

Chorley Council

Use of Resources: Value for Money Self Assessment September 2007

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USE OF RESOURCES: VALUE FOR MONEY SELF ASSESSMENT

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CONTEXTUAL INFORMATION

2007 has seen further organisational change as the Council continues its drive towards excellence. Following the establishment of a new senior management structure in 2006 the new Directorates were restructured to put in place a platform to ensure the continuing delivery of high quality services to the public whilst achieving the strategic objectives of delivering a Council Tax freeze in 2007/08. Over £1 million in savings were achieved through the new structure and our associated savings to make this happen.

Central to our drive for excellence has been our lead role nationally on the Business Process Architecture project. Today, local authorities are faced with the twin challenges of improving the services they offer to their customers whilst also making efficiency savings. This is not something that can simply be achieved by a gradual tweaking of service quality or by trimming budgets: it demands a wholesale rethink on what customers need, and a realignment of work activities to focus resources where they best add value. Chorley are leading the way through this initiative and the project outcomes have seen a new more customer focused management structure put in place by the Chief Executive and further ongoing initiatives on customer profiling and customer needs now underway.

Further evidence of Chorley “punching above its weight” is the Council’s invitation to be part of the Government’s new Local Government Delivery Council replacing the Cabinet Office transformation Government division and the work we have recently concluded on transforming district council’s into customer focused organisations. The Council will collect best practice and try to deliver better Public Service whilst making large efficiency savings through the use of shared resources, business transformation and mobile working. Chorley is only District Council representation on the Council.

We have continued to build on the Council’s Governance and performance arrangements whilst also improving performance, thus providing high quality, value for money services to our customers.

This document very much focuses on improvement during 2006/07 although inevitably there are areas where ongoing improvements to services and initiatives included in the 2006 VFM assessment are referred to.



Donna Hall
Chief Executive



Cllr Peter Goldsworthy
Leader of the Council



Cllr Pat Case
Executive Member
for Policy & Performance

INTRODUCTION

The Council continues to achieve good value for money and this was franked by the Audit Commission when we were awarded a score of 4 for the VFM theme in our Use of Resources Assessment for 2006⁽¹⁾. It was also pleasing that we improved our scores not just on the VFM theme but on the Financial Reporting and Internal Control themes. The two remaining themes scored a three as they had in 2005.

The Use of Resources judgement on Value for Money identified two key areas of improvement opportunities:

- Develop a specific programme of VFM studies; and
- Implement the new Benchmarking Strategy.

In May 2007 the Executive Cabinet approved a report updating on progress with our drive to managing and improving Value for Money with the Organisation⁽²⁾. This comprehensive position statement set out our three year programme of VFM reviews to commence with the Council's largest operational Directorate – Streetscene, Neighbourhoods and Environment in September 2007.

We realise that a key part of our carrying out productive VFM reviews will be benchmarking to enable more robust comparison of both performance and cost. With a corporate staff resource now allocated to this vital area we are now focussing our initial benchmarking activity in three key areas – Planning, Revenues and Benefits and Streetscene, Neighbourhoods and Environment. This approach reflects the VFM programme of review timetable as these are the first three areas to be reviewed. Our work in implementing the Benchmarking Strategy is covered in more detail in 5.2.

Whilst the reviews will be the cornerstone of our work moving forward we have in 2006/07 continued to build on achievements to date.

PERFORMANCE MANAGEMENT

The Corporate Strategy is the key strategic document for the authority, focused on delivery of the Council's six strategic objectives. The Corporate Strategy mirrors and outlines the Council's contribution to the Community Strategy, delivery of which is being taken forward by the Chorley Partnership.

44 key projects have been identified to achieve our strategic objectives through managing performance on these alongside monitoring Best Value, national and local performance indicators we are able to measure our progress in the delivery of the strategic and longer term objectives set out in the Corporate Strategy and how we compare with other authorities⁽³⁾.

1. Use of Resources – Auditors Judgements 2006

2. Report to Executive Cabinet 24 May 2007 – Achieving Value for Money.

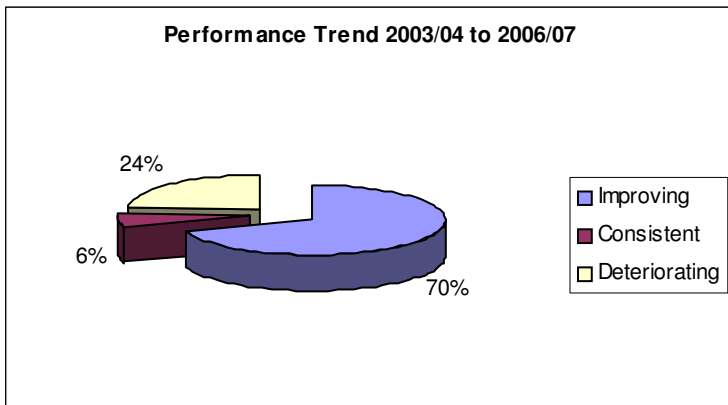
3. First Quarter Performance Monitoring Report to Executive Cabinet 9th August

Key Projects

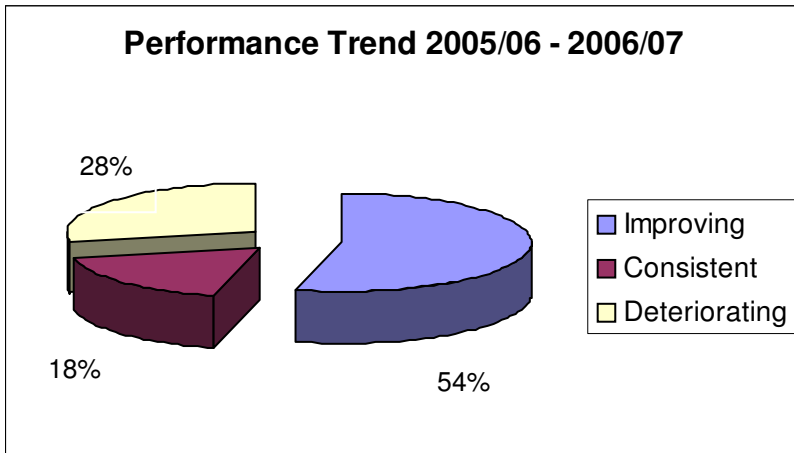
Overall the performance of key projects is excellent with 95.5% either completed, progressing ahead of plan or on plan. This is an increase of 10.5% since the end of the third quarter 2006 with all projects now either completed or underway. The Council's project management toolkit has been instrumental in this high achievement level.

Performance Indicators Trends

1. The Council's long-term performance has shown marked improvements from 2003/04, coupled with reducing costs, offering increased value for money and quality services for those the Councils serves. 70% (47 out of 68) of the total basket of national best value indicators have shown improved performance from 2003/04 to 2006/07 (where a comparison can be drawn). This drive for further improvement has been carried forward into 2007/08 where strengthened performance management arrangements and driving down of costs continues to realise benefits for residents and customers.

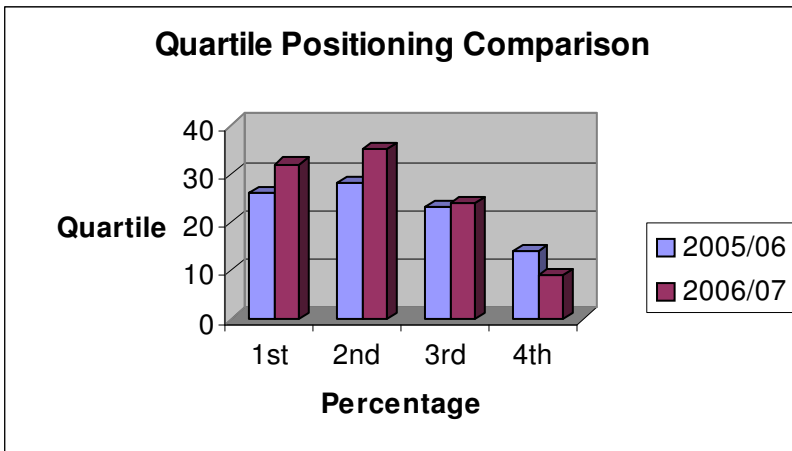


2. This picture of sustained and long-term improvement is mirrored in year on year analysis of improvement. At year-end 2006/07 54% (54) of indicators have improved when compared to year-end 2005/06 (54 out of 100), this is extremely positive given the level of improvement the Council's performance has shown in previous years. 19% (19) showed consistent performance, of which 5 are achieving the highest possible level of performance and so cannot show any further improvement. Overall 73% (73) indicators showed maintained or improved performance between 2005/06 to 2006/07.



3. At year end 2006/07 32% (22) indicators were in the top quartile, 35% in the second (24) 24% (16) in the third quartile and 9% (6) in the fourth quartile, this represents a significant improvement in the last year with 26% in the first quartile (16), 28% in the second quartile (17), 23% in the third quartile (14) and 23 in the fourth quartile (14%).

In 2006/07 67% of the total basket of best value performance indicators are in the first and second quartiles compared to only 54% in 2005/06.



4. Overall the organisation continues to deliver excellent performance and improvements in terms of outcomes (performance information) and delivering a programme for change (project and programme management). Performance has continued to improve, building on the already impressive record of achievement over the last three years.

Measures and Targets

The Corporate Strategy 2006/07 – 2008/09⁽⁴⁾ contains 36 measures and targets that are set out in the attached document. Close monitoring of these is undertaken and reveal that a number of targets have not only been exceeded for 2006/7 but have exceeded the targets for 2009. Particularly pleasing examples include:

4. Corporate Strategy Measures and Targets

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

Reference to evidence source

Town centre visits for 2006/07 totalled 35,947, which is 667 more than the 2009 target of 35,280. In addition we have already met one of our long-term outcomes to have average earnings in line with the county average with median workplace earning in the borough now 1.4% above the Lancashire average. Previously we were 3.2% below the county average.

Other strong measures are around our strategic objective, improved access to public services. This saw 98% satisfaction in the service received in our contact centre and an increase in the number of appropriate services available via self serve, to 65% which was 15% above target. Also under this strategic objective 84.5% residents think that public transport has got better or stayed the same, exceeding the 2009 target of 78%.

In 2006/07 a number of projects focused on achieving safer communities, these included a project to pilot innovative ways to reassure our communities, as well as a project to deliver key actions in the community safety strategy. These projects have in turn led to us exceeding 2009 targets for the measures of improving feelings of safety during the day, and improved feelings of safety during the night.

Finally against our strategic object to ensure Chorley is a performing organisation we have again exceeded targets for 2009 from the measures ‘% of priority BVPIs in the upper quartile’ and the ‘ % of priority BVPI’s improving’.

KLOE 5.1.1 How well do the council's overall and service costs compare with others, allowing for external factors?

Reference to evidence source

We undertook an analysis of service costs against our nearest neighbours using the VFM profile tool. This is attached as evidence source (5) This provided a starting point for us to drill deeper into the relationship between cost and performance and to compare ourselves with our nearest neighbour group. To assist us in this analysis we prepared a spreadsheet⁽⁶⁾ setting out the 2006/7 revenue outturn figures and the 2007/8 estimates. Additionally we were provided with the performance data for 2006/7⁽⁷⁾ from our colleagues in Policy and Performance. Although unaudited we felt this could give us a more informed picture by enabling us to compare cost and performance at Chorley in the same financial year and to consolidate what we believe is a clear general trend over the past 3 years of reduced costs alongside improved performance.

- 5. Report on costs/Performance comparison
- 6. Spreadsheet 2006/7 outturn 2007/8 estimates
- 7. Performance Data 2006/7 (unaudited)

TOTAL EXPENDITURE AND PERFORMANCE

Expenditure

KEY MESSAGE



Chorley's Efficiency programme and strategic drive for the delivery and improvement of value for money has seen us drive out costs year on year, clearly target resources to the council's priority areas and improve performance internally and in comparison with our nearest neighbour group.

Our 2006 self-assessment highlighted the new administration strategic target of achieving a no Council Tax increase for the services funded by Chorley. Clearly this presented a significant challenge for senior management, however through a major restructure and a systematic review of income and expenditure across Directorate's the requisite savings were identified. A breakdown of the savings identified is shown as evidence source (8) and the Director of Finance also presented the savings to the Overview and Scrutiny committee⁽⁹⁾ with his assessment of the impact the structural changes might have on performance. This was an important part of the process as it sought to ensure that taking large scale costs out of budget would not materially affect our excellent performance levels. The budget represented the Administration's strategic budget aim to take out costs in the high cost areas identified from VFM analysis and to transfer resources from very high performance areas.

- 8. 2007/8 savings on budget schedule
- 9. Report to Overview and Scrutiny Committee – Jan 2007

The following sections provide an analysis of relative costs and performance in comparison with our nearest neighbour family group.

PLANNING

During 2006/7 Planning costs remained at a consistent level, below the average of our nearest neighbour group.

When considering Planning in our assessment we have taken a more in-depth approach and considered the full breadth of Planning Performance Indicators than that provided through the cost/performance assessment. This shows that satisfaction with the service has grown from 61% to 72% significantly improving our nearest neighbour ranking 8th in the family group from a previous position of 13th, with ambitious plans in place to improve even further.

It was also pleasing to see the relatively high proportion of Ombudsman Complaints reducing significantly in 2006/7 as referenced in the Ombudsman's Annual Letter. The Ombudsman makes reference to a general reduction in the number of complaints received about the Council and 'most significantly' a reduction in complaints about planning from 11 in 2005/06 to just 2 in 2006/07, meaning that planning complaints now make up a smaller proportion of the complaints received than is the average nationally.

Planning services have also delivered significant improvements in both processing times with the percentage of major planning applications determined within agreed timescales has improving from 64% in 2003/04 to 75% in 2006/07 moving this service from the fourth to the second quartile nationally and the percentage of minor planning applications determined within agreed timescales improving from 15% to 77%. This improvement is also mirrored in the percentage of other applications determined within agreed timescales, which has improved from 80% in 2003/04 to 88% in 2006/007, moving the service from the third into the second quartile.

A significant reduction in costs in 2007/08 has been coupled with consistent and improving performance into the first quarter of this financial year.

This service will be subject to a VFM review during 2007/8.

WASTE MANAGEMENT

The council has invested heavily in waste management in recent years, particularly on recycling. This is reflected in our cost profile which shows an increase of around £3 per head of population between 2003/4 and 2006/7. In terms of performance during the same period we have seen a doubling of the recycling levels whilst maintaining below average costs in the NN group. Additionally the council maintains its top quartile position on recycling. Satisfaction with waste collection has decreased from 2003/04 (92% to 66%)⁽¹⁰⁾. This is explained in part by a policy decision to undertake alternate weekly collections of recyclable and non-recyclable waste, which has resulted in our impressive levels of recycling. This decline is mirrored in the Council's family group for performance benchmarking

10. Satisfaction with waste collection analysis

KLOE 5.1.1 How well do the council's overall and service costs compare with others, allowing for external factors?

Reference to evidence source

with some authorities witnessing an up to 38% point decline in satisfaction following the introduction of alternate weekly collections, with an average of a 12% point decline across those authorities in the family group which have taken the policy decision to introduce alternate weekly collections. The Council is working hard to understand and address this decline in satisfaction levels, having recently host a listening day with residents on this subject and sending out over 1,000 questionnaires seeking residents views in the waste collection service to inform the re-letting of the waste contract and the driving up of performance in this area. We have received a 40% response rate and will be using this information to help deliver the service of the future, for which we are currently in the preparation for.

STREET CLEANSING

Costs on street cleansing have risen over the 3 year trend period. In 2003/4 costs stood at £4.66 and by 2006/7 had reached £6.20. This rise reflected the council's investment in this service area, although we are still lower in cost than the nearest neighbour average in 2006/7. A rationalisation of street sweeping schedules has meant that with limited investment in the service we have been able to improve the value for money offer with performance having dramatically improved from 14% in 2003/04 to 7.1% in 2006/07 (smaller is better), moving us into the top quartile and giving Chorley a ranking of third within our family group (compared with a ranking of 5th in 2003/04)..

ECONOMIC AND COMMUNITY DEVELOPMENT

In 2004/5 and 2005/6 our costs were low in this service area reflecting our disinvestments in economic development. This is now a corporate priority area for the new administration, identified in the refreshed corporate strategy and this focus supported by a new Economic Development Strategy, a Town Centre Strategy and an economic sub-group of the Local Strategic Partnership has been accompanied by an increased footfall in the Town Centre and a major expansion of retail provision with the planned Market Walk Phase 2 development.

Chorley's commitment to the place shaping agenda and investment in economic development has resulted in medium workplace earnings in Chorley moving from below the Lancashire average to above the national average. Chorley has also been recognised as one of the top 3 nationally to start a new business in terms of business sustainability⁽¹¹⁾.

Chorley Borough Council and the town's current market traders are working together in partnership to develop a strategy to encourage investment, improve management and increase the potential to make the markets a focus for visitors to the area. Additionally we are seeking advice on best practice from successful market towns such as Bury to help us enhance Chorley's reputation as a vibrant market town.

11. Article – Sunday Times

KLOE 5.1.1 How well do the council's overall and service costs compare with others, allowing for external factors?

Reference to evidence source

Creation of a new Town Centre Manager post in the budget also confirms the council's determination to invest in the Town Centre and ensure there is a strategic and co-ordinated approach to its future development.

PARKING

Our Parking costs are one of the lowest in our family group at – £5.83 per head against a NN average of - £3.57 putting us at 13th lowest of 16. The new administration made improved parking a key project in the corporate strategy and the service has been subject to an Overview and Scrutiny Inquiry.

The service was jointly outsourced as part of a County wide consortium introducing decriminalised parking in 2005 and we are now seeing a service delivering increased revenue and usage. This closely reflects the council's commitment to investing in the town centre.

COMMUNITY SAFETY

This is a relatively high cost area in comparison with our nearest neighbours reflecting the council's strategic aim to invest and work in partnership with other agencies to address the long-term outcome of delivering safer communities.

2007/8 will see a considerable reduction in cost of this service through a joint working initiative with the police, which saw the transfer in April 2007 of the neighbourhood wardens from the council to the police service and the introduction of the Multi Agency Tasking and Co-ordination approach to community safety which has seen significant reduction in the levels of crime in the Borough⁽¹²⁾.

Our performance in this key area has been commended by the Home Office⁽¹³⁾.

The Corporate Strategy sets out a commitment to address perceptions of safety and we have delivered significant improvements to both feelings of safety during the day and at night. Improving the percentage of residents who feel safe in Chorley during the day from 75.4 in 2003/04 to 86% in 2006/07 and the percentage of residents feeling safe at night from 31% in 2003/04 to 49% in 2006/07.

HOUSING BENEFITS ADMINISTRATION AND LOCAL TAX COLLECTION

We have considered these as one service because at Chorley they are managed as such. Costs in 2006/7 were £18.83 which are slightly higher than the NN average of £16.78. However performance in these areas is excellent. For processing benefits we are in the top quartile for processing times, accuracy and fraud investigation and prosecutions. Cost have been driven out of this service in 2006/07 and 2007/08 but high levels of performance have been maintained into the first quarter of 2007/08 with top quartile

12. Chorley Crime Statistics

13. Home Office letter

KLOE 5.1.1 How well do the council's overall and service costs compare with others, allowing for external factors?

Reference to evidence source

performance in the processing of new claims, changes to circumstances and in accuracy of processing.

For all benefit satisfaction indicators we are in the top quartile nationally and for 3 of these we are in the top ten nationally. We are also in the top quartile for Council Tax and NNDR collection.

BVPI Satisfaction Indicator	Family Group Ranking 2006/07	Quartile	2003/04	2006/07
Satisfaction with contact with the Benefits Office	2nd	1st	80	85
Satisfaction with service in the Benefits Office	3rd	1 st	83	87
Satisfaction with the telephone service	3rd	1 st	74	83
Satisfaction with staff in the Benefits Office	1st	1 st	85	89
Satisfaction with Benefits forms	2nd	1 st	68	67
Satisfaction with speed of service	1st	1 st	76	83
Overall satisfaction with the Benefits Office	1st	1st	82	87

In local taxation (% of Council Tax collected and % of NNDR collected) the Council continues to perform well (2nd and 7th respectively in family group rankings).

SPORTS AND RECREATION

This service area shows relatively high costs reflecting the council's investment in a number of service areas. Activities for young people which residents identified as one of their key priorities in the Best Value survey of residents was targeted for investment in 2006/7 and this provided over 400,000 opportunities for young people to participate in positive activities during 2006/7.

Additionally we delivered an investment of £2.5 million in the borough's Golf course through our new partnership.

We have however also been able to record efficiency gains of £87,400 in the 2006/7 backward looking efficiency statement for this service largely achieved through the new contract put in place for the Golf course. Additionally our innovative approach to management of community services through Community groups delivered the first round of efficiency gains during 2006/7 in what will be a programme of Community Centre management transfer, phased over a number of years.

CENTRAL SERVICES

In respect of central and democratic services the Council ranks 5th of 16 with costs at £27.69 against a NN average of £21.31. This reflects the council's strategic decision to divert resources into corporate, project, policy and business improvement support to underpin our corporate drive to maximising value for money across the organisation. We have however substantially reduced the Central Services budget in 2007/8 by rationalising our Administrative buildings through the closure of Gillibrand St and by disestablishing one of the Executive Director posts saving a total of £224,000.

Additionally in 2007/8 a further senior management restructure will achieve an annual saving of around £100k.

Sickness absence has been an issue of concern for us in recent years and performance against our nearest neighbours in 2006/7 ranked us at 8th of 16. Following an overhaul of the monitoring and management procedures for attendance management it is therefore pleasing to see a very good first 4 months results outturn of 2.3 days per employee which if maintained would give us a full year outturn of 6.9 days enabling us to comfortably meet our annual target of 9.2 days and deliver significant non-cashable efficiency gains in 2007/8.

This improvement reflects the considerable management effort now being invested at a senior and corporate support level to address this issue. A scrutiny Inquiry panel has also recently been set up to ensure that the monitoring processes put in place are effective and that we see the anticipated significant improvement in 2007/8.

Growing Population

Chorley's population continues to grow faster than most of its nearest neighbours. We ranked third highest of 16 when comparing 2005/06 with 2006/07 and this trend can be shown over a number of years when we report a rise of 2.47% over the years 2003 – 2006 against the nearest neighbour average of 1.57%.

This illustrates the substantial demand on Chorley to achieve greater VFM because of increased demand just to maintain existing levels of service.

The further external factors impacting on cost, ie high level of population working outside the borough, the borough's largely rural nature and the relative affluence of the borough chronicled in our 2006 self-assessment, continue to apply.

KLOE 5.1.1 How well do the council's overall and service costs compare with others, allowing for external factors?

Reference to evidence source

Authority name	Mid year estimate of population - All ages - 2003	Mid year estimate of population - All ages - 2004	Mid year estimate of population - All ages - 2005	Mid year estimate of population - All ages - 2006	Total increase in population 2003-2006	Total increase in population in percentage from 2003-2006	Ranking order 2003-2006	Total increase in population in percentage from 2005-2006	Ranking order 2005-2006
Borough of Crewe and Nantwich	112	112.7	113.4	113.6	1.6	1.43%	7	0.18%	12
Broxtowe Borough Council	108.1	108.2	108.7	109.1	1	0.93%	11	0.37%	8
Chorley Borough Council	101.2	102	103	103.7	2.5	2.47%	4	0.68%	3
Erewash Borough Council	110.3	110.1	110	109.8	-0.5	-0.45%	15	-0.18%	16
Gedling Borough Council	111.7	111.2	111.3	111.2	-0.5	-0.45%	15	-0.09%	14
High Peak Borough Council	89.8	90.1	90.6	91.1	1.3	1.45%	6	0.55%	7
Hinckley and Bosworth Borough Council	100.7	101.5	102.2	102.8	2.1	2.09%	5	0.59%	5
Kettering Borough Council	83.2	84.3	85.3	86	2.8	3.37%	3	0.82%	2
Newark and Sherwood District Council	107	108.6	110.1	110.8	3.8	3.55%	2	0.64%	4
Newcastle Under Lyme Borough Council	122.9	122.6	123	123.4	1.1	0.90%	12	0.33%	9
North East Derbyshire District Council	97	97.2	97.4	97.3	0.3	0.31%	14	-0.10%	15
South Derbyshire District Council	83.5	85.4	86.5	87.7	4.2	5.03%	1	1.39%	1
South Ribble Borough Council	104.5	105.1	105.5	105.8	1.3	1.24%	8	0.28%	10
Vale Royal Borough Council	123.1	124.1	124.5	124.6	1.5	1.22%	10	0.08%	13
West Lancashire District Council	108.7	109	109.2	109.5	0.8	0.74%	13	0.27%	11
Wyre Forest District Council	97.3	97.6	98.1	98.5	1.2	1.23%	9	0.41%	6

KLOE 5.1.2 To what extent are costs commensurate with service delivery, performance and the outcomes to be achieved?

Reference to evidence source

In recent years our drive for VFM has been underpinned by putting in place an IT infrastructure that enables us to eradicate expensive manual processes and reinvest the savings in improving services to the public.

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.

This investment has been crucial in enabling the sustained reduction in our salary cost base to achieve no increase in 2007/8 whilst targeting priority areas for investment.

TARGETED INVESTMENT

Customer

Investment in improving customer services continues through implementation of the CRM system, however we have also worked hard to develop a greater understanding of customer needs through the Business Process Architecture project, the customer profiling project and the circle of needs project. Although external funding has been attracted on these national initiatives, Chorley has invested significant staff resources including the creation of a new post of Customer Access Manager as well as £15,000 in the Customer Profiling project.

Performance in the Contact Centre and One Stop Shop also continues to achieve high levels of performance and satisfaction. The attached document⁽¹⁴⁾ gives a detailed picture of performance but the key outcomes reveal that:

- 98.1% of visitors to the one Stop Shop were satisfied with how their enquiry was dealt with.
- 99% of telephone callers were satisfied with how their call was dealt with.

We are also investing on ensuring the transfer of services to the Telephone Contact Centre is accompanied by a systematic review of service provision. This will require significant internal staff resource as well as investment in external expertise.

14. Customer Services Performance Statistics

KLOE 5.1.2 To what extent are costs commensurate with service delivery, performance and the outcomes to be achieved?

Reference to evidence source

Capacity

A summary of the key budget reductions totalling £1.265 million are shown in Appendix 2 of the Budget Scrutiny report attached as (15).

The figures underline our desire to reduce back office costs to enable reinvestment as the cost reductions in the main either reflect a reduction in the workforce or by providing the service through an alternative delivery mechanism.

A further critical, strategic capacity decision is that to develop a thin client IT solution. We anticipate this will achieve substantial capital and long-term revenue savings for the council amounting to a projected £359k between 2007/8 and 2014/15.

Investment in creating the capacity to facilitate the e-citizen also continues. Successful completion of the e-planning project through an investment of £200k has been achieved and following the major website refresh we are now far better positioned to transact electronically with our customers. This is already paying major dividends through Landlord sign up to e-citizen where so far 369 customers have signed up including some of the biggest landlords who can now access their tenants details.

Our Communications Team is now working on a corporate take-up strategy for E-citizen.

15. Budget Scrutiny Report

The way our costs are directed and allocated carefully reflects the Council’s strategic objectives and priorities. This year we have refreshed the Business Planning process within the organisation to more clearly integrate our strategic priorities with the financial, performance management and operational processes in place to run the organisation. This interrelationship and the associated timescales is represented in the diagram shown at (16).

The document⁽¹⁷⁾ sets out the budget planning process in more detail. The table below shows the 3 year trend of diverting resources to priority areas .

	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
2007/08	1,265	135	15	66	30	246
	<u>2,814</u>	<u>348</u>	<u>304</u>	<u>281</u>		<u>933</u>

33% of savings made over the period have been directed from non-priorities into investment in the Council’s current priorities, whilst at the same time minimising the impact on Council Tax levels.

SUMMARY

We believe the content of this first part of the assessment clearly demonstrates that Chorley is a council continuing to achieve value for money in the services it provides. Key messages are:

- Costs remain consistently favourable against nearest neighbour family group.
- Any high cost areas identified are quickly addressed where high cost does not reflect a decision to invest.
- Performance remains excellent despite reducing costs.
- 2007/8 will see further substantial cost reductions showing our continued determination to drive down costs.
- Strategic approach to delivering VFM firmly established.
- Continued investment in our customers and a national profile for the council through taking lead in key government projects.

- 16. Business Planning cycle at Chorley
- 17. Financial Planning Process

INTRODUCTION

2007 has seen the Council building on the excellent work done over the past three years to build a strategic platform and operational infrastructure to ensure the Council is both delivering VFM and in a good position to improve VFM.

Crucial to the effective positioning is the Business Project Architecture Project which forms part of the CLG's high profile National Process Improvement Project (NPIP). The project is reaching conclusion and the documentation will be presented to CLG early in September.

Whilst many approaches to business improvement address this challenge by looking at individual services and processes within them, the Chorley Business Architecture Project has adopted a more systemic approach, focusing improvement efforts on areas that are common across organisational boundaries. In doing this, the present project has also sought to ensure a greater customer focus in the services provided by the Council.

This project has been supported at the highest levels within the organisation and we have been able to understand and challenge what we currently do with a view to identifying shortcomings in our current structures and ways of working. In so doing, we have also spotted opportunities for improving efficiency, enhancing internal co-ordination and becoming more customer focused.

Chorley's vision for the project stated that "Chorley Council will have a new organisation structure with a defined change management programme such that over the next few years Chorley Council will change to be better placed to respond to the needs and demands of its customers, whilst making optimum use of its resources within the Local Strategic Partnership, County, Regional and National contexts." The Chief Executive has already used the project outcomes to inform her reorganisation of the senior management structure in readiness for the change programme ahead and the new leaner structure will also deliver annual savings of around £100,000

STRATEGIC FRAMEWORK

Following the approval of the Strategic Framework for VFM a Corporate Action Plan was assembled to drive the improvement process. Focused around the Audit Commission VFM criteria it was considered essential that a truly corporate approach to VFM was fostered and established within the Council. A copy of the Action Plan setting out “progress at August 2007” is attached as (18) and the plan will be monitored quarterly by Strategy Group with an annual progress report to Executive Cabinet.

The plan shows the considerable progress being made at Chorley which is reflected throughout this assessment.

CHORLEY PARTNERSHIP

Following on from the restructure of the LSP in 2006, the council allocated a budget of £85k to deliver projects to meet the objectives set out in the Community Strategy⁽¹⁹⁾. This investment was matched twice over from our partners. The Community Strategy is currently being refreshed into a Sustainable Community Strategy for Chorley providing a 20year vision for the town and a peer review by the Improvement and Development Agency is planned for November this year to assess our progress against other local authorities.

The Council recognises the critical need to strengthen the LSP this year to meet the Comprehensive Area Assessment in 2008. This will focus much more on the LSP than under previous assessments, with a crucial test being how effective the LSP has been in joining up services and demonstrating service improvements and/or efficiencies through partnership working. Accordingly we will be putting in place robust performance management arrangements for the LSP.

18. VFM Corporate Action Plan

19. Chorley Partnership progress report

STRONG VFM CULTURE

The Council has a strong culture of delivering and improving Value for Money. Since the new Administration came into power in May 2006 the strategic target of achieving no Council Tax increase in 2007/08 truly focused the attention of staff and in particular managers on the need to reduce costs, whilst maintaining service levels.

The budget for 2007/08 was reduced by £1.2 million, through re-presenting and refocusing our resources in a major organisational restructure. This was not just a cost cutting exercise. A proportion of the savings made were directed towards the council's priority service areas and the key to our success in recent years has been taking costs out of the budget whilst still maintaining and improving service performance. Member briefings on efficiency and VFM are regularly delivered and staff are also well aware of the Council's achievement of being awarded a score of four in the 2006 Use of Resources VFM, which they have made a contribution to. As can be seen from the Corporate Action Plan we will be delivering roadshows in October 2007 to further establish the VFM message and we will be introducing a formal staff incentive scheme to build further on the Chief Executive Award Scheme which rewards staff excellence. This strategic drive is supported by operational processes which ensure VFM and efficiency over consistent themes in service delivery. The new Business Planning process clearly links the need to improve with value for money and the Project Management Methodology demands that all projects requiring resources must prepare a business case which needs to be improved by the Corporate Improvement Board. Additionally we now have an established process for identifying, assessing and reporting efficiency gains.

This is shown in the table attached⁽²⁰⁾ and is programmed to integrate and inform the Business Planning process. Additionally at the meetings with Directors VFM is discussed to identify any potential instances or opportunities which might be possible in the Directorate. This is now embedded in the process and serves to focus attention on the importance of VFM and the fact that each Directorate has a responsibility to contribute towards our corporate achievement. These discussions also help formulate priorities and if necessary redirect the VFM Service Review Programme.

MEMBER DEVELOPMENT

Chorley has recognised the critical role members can play in achieving value for money. A robust Overview and scrutiny process is now in place and a programme of member development has been ongoing since 2005. Notable milestones are set out below:

- Established an Elected Member Development Steering Group to oversee and co-ordinate more structured T&D activity for members linked to corporate objectives and to the standards of the North West Charter for Elected Member Development.

20. Efficiency Statements preparation process

- Developed and agreed a Strategy for Elected Member Development.
- Designed and implemented an annual Training Needs Analysis exercise linked to a framework of roles and responsibilities and aligned to organisational objectives. Members then received a personal development plan detailing their identified needs.
- Created a whole new approach to New Member Induction – including input, supporting and reference material, allocation of a Political and Democratic mentors or ‘buddies’ supported by Training Manager.
- Developed a regular monthly learning hour that features key topics of information and communication as identified in member personal development plans. Delivered frequently by internal officers.
- Currently looking at introducing role descriptions and person specifications for the varying member roles.
- Utilising subsidised regional and sub-regional training and development opportunities including: member participants on the Lancashire Leadership Programme (funded by NWIN), Elected Member Mentoring (funded by NWIN) through the newly created Elected Member Gateway – Chair of the Audit Committee receiving 4 x 1 day Peer mentoring sessions.
- Induction training for members of the Audit Committee tailored to meet the demands of the Committee’s changed role was delivered in June 2007. Further training on specific topic areas under consideration by the Committee will also take place in an effort to give members a more in-depth understanding of matters brought before them.

In December 2006 we were awarded the North West Charter for Elected Member Development. To achieve this we met a range of standards in terms of our approach to T&D and had an assessment visit by 2 external assessors who interviewed a number of members and looked through a portfolio of evidence. The standards and process was similar to that of Investors in People.

BENCHMARKING

Chorley fully recognises the importance of benchmarking and has made significant strides in establishing benchmarking links with other authorities⁽²¹⁾. Work in this area continues to grow since a position has now been set up with responsibility for implementing the Council’s benchmarking strategy.

21. Email to performance information officers

KLOE 5.2.1 How well does the council manage and improve value for money?

Reference to evidence source

Performance management arrangements with regards to benchmarking were significantly strengthened this year with a requirement placed that explicit reference be made to quartile positioning, family group rankings and previous performance when establishing targets for the following three years. This was followed by robust challenge at senior officer and member level. Additionally the Scrutiny inquiry process demands that best practice is sought out in every service area or business process under review.

Chorley subscribes to the APSE (Association for Public Service Excellence) Performance Networks service. We currently submit data for Parks, Open Spaces and Horticultural Services and Street Cleansing Services. We intend to submit 2006/07 data for all the other services provided by our Streetscene, Neighbourhoods and Environment Directorate (SNED). We will then continue to update all information on an annual basis.

As part of the Value for Money Review in SNED we intend to investigate other benchmarking opportunities with the possibility of establishing our own benchmarking clubs for services as specific as eg pest control. The use of rough cut activity based costing⁽²²⁾ will be an essential tool for drilling down to establish true service and process costs which can then be accurately compared with other councils. Attached is an assessment of pest control costs at Chorley that we will use to benchmark against other councils.

Outputs from these benchmarking exercises will facilitate the programme of Value for Money work planned in this directorate.

Our Revenues and Benefits Services both belong to Lancashire Benchmarking Clubs. They regularly submit data, both financial and performance related, and senior staff attend benchmarking meetings. Guidance and information gained at these meetings is used to further best practice in these service areas⁽²³⁾.

Our Planning Service is also currently investigating ways of benchmarking with peer authorities to gain insight into best practice and cost comparison analysis. Through the e-planning project the development control administration process has been re-engineered and this will provide us with a platform to undertake benchmarking based on the new and more efficient way of working in this service area.

As the benchmarking strategy is fully implemented all avenues of cost and performance comparison will be investigated and reviewed on a regular basis to ensure the continuing improvement of our service provision.

22. Rough Cut Activity Based Costing – Pest Control example

23. Revenue and Benefits VFM Report

IMPROVED TWO-TIER WORKING IN LANCASHIRE

Chorley is leading on a project geared to deliver successful two-tier working in Lancashire⁽²⁴⁾. A phased delivery approach has recently been agreed which will see seven priority areas identified in Phase 1 which is to commence in August 2007 and will cover a period of 12 – 18 months. Major benefits are envisaged through this joint approach with considerable potential to generate efficiency, improve service delivery, create opportunities for improved focus and to respond effectively to the national demands and agenda for change and improvement.

24. Improved two tier working report

SHARED SERVICES

At Chorley we see the principle of shared services as the corporate way forward for the organisation and our readiness to fulfil this strategic aim has been at the heart of the Business Architecture project. The recent restructure resulting directly from this project has brought together all support services under an Assistant Chief Executive creating the platform to investigate more robustly the opportunity of sharing transactional services between directorates.

This change also affords a better opportunity externally as it brings together the traditional support services in a District Council under one roof and positions the council favourably to open up more potential for considering larger scale service sharing or alternative methods of service delivery.

Work on the feasibility of shared financial and related services at Chorley and South Ribble Councils has now been satisfactorily concluded and an implementation plan will soon get underway.

IIP

The Council was delighted to be awarded Investors in People Status in 2007, which gave us national recognition and external acknowledgement for our people processes in terms of the three elements “Plan, Do, Review”. This means we are an organisation which has clear strategic objectives and effectively manages, heads, develops and recognises our staff to deliver our targets and objectives.

We believe this achievement can only further support our commitment to improving value for money as it engenders a culture amongst staff and management of being the best at what we do and wanting to improve wherever possible.

VFM SERVICE REVIEWS

A three-year programme has now been established to assess VFM in key service areas across the Council. The first review will commence in September 2007 in the Streetscene, Neighbourhoods and Environment Directorate, which is our largest operational directorate and has recently undergone a major restructure.

Additionally the externalised waste contract which is the Council's largest single procurement is due for revision in 2009 and the review team will consider the options available for the most efficient and cost effective means of delivery.

It is intended that the review format will not be light touch and will encompass the three major service areas the Directorate is responsible for. The reviews will also be corporately driven through the Director of Finance's Business Improvement Team working with key staff within the service units and policy and performance colleagues.

CUSTOMER FOCUS

The Council's progress on putting our customers at the heart of everything we do has been well documented in previous self-assessment submissions on VFM and through the external accreditations in terms of our Customer Access Strategy and the award of a Charter Mark for our Customer Services.

The BPA project and our involvement on the national ESD project aimed at improving how councils gather customer insight through customer profiling continues this drive for looking after our customers and ensuring that high quality, value for money services are provided. An exciting off-shoot from the BPA project is our involvement in a project seeking to examine the possibility of providing services from a citizen needs perspective rather than a service delivery angle. Funding is being sought from NWECC and the CLG to take the initial work undertaken forward and if successful this will again enable Chorley to be at the forefront of national development in providing public services to the customer.

We are also taking other practical, on-the-ground steps to communicate with our customers. Our successful pilot programme on Area Forums has now become an established part of our success with four Community Forums established in the Borough which will meet three times a year. The Council is now looking to develop this further by creating locality plans with partners and to implement a neighbourhood working solution, which has been the subject of an Overview & Scrutiny review.

Our "You Said – We Did" programme is also an excellent example of how we respond to the needs of our customers. An analysis of activity in 2006/7 is shown in (25). A further example is the innovative Chorley and South Ribble Vulnerable Households project which is a multi-agency family intervention project seeking to provide intensive joined-up support to 15 problem families in each borough placing a high demand on numerous agencies. This in turn should reduce the negative impact that some vulnerable families can have on the quality of life and well being of other people living in the community. From a VFM perspective this in the longer term potentially takes costs out of the system in terms of the public purse whilst supporting these families.

25. You Said We Did activity 2006/07

STRONG MANAGEMENT PROCESSES

• **Business Planning**

VFM is now an integral part of the Council's refreshed Business Planning Process which encompasses the strategic, financial, performance management processes and operational arrangements in place to successfully run the organisation.

Substantial time and effort during 2006/07 has been invested in reviewing the Business Planning process. This critical refresh resulted in a comprehensive review of the process and a guidance document was produced for managers⁽²⁶⁾ to assist in production of the 2007/8 plans in the new format. With a much stronger focus on Business Improvement the new process is more clearly integrated with the overall performance and financial annual cycle and strengthens the links with VFM, efficiency and risk. Additionally it enables us to corporately reflect on key achievements with all service units as illustrated in the attached document for 2006/7⁽²⁷⁾.

• **Overview and Scrutiny**

The Overview and Scrutiny role is now well established within the Council.

The fourth Annual Report of the Overview and Scrutiny Committee is shown in (28). The work of the Committee and its panels has led to improvements in Council services and in the Value for Money those services provide.

Contributions have been made to:

- (a) ensuring that the objectives and actions in the Council's plans and strategies are more focused and relate to the Council's providers;
- (b) ensuring that the Council's targets and outturns are achieved;
- (c) ensuring that performance reports are submitted and that it is easier to see where services are improving;
- (d) the scrutiny of the revenue and capital budgets and the budget proposals for 2007/08;
- (e) the improved delivery of services by a series of recommendations set out in scrutiny reports;
- (f) ensuring a greater emphasis on member training.

26. Business Improvement Planning – A Managers Guide

27. Service Units – Key Achievements 2006/7

28. Overview and Scrutiny Annual Report 2006/07.

In addition the work of the Committee and its Panels has identified what the Council is doing well and where action is needed to improve the delivery of services particularly in terms of policy development.

Examples of 2 of the inquiries into Equality and Diversity and Neighbourhoods included in the 2006/7 programme are attached^(29,30&31).

- **Business Process Transformation**

With the three year Value for Money review programme now ready to kick off in September business process re-engineering will be essential in redesigning processes to be more efficient and cost effective. Fundamental to achieving this is the need for process costing and the National Process Improvement Project tool of preference is Rough Cut Activity Based Costing designed specifically for the public sector. Training has been received by key staff on the use of this methodology and we plan to deploy it as an integrated part of the forthcoming VFM service review programme.

- **Website refresh**

Over the past three years Chorley Borough Council has prioritised and invested in the wholesale re-engineering of both its internal intranet and external website to release resources and capacity through better use of technology and encourage self-service through an improved customer experience.

The project to re-engineer our website followed the same methodology as the nationally recognised process followed to overhaul our Intranet in 2005 and aims to emulate the success of the intranet on a much wider scale. The website is seen as a huge opportunity to offer improved choice to customers, increased access to services and a platform for huge efficiencies across the board. The site went live in April and the table below shows the hits on the site between March and June.

Month	Page Views
March	148,371
April	181,349
May	176,163
June	222,253

Efficiencies in the communications team have enabled a new post to be recreated to manage the system and enable ongoing improvements. The website will also be marketed to customers as a true alternative in accessing services in a bid to encourage them to take up 'self service'.

- 29. Overview and Scrutiny sub-group. Diversity findings and recommendations
- 30. Neighbourhood Working Scrutiny Inquiry Position Statement
- 31. The scope and prospects for neighbourhood working in Chorley

Managing the Capital Programme and Key Projects

Effective management of the capital programme is critical to enable the council to deliver its strategic investment plans and fully achieve its strategic objectives. Clearly this carries a high reputational risk as well, in terms of ensuring value for money, maximising available resources and managing performance to ensure the least possible impact on the revenue account.

High level monitoring of the Capital Programme⁽³²⁾ continues under the Corporate Improvement Board ensuring a more controlled and successful delivery of the programme. In future the Executive will receive reports on the three performance indicators which are illustrated in the table below.

32. Capital Programme Outturn 2006/7 and Monitoring 2007/8

Performance Indicator	Target 2006/07 %	Year-end 2005/6 %	Year-end 2006/07 %	Variance on target %
1. The % of the Capital Programme budget actually spent.	90	105	108	+18%
2. The % of projects using the toolkit.	70	34	71	+1%
3. The % of capital schemes intended to be completed during the year actually completed.	85	82	73	-12%

Significant staff resources have been deployed in recent years to improve the management process and as can see by the performance statistics above this is now reaping benefits. At 2006/7 year end two of the three indicators have exceeded target. The third has not met target mainly due to schemes only receiving approval part way through the financial year. Plans are in place to have an annual bidding process, which will enable projects to be approved and budgeted for from the beginning of the financial year and we expect that to have a positive effect on this indicator meeting target in 2007/8

Key Partnerships Framework

Greater collaborative working will be central to transforming local services and wherever this might happen effective partnership controls and procedures need to be in place to protect the Councils interests⁽³³⁾.

A review of the Councils partnership working arrangements has now been produced and a revised 'Framework for Partnership Working'⁽³⁴⁾, which address the Audit Commissions recommendations, put in place⁽³⁵⁾.

33. Key Partnerships Financial Assessment

34. Framework for Partnership Working

35. Draft Key Partnerships Monitoring Statement October 2007

KLOE 5.2.1 How well does the council manage and improve value for money?	Reference to evidence source
<p>Corporate Management of the process has been allocated to the Corporate Procurement Officer and Partnerships Manager to ensure the effective maintenance of these arrangements.</p> <p>The first bi-annual report updating Executive Cabinet on Key Partnership Performance will be presented in October 2007. Additionally this will include an assessment of the financial well being of each of the key partners and will highlight any other issues that need to be brought to member's attention.</p> <ul style="list-style-type: none"> <p>Strategic Risk Register</p> <p>An effective system of strategic risk management is key to the delivery of the Corporate Strategy.</p> <p>Attached as (36) is the Strategic Risk Register 2006/07 Out-Turn Report, which outlines the Management processes and arrangements for determining risk through Strategic risk assessment on Key Corporate Projects.</p> <p>This enables us to identify what action is necessary to tackle the identified risks and during 2006/07 and the outturn report shows that we were extremely effective in managing down the level of Strategic Risk faced by the Council.</p> <p>Additionally it enables us to focus strategically on the few Corporate targets which were not met during 2006/07, and to ensure that the appropriate Directorate Business Improvement Plans identify the actions necessary to achieve the strategic objectives and effectively mitigate the identified risks.</p> <p>Equality and Diversity Strategy</p> <p>The Council now has a Corporate Equality Scheme⁽³⁷⁾ in place and has set a target of achieving Level 3 of the equality standard by March 2009. Establishing the policy is an important step towards ensuring that all of our customers are afforded equality of outcome and opportunity and that we embed best practice within the organisation.</p> <p>CRM Implementation</p> <p>Crucial to our continuing focus on customer profiling insight and needs will be implementation of the CRM system. A project plan is now in place and implementation is underway with an expected completion date of March 2008.</p> 	<p>36. Strategic Risk Register out-turn report</p> <p>37. Corporate Equality Scheme</p>

A key part of the implementation process will be an examination of the business processes supporting each of the services to be transferred. This is considered critical and seeks to ensure that CRM is not just implemented following current processes but that a systematic review is undertaken focusing on delivering services to the customer by the most efficient means. Our first transfer project of the programme concentrates on the services within the Streetscene, Neighbourhoods and Environment Directorate.

Around 40% of the calls to the Contact Centre from customers are about waste so it is important that we have a clear picture of exactly what these calls are about, then consider how we might change the service to better satisfy the needs of the customer. The outcomes of this project can then inform any business processing re-engineering required and the debate around the new Waste Management Contract due for implementation in April, 2009.

- **Budgetary Control**

The council has a robust, regular budget monitoring process in place with results being reported quarterly to Executive Cabinet.

The council closely controls its finance and in 2006/7, the aggregate final outturn of all cost centres was an underspend of £0.232million representing 1.33 % of the net revenue cash budget set for 2006/7 of £17.407 million In 2005/6 the Aggregate Final Outturn of all service areas was an underspend of £0.161 million representing 1.13% of the net revenue budget set for 2005/6 of £14.214 million.

GOOD PROCESSES FOR MAKING EFFICIENCY GAINS

The way we tackle procurement is dealt with in detail in the next section of this document. We have already exceeded our strategic target saving of £500,000 over the five-year life of the Procurement Strategy 2004-2009. Additionally the Efficiency Statement preparations process is set out in detail within Section 5.2.2. Key changes in the day-to-day procurement processes are however also worthy of mention, as these serve to improve the infrastructure for delivering effective procurement across the Council.

- **New Suppliers Approval**

This key change means that new suppliers have to be approved by the Corporate Procurement Team prior to them being entered onto the Financial System. This allows us to challenge why new suppliers are being utilised especially if a corporate contract is in place that would source the requirement cheaper.

- **Contract Procedure Rules**

These have been refreshed and are now in language that is clear and easy to follow. Additionally the ceiling values for types of spend were raised to reflect today's environment.

- **Invoices**

Under the new system no invoices can be processed without a purchase order. This has improved financial accountability and enables the Corporate Procurement Team to get a clearer picture of overall spend within the Authority.

- **Engaging with Suppliers**

During 2006 as part of the Council's commitment to engaging with suppliers, all suppliers registered on the Council's financial system were asked to complete a detailed questionnaire and rate the Council on various activities relating to their procurement experiences.

A total of 2075 suppliers were contacted with 584 returning completed questionnaires.

A report setting out the outcomes from the analysis of the suppliers data is shown at (38).

The table below shows how the suppliers rated their different experiences with the Council.

AREA	POOR	FAIR	GOOD	EXCELLENT
Quotation/ tendering	1.1%	7.2%	67.8%	23.9%
Ordering/ Receipt	2.1%	7.5%	62.3%	28.1%
Invoice Payment	3.5%	11.5%	51.8%	33.2%
Professionalism/ courtesy	0.9%	3.1%	53.8%	42.2%
Overall Experience	0.9%	9%	57.3%	32.8%

In summary the respondents felt happy dealing with the Council and in the majority of cases either rated it good or excellent. The strongest area identified was professionalism and courtesy and the weakest area identified was invoice payment. However since the survey was carried out we have seen a substantial improvement with invoice processing. The BVPI 8 outturn figure for invoice processing in 2006/7 was 91.92% against a target of 96%. This showed a considerable improvement on the 2005/6 outturn of 84.42% which is the year in which the suppliers survey was undertaken.

38. Engaging with Suppliers report

- **Training for Members and Key Procurement Staff**

Members briefings on procurement have been delivered and key staff across the Council attended training sessions on delivering effective procurement and achieving efficiency.

- **Data Quality**

A data quality strategy and policy⁽³⁹⁾ is now in place and our Policy and Internal Audit teams have worked hard to improve Data Quality across the organisation through robust and effective management and monitoring systems.

Feedback from a recent external Audit Commission Quality Audit revealed that;

- Responsibilities now clearly defined at both operational and senior management level
- Evidence of a strategic commitment to data quality
- Excellent use made of performance information to manage and improve services

39. Data Quality Strategy and Policy

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

Chorley has made significant progress in achieving the targets set for us by the government through the 2004 spending review. Submission of the backward looking statement for 2006/7⁽⁴⁰⁾ saw our efficiency gains stand at £1.88 million of which £1.35 million is cashable. We are therefore considerably in excess of our £1.29 million target for the 3 year period with one year still to go. Our Forward Looking statement for 2007/8 is shown as (41) to complete the current picture.

40. Backward Looking AES 2006/7

41. Forward Looking AES 2007/8

Instrumental to this achievement has been our corporate approach to delivering efficiency and vfm and our investment in new technology, particularly our website and Intranet which have been the twin platforms to effectively driving out expensive manual processes and providing easier access for our customers.

The table below presents the up to date position with a breakdown of the gains into cashable and non-cashable and how they were spread over the various themes.

	Cashable	Non-cashable	Total
Efficiency Gain Themes			
Customer Services	303,342	28,428	331,770
Procurement	503,103	0	503,103
Productive Time	103,666	212,639	316,305
Transactions	359,214	289,926	649,140
Cultural	87,400	0	87,400
Total	1,356,725	530,993	1,887,718

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.

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.

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.

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

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)	64.35	weeks	
	<u>410.59</u>	weeks	
Bengal Street Purchase Admin	128.2	weeks	
DTP under utilisation	<u>225</u>	weeks	
	763.79	weeks ÷ 44 =	17.35 FTE's

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.

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.

Our progress on achieving efficiency targets and our plans for making future gains which will be required as part of the forthcoming comprehensive spending review 2007, is now the subject of an Overview and Scrutiny Inquiry. A scene setting report and Inquiry brief is attached as (42). This further illustrates the strong desire for the delivery of efficiency and the achievement of excellence within the organisation.

42. Overview and Scrutiny Inquiry – Efficiency Gains

PROCUREMENT

Our strategic approach to procurement continues to pay dividends.

The Property Services Outsourced contract has now been signed with our partner Liberata. This has been a major exercise for the Council, which exemplifies our approach to major service delivery through strategic procurement. Following a report from the Overview and Scrutiny Committee, Executive Cabinet commissioned a full options appraisal exercise into Property Services. A decision was then taken to outsource the service and the tendering process got underway. Using our own financial, legal and procurement expertise together with external help from organisations with experience in this specific area, a contract has been delivered which we estimate will make annual savings of 65k annually and £459k over the life of the contract. Additionally the contract is open for use by other council's. Effective contract management is seen as essential for this new service delivery arrangement and to this end a comprehensive contract management pack has been prepared⁽⁴³⁾ with responsibility for contract management and monitoring allocated to the Procurement and Partnership Manager who has been heavily involved at every stage of the development and implementation process. This is seen as an important first step in our objective of establishing a corporate contract management system at Chorley.

Additionally as Property Services is one of the service areas included in the Shared Services project with South Ribble Borough Council, a great opportunity presents itself to both councils to combine the intelligent client expertise at South Ribble with the contract arrangements now in place at Chorley. Chorley also has the opportunity to attract additional income from other councils using the model and contracting to Liberata.

Working with South Ribble the Telephony procurement is an excellent example of delivering savings and benefits through joint working. IT Heads at both Councils worked together from the outset firstly commissioning consultants (£3,500 saving for Chorley) to determine needs and prepare a joint specification. The Telephony solutions for the two councils will be jointly procured through the OGC Buying Solutions Specialist Solutions Framework, delivering an estimated £59,000 savings annually for Chorley and recouping capital cost in just under three years. Additionally other operational and financial benefits will be achieved through joint business continuity arrangements and the joint added future benefits we might expect through the life of the contract, will be a key part of the evaluation criteria. This whole life approach is central to the way we now assess and evaluate, in particular, our major expenditure areas.

A joint approach to providing the internal expertise to deliver a service procurement of this nature has also been adopted. Legal and project management skills are being provided by South Ribble while procurement input comes from Chorley.

43. Property Services Contract Management Pack

We have also established a strategic procurement alliance with South Ribble and Preston Councils to secure savings and benefits through a joint approach to procurement. We are leading on postages, where an internal study into our current arrangements has already revealed savings for Chorley of £4,600. Preston are fronting on Hired Staff where we have agreed to be part of a County Council tender which will deliver savings and improve the operational arrangements for bringing in hired staff in the three councils. South Ribble are investigating travel and subsistence arrangements to see whether there is an opportunity to secure more beneficial contractual arrangements across the three councils. Our Planning and Economic Development Teams are also realising savings through a joint approach via the Local Development Forum to commissioning research and other consultancy projects. This has achieved savings of around £100k for Chorley during 2006/07.

The Council is also taking steps to tackle climate change with the formation of a corporate group. Sustainable procurement will be a key part of this drive and we are already making significant improvements through sustainable procurement. The following are notable examples of these improvements and how we are working with businesses to educate them on the impact of climate change and the measures they can take to save energy and money.

- Procurement of 100% “green” electricity to all Council buildings through a contract negotiated by the YPO at no extra cost.
- 100% use of recycled paper across the Council.
- Production of an Energy Management Plan to establish the Council’s carbon footprint, a key requirement in the property services contract.
- Use of recycled footpath material in Yarrow Valley Park.
- Imposing recycling targets whilst making savings, through taking procurement lead in a joint contract with Chorley Community Housing to deal with operational waste disposal.
- Recycling litter bins rather than replacing them. Makes ongoing savings and improves the environment.
- Major externally funded £500k project at Common Bank creating open and green space and a woodland area from a currently derelict, underused and potentially dangerous site. The work includes reservoir refurbishment works, environmental improvement works and creating new footbridges and footpaths. The project will provide a major community benefit and has involved local and community groups at all stages of development. Recycled materials will be used on the project wherever practicable and shown to be cost effective through “whole life” costing.

- Working with the third sector. Engaging with a major third sector organisation Lisieux Hall to provide catering to the Council and commissioning them to deliver the “Pets Corner” service, which has traditionally been delivered in-house by the Council, at the refurbished Astley Park. Also engaged with the County’s 3rd Sector procurement officer in the development of a Tender Readiness Audit Toolkit geared to aiding social enterprises wishing to trade with the public sector. It sets out the key messages clearly and its availability should encourage the 3rd sector to bid for public sector contracts with a confidence that has been perhaps lacking in the past.
- Improving community benefits through the External Funding Strategy. 58 projects funded during 2006/07 all of which were delivered by or involved the third sector.
- Working in association with Groundwork, our Economic Development team have been working hard to inform and educate local businesses about the potential impact of climate change and what practical and cost effective steps they might take to save energy⁽⁴⁴⁾.

We now have in place an Antifraud and Corruption Strategy⁽⁴⁵⁾ and a Whistleblowing Policy⁽⁴⁶⁾. These were deemed essential in an effort to ensure transparency in procurement by countering the threat to achieving value for money and upholding ethical standards.

Important progress has also been made in ensuring our key partnerships are effectively managed and delivered. Following a detailed assessment by our internal audit team a Strategic Framework⁽⁴⁷⁾ for partnership working has been put in place. With a focus on key partnerships we now have a corporate process in place for managing and monitoring existing arrangements and entering into new partnerships. This will help to ensure we maximise benefits from our existing partnership arrangements and that any future proposals are critically assessed to show clear links to achieving corporate priorities. Progress on performance, costs, issues and the ongoing financial status of our partners will be reported bi-annually to Executive Cabinet.

EXTERNAL FUNDING STRATEGY

Our impressive achievements through the Council’s External Funding Activity continued with gross income of £897,353 recorded to the Borough during 2006/07. The End of Year Funding Report⁽⁴⁸⁾ illustrated the following key messages:

- The grant income of £897,353 was shared between 58 projects.
- All of the projects were delivered by or involved the third sector.

- 44. Carbon Reduction Commitment Briefing
- 45. AntiFraud and Corruption Strategy
- 46. Whistleblowing Strategy
- 47. Strategic Framework for Partnership Working
- 48. External Funding – 2006/7 report

- All 58 projects support at least one of Chorley's corporate objectives.
- A massive 96% of projects involved people in decision making or in improving the well being of their communities.
- 17% of projects support our neighbourhoods in the 20% most deprived of all English super output areas.
- 30% of projects are improving the quality of life in rural communities.
- 32% of projects are either protecting or improving our local environment for people, flora and fauna.
- 48% of projects work with children or young people, improving their life chances.
- 16% of projects are designed to improve the quality of life for the Borough's older residents.

A key development has been the on-line grant database "Chorley4Funding" enabling members of the community to carry out searches of advice and information. This complements the "Face to Face" and telephone support available from our Funding Officer and monitoring of the website has shown that this is being used extensively by the public.

SUMMARY

We believe the content of this second part of the assessment clearly demonstrates that Chorley is a council who are constantly striving to manage and improve value for money in the services it provides and has the fundamental building blocks and robust processes to continue to improve. Key messages are:

- The Chorley Partnership is now effective.
- The council has established robust management processes to support, challenge and ensure the continuing drive for value for money. Including a Comprehensive Business Improvement Planning Process which is now embedded.
- Our corporate approach to procurement has continued to deliver substantial savings for the council and has established a 'whole life' cost approach with a focus on major service procurements.
- The council sees Shared Services as the vehicle to deliver future efficiency savings and this will form an integral part of the refreshed procurement strategