/06 expenditure figures
Chorley **NN Average** **Rank**
£'s per head **£'s per head** **(most expensive)**

Customer, Democratic and Legal Services

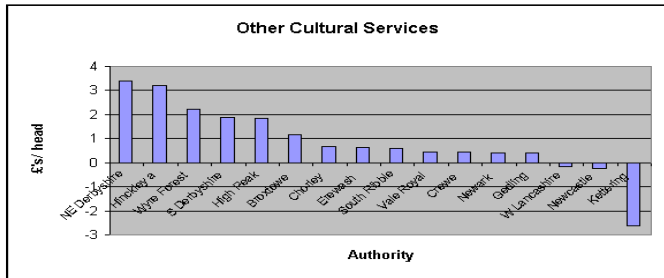
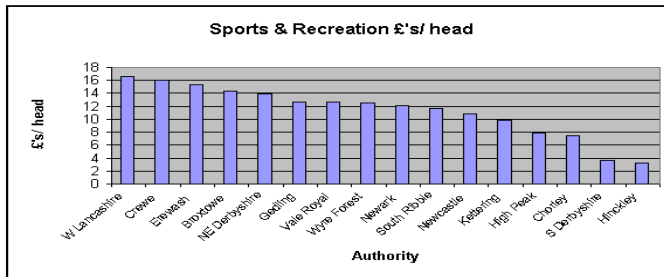
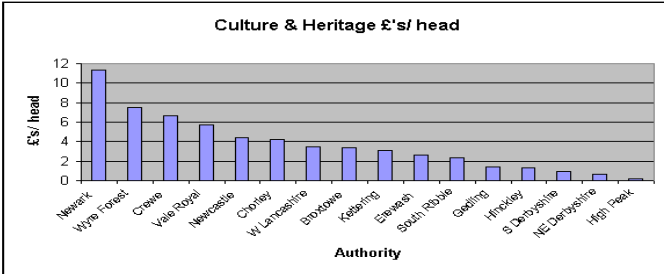
Licensing	0.69	0.55	5th out of 16
Emergency Planning	0	0.24	n/a
Corporate and Democratic	24.32	20.24	4th out of 16



Audit Commission data using 2005/06 expenditure figures
Chorley NN Average Rank
£'s per head £'s per head (most expensive)

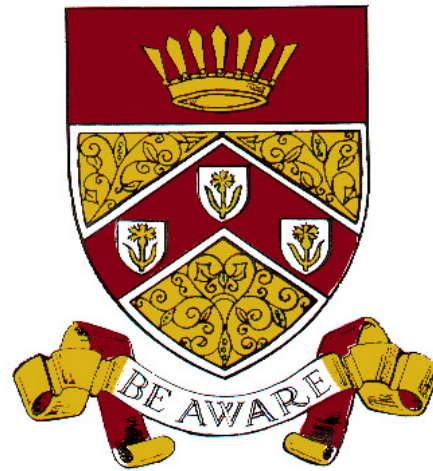
Leisure and Cultural Services

Culture and Heritage	4.22	3.7	6th out of 16
Sports and recreation	7.48	11.29	14th out of 16
Other cultural services	0.66	0.9	7th out of 16



Performance Indicator	Performance		Change	Rankings		Performance		Ranking
	2004	2005		2004	2005	2006	2006	
BV119a Satisfaction with sport and leisure facilities.	52.5	65	12.5	9th	1st	60	Benchmarking data is not currently	
BV119c Satisfaction with museums and Galleries (out of 14)	52.5	63	10.5	1st	1st	24	Benchmarking data is not currently	
BV119d Satisfaction with theatres / Concert halls. (out of 14)	52.5	58	5.5	4th	2nd	22	Benchmarking data is not currently	
170a Visits to Astley Hall per 1000 of the population	230	268	38	-	-	247	6th out of 13	
170b Visits to Astley Hall in person per 1000 of the population	123	247	124	-	-	159	7th out of 13	
170c Pupils visiting Astley Hall	1223	2311	1088	-	-	1272	6th out of 13	

SERVICE REVIEW SELF ASSESSMENT



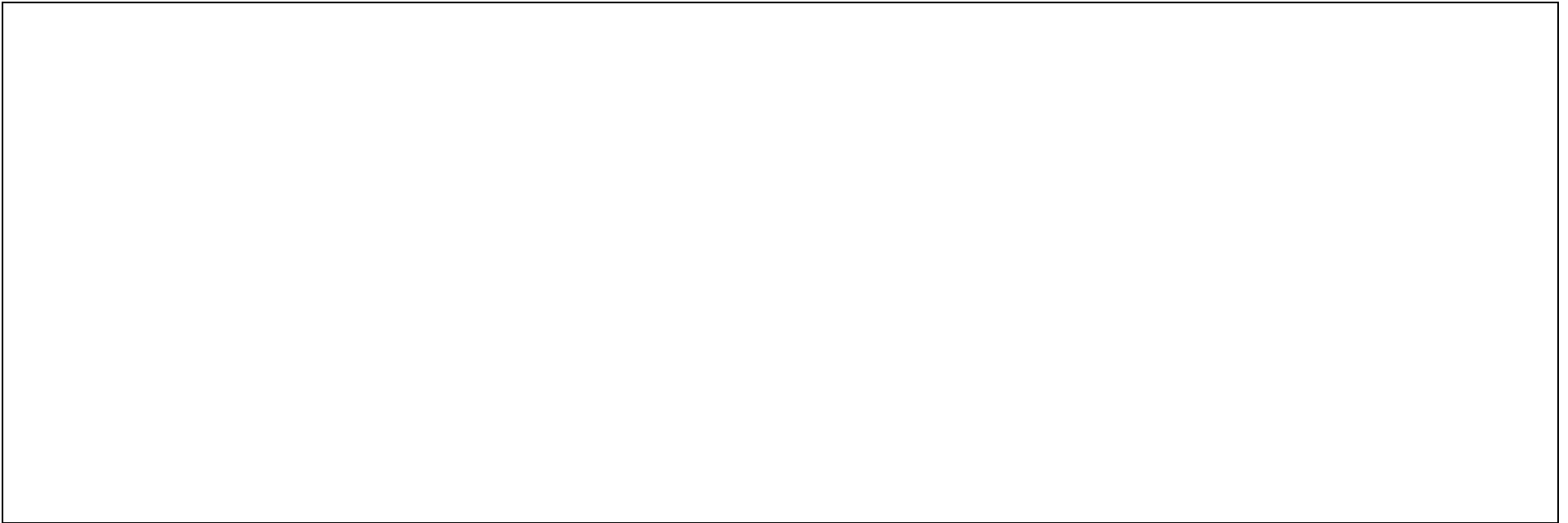
NAME OF SERVICE:

SERVICE REVIEW DATE:

1. CONTEXT AND AIMS OF THE SERVICE

**Please describe the aims and objectives of the service, priorities and relation to the Council as a whole.
(Max 2 sides of A4)**

- Are there clear and challenging aims for the service?
- Are these aims shared with the wider aims of the Council and its partners?
- Does the service have robust and clear priorities for improvement?
- Is there a strategy and action plan in place to realise these priorities?



2. QUALITY OF THE SERVICE

Please describe your service's achievements in the last year, giving particular attention to specific outcomes and impact, particularly from a user-focus perspective.

(Max 4 sides of A4)

- What specific outcomes has the service achieved in the last year?
- What has the service achieved in increasing its user-focus in the last year?
- Does the service have a rigorous approach to performance management to enable performance improvement?
- What is the performance of the service in comparison to similar services at other Authorities?

3. DEMONSTRATED IMPROVEMENTS

Please describe your service's improvements in the last year, in relation to Council priorities. What future changes are planned, outline them here.

(Max 2 sides of A4)

- Has the service made any improvements to the efficient delivery of services in the last year?
- Are there any plans for service improvements in the future, and how will these impact on the way that services are delivered?
- Has the service made any improvements to the Value for Money obtained in its service delivery in the past year?

4. STRATEGIC CAPACITY TO IMPROVE

Please indicate how your service has considered its strategic capacity to improve in the future.
(Max 4 sides of A4)

- Is there clear accountability to enable effective decision-making?
- Is capacity used effectively to deliver ambitions and priorities?



GUIDE TO POTENTIAL SCORING SYSTEM WITHIN SELF ASSESSMENT

It is proposed that services be scored as part of their review, to allow them to compare their performance with other services, set a benchmark score for improvement, and communicate findings easier across their service.

It is proposed that the scoring methodology be based on the acquisition of points out of 4 dependent on how close the service performs to an “ideal” service. This same methodology has been used in previous Audit Commission inspections. In addition, it is proposed that services be awarded a score for their level of improvement. This is an approach similar to the Authority as a whole, which now has two scores side by side for its CPA grade.

The Service Performance Score:

Each of the elements of the Self Assessment would be given a score out of 4, based on achievement of certain levels of performance in the KLOE’s.

Using this approach, the “Quality of the Service” element of the Self Assessment could be scored as follows:

- The quality of the service is excellent
 - Many positive outcomes in the last year
 - Attention paid to user focus with demonstrable service improvements as a result
 - A rigorous and embedded performance management structure within the service, leading to continual improvement

= 4

- The quality of the service is good
 - Some positive outcomes in the last year
 - Some attention given to user focus, not always acted upon and often not top priority
 - Performance Management is not always embedded in service planning, leading to a lack of quality performance management information and some conflicting service aims

= 3

- The quality of the service is fair
 - Few positive outcomes in the last year
 - Scant attention paid to user focus, with little or no reference to users in service planning
 - Performance Management is patchy, with a haphazard and non-embedded approach to continual improvement

= 2

- The quality of service is poor
 - Virtually no positive outcomes in the last year
 - Users are not consulted regularly, and their views do not form part of service planning
 - There is little evidence of performance management having a positive effect on service delivery
- = 1

This would allow for a score out of 4 for each of the elements of the Self Assessment. Once these scores are collated, an average score can be worked out to produce an overall service performance score out of 4.

The Direction of Travel Score:

In addition to the service performance score, it is proposed that the service as a whole be given a Direction of Travel score out of 4, where performance improvement across the service as a whole is judged. This judgement can be made looking at evidence provided mainly in the “improvement” KLOE of the “Quality of Service” element, but can also be judged in the round using all the evidence provided for the inspection.

It is proposed that the Direction of Travel judgement labels mirror those for CPA:

“Improving Strongly” – The service shows strong and demonstrable improvement. It has made significant improvements to outcomes over the last year. It also has the potential to continue to significantly improve the way it works and the services it provides to local people.

“Improvement Well” – The service is moving forward and improving well. It has made some improvements to outcomes over the last year. It has the potential to continue to improve services it provides to local people. It has made some improvements to outcomes over the last year. However, it needs to improve the way it works in order to continue to improve services to local people in the future.

“Improving Adequately”. The service has little or no improvement, but no decline. It has maintained its overall outcomes at the level we saw last year. The service identified priorities but has made little progress over the last year on improving them. However, the service is improving the way it works, providing some confidence that better outcomes will occur in the future. It has maintained its outcomes at the level were seen last year.

“Not improving”. The service shows no improvement and perhaps a negative direction of travel. Performance has not improved this year, and may have deteriorated over the last year. Several priority areas for improvement have got worse. Unless the service improves the way it works, the likelihood of it achieving improvement is limited.

Overall score:

The services would be given two scores side by side, for instance “2, Improving Well”.

ACHIEVING VALUE FOR MONEY – CORPORATE ACTION PLAN

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....
AUDIT COMMISSION CRITERIA STRATEGIC OPERATIONAL OBJECTIVES						
<ul style="list-style-type: none"> Value for Money Framework 2006 – 2009 Section 5 	Produce a cohesive Corporate Strategy supported by an effective programme of project management.	Monitoring of existing Corporate Strategy and review in line with Business Planning cycle.	September 2007	Director of Policy & Performance	Delivery of key projects, performance targets and long term outcomes.	
AUDIT COMMISSION CRITERIA COMMUNICATIONS						
<ul style="list-style-type: none"> Value for Money Framework 2006 – 2009 Communication Strategy 	Implementation of The Communication Strategy.	Achievement of the Level 1, Level 2 and Level 3 benchmarks as set out in The Strategy.		Director of Policy & Performance	Achievement of the Level 1, 2 and 3 benchmarks as set out in the Strategy.	
AUDIT COMMISSION CRITERIA PERFORMANCE MANAGEMENT						
<ul style="list-style-type: none"> Communication Strategy Business Improvement Planning – A Managers Guide 	Review and Implementation of an effective Business Planning Framework	Preparation of revised Manager Guidance documentation and revised Framework	April 2007	Director of Policy & Performance Director of Finance	Production of Business Improvement Plans to deadline. Monitoring of Plans in line with the revised Business Planning cycle and timetable.	
<ul style="list-style-type: none"> VFM Framework Human Resources Strategy 	Maintaining an effective staff performance appraisal system	Clearly linking Performance Management to the Business Planning Cycle.	April 2007	Director of Policy & Performance Director of	Achievement of 100% staff performance review to deadlines set.	

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....		
<ul style="list-style-type: none"> Business Improvement Planning – A Managers Guide 				Finance				
<ul style="list-style-type: none"> VFM Framework Overview & Scrutiny Improvement Plan 	Effective challenge and scrutiny of service performance	Implementation of the Overview and Scrutiny Forward Plans 2007/8.	To timetable set out in plans	Director of Customer, Democratic and Legal Services	Outcomes from reviews undertaken			
<ul style="list-style-type: none"> VFM Framework Performance Monitoring Reports Business Improvement Plans 	To achieve Corporate Performance Targets	Monitoring of targets set through key local and national performance indicators	Quarterly	Corporately by Director of Policy & Performance At Directorate Level by all Directors	Proven high quarterly performance			
<ul style="list-style-type: none"> VFM Framework. Role & Membership of Audit Committee Report to Executive Cabinet 3/3/6 Audit Committee Draft Programme 2007/8 	Improving the current Audit Committee arrangements to comply fully with CIPFA Guidance on Audit Committees.	Implementation of Action Plan contained in report to Executive Cabinet 30/3/6. Implementation of Audit Committee programme.	By March 2008	Director of Finance	Conduct a follow-up review of The Action Plan/Programme in March 2008.			
<table border="1"> <tr> <td>AUDIT COMMISSION CRITERIA</td> </tr> <tr> <td>DATA QUALITY</td> </tr> </table>		AUDIT COMMISSION CRITERIA	DATA QUALITY					
AUDIT COMMISSION CRITERIA								
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<ul style="list-style-type: none"> VFM Framework Date Quality Strategy & Action Plan Data Quality Audit 	Production of an effective quality assurance system for the collection and publication of performance information.	Implementation of Data Quality Action Plan	By March 2008	Director of Policy & Performance	Monitoring and follow-up by Internal Audit/Audit Commission			

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....
<p>AUDIT COMMISSION CRITERIA INTERNAL CONTROL</p> <ul style="list-style-type: none"> VFM Framework Annual Governance Statement 2006/7 	Establishing a sound system of internal control.	Production of our Annual Governance Statement for 2006/7 and addressing the significant governance issues.	Sept 2007	Director of Finance Director of Customer, Democratic & Legal Services	Annual 'sign-off' by Audit Commission	
<p>AUDIT COMMISSION CRITERIA RISK MANAGEMENT</p> <ul style="list-style-type: none"> VFM Framework Strategic Risk Register Key Project Risk Registers 	Effective management of strategic and operational risk	Review and update of Strategic Risk Register. Implementation of Action Plan.	Mar 2007	Director of Finance Director of Policy & Performance	Annual Review of Strategy Risk Register. Operational risk on Key Projects monitored through the Corporate Improvement Board.	
<ul style="list-style-type: none"> VFM Framework Review of Business Continuity Management 	To have effective proven Emergency and Business Continuity Plans in place.	Implement Action Plans deriving from the Audit Commission review of Emergency Planning and the Internal Audit Review of Business Continuity.		Director of Customer, Democratic & Legal Services	Monitoring and review by Audit Commission and Internal Audit.	
<ul style="list-style-type: none"> VFM Framework 	To ensure that appropriate and cost effective insurance cover is in place.	Full review of insurance cover undertaken in 2006 to reflect organisational changes. Claims experience will be monitored carefully.		Director of Finance	Cover effectively meets claims experience.	
<ul style="list-style-type: none"> VFM Framework SLA with Bolton Council 	To ensure that appropriate health and safety policies and procedures are in place.	Careful monitoring of new contract with Bolton. Formal review will be undertaken March 2008.	Mar 2008	Director of Finance	Reduced service cost against satisfactory contract performance	

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> AUDIT COMMISSION CRITERIA VALUE FOR MONEY </div>						
<ul style="list-style-type: none"> ● VFM Framework ● VFM reports to Strategy Group 17.4.07 ● Executive Cabinet 24.5.07 	To achieve score of 4 for VFM Theme in use of Resources Assessment	Implementation of VOR-VFM Keylines of Enquiry Action Plan. Submit self-assessment to Audit Commission.	Dec 2006	Director of Finance	Score of 4 awarded.	
<ul style="list-style-type: none"> ● VFM Framework ● VFM reports to Strategy Group 17.4.07 ● Executive Cabinet 24.5.07 	Carry out a 3 year programme of VFM Service Reviews.	Programme submission to and approved by Strategy Group.	April 2007	Director of Finance	Successful VFM Reviews being undertaken	
<ul style="list-style-type: none"> ● VFM Framework ● VFM reports to Strategy Group 17.4.07 ● Executive Cabinet 24.5.07 	Establish guidance documentation and a VFM template to enable comprehensive VFM review to be undertaken.	Use of methodology to undertake reviews.	From June 2007	Director of Finance	Successful VFM Reviews being undertaken.	
<ul style="list-style-type: none"> ● VFM Framework ● VFM reports to Strategy Group 17.4.07 ● Executive Cabinet 24.5.07 	Implement benchmarking strategy	Investigation of benchmarking clubs appropriate to use. Contact nearest neighbours to discuss forming club.	July 2007	Director of Finance	Robust corporate benchmarking system in place delivering quality data.	
<ul style="list-style-type: none"> ● VFM Framework 	Improved profile for VFM across the Council. VFM embedded in culture.	Carry out a services of roadshows/presentations to staff. Work on feature for staff newsletter. Publicise VFM review outcomes corporately.	August 2007	Director of Finance	VOR assessment efficiency gains VFM review outcomes	

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....	
<ul style="list-style-type: none"> VFM Framework 	Establish a staff incentive scheme.	Design scheme for consideration by Strategy Group.	August 2007	Director of Finance	Evidence of change through staff incentive scheme.		
<ul style="list-style-type: none"> VFM Framework 	Establish a VFM corporate support function with Finance Directorate.	Structure established.	Actioned Jan 2007	Director of Finance	Key priorities of Team actioned successfully.		
<ul style="list-style-type: none"> VFM Framework Report to Executive Cabinet – 24.5.07 CIPFA SOLACE Corporate Governance Framework 	Establish a Corporate Framework for Partnership Working in accordance with best practice.	Framework prepared and approved by Strategy Group. Formal approval by Executive Cabinet May 2007.	May 2007	Director of Finance	All new key partnerships following framework guidance. All new key partnerships reported to CC for approval. Annual review and report to Executive Cabinet on key partnership performance.		
<table border="1"> <tr> <td>AUDIT COMMISSION CRITERIA PROBITY</td> </tr> </table>		AUDIT COMMISSION CRITERIA PROBITY					
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<ul style="list-style-type: none"> VFM Framework 	Production and maintenance of Codes of Conduct for Members.	Audit Review of Codes of Conduct undertaken by Internal Audit. Revised Codes of Conduct to be prepared and approved by Executive Cabinet.	Aug 2007	Director of Customer, Democratic & Legal Services Director of Human Resources	Monitoring the number of Standards Board referrals and disciplinary incidents.		
<ul style="list-style-type: none"> VFM Framework. 	Satisfactory systems in place to register incentives, gifts and hospitality received by staff.	Comprehensive review of systems undertaken in 2006. Electronic registration facility for staff now in place. Members system to be facilitated through modern.gov.		Director of Customer, Democratic and Legal Services	Evidence of systems being properly used.		

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....
<ul style="list-style-type: none"> VFM Framework Whistle-Blowing Policy Corporate Complaints Procedure 	Satisfactory whistle-blowing, Anti-Fraud and Complaints Procedures in place.	<p>New whistle-blowing policy new approved and in place.</p> <p>Internal Audit to work with Directors to compile an anti-fraud risk register.</p> <p>Establishing Corporate Complaints Procedure electronically.</p>	<p>Actioned</p> <p>During 2007/8 as part of Internal Audit plan</p> <p>June 2007</p>	<p>DHR</p> <p>Director of Finance</p> <p>DPP</p>	<p>Monitoring of awareness and usage of policy</p> <p>Minimisation of risk of fraud</p> <p>Monitoring of quality of data and response to complaints.</p>	
AUDIT COMMISSION CRITERIA FINANCIAL STRATEGY						
<ul style="list-style-type: none"> VFM Framework Medium Term Financial Strategy 	Ensuring that a medium-term Financial Strategy, budget control measures and a successful capital programme are achieved.	Preparation and approval of Medium-Term Financial Strategy.	July 2007	Director of Finance	Successful outcomes from Use of Resources Awareness, Annual Efficiency Statements and Corporate Improvement Board Monitoring.	
AUDIT COMMISSION CRITERIA FINANCIAL STANDING						
<ul style="list-style-type: none"> VFM Framework 	Setting a balanced budget in accordance with Financial Strategy.	Implement effective budget management and monitoring procedures..	In line with financial planning process timetables	Director of Finance	Avoidance of overspending, achieving efficiency targets.	

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....
AUDIT COMMISSION CRITERIA FINANCIAL MANAGEMENT						
<ul style="list-style-type: none"> VFM Framework 	To have clear documented processes in place to achieve effective budget management.	Budget and performance monitoring on a quarterly basis.	Ongoing to financial timescales	Director of Finance	Budget and performance outputs and outcomes. Use of Resources Assessment.	
AUDIT COMMISSION CRITERIA ASSET MANAGEMENT						
<ul style="list-style-type: none"> VFM Framework Property Services Contract Management Plan 	To ensure we are maximising use and value of our Asset Base.	Strategic review of the Council's Asset Base to be undertaken by Liberata within 3 months following contract start date.	By July 2007	Liberata	Outcomes from review	
<ul style="list-style-type: none"> VFM Framework 	Achieving efficiency gain targets set by Government	Continuing Corporate approach to ensuring efficiency gains are maximised, costed and evaluated in accordance with Government guidance.	Ongoing to efficiency statement submission timetables	Director of Finance	Achieving efficiency targets.	
<ul style="list-style-type: none"> Achieving Value for Money Report to Strategy Group 17.4.07 	To ensure that corporate expenditure areas are identified in the report are providing Value for Money.	Corporate Procurement to undertake a detailed review of the expenditure areas and report to Strategy Group on outcomes.	By Aug 2007	Director of Finance	Outcomes from review.	

REFERENCE DOCUMENT	TARGET	ACTION PLANNED	BY WHEN	BY WHOM	HOW DO WE MEASURE SUCCESS	PROGRESS AT.....
<ul style="list-style-type: none"> Achieving Value for Money Report to Strategy Group 17.4.07 	To ensure that income streams to the Council are being maximised.	Internal Audit to undertake a detailed review of income streams.	By July 2007.	Director of Finance	Outcomes from review.	
<ul style="list-style-type: none"> Achieving Value for Money Report to Strategy Group 17.4.07 	To improve Business processes relating to services being transferred to Telephone Contact Centre	Prepare a detailed business plan on how this might be achieved.	July 2007	Director of Customer, Democratic & Legal Services	Proven Business Case being delivered	
<ul style="list-style-type: none"> Achieving Value for Money Report to Strategy Group 17.4.07 Shared Services in Financial Business Case 	To achieve improved delivery of Financial Services across the 2 partner authorities.	Consider recommendations in Consults report.	June 2007	Director of Finance	Implementation of a successful partnership.	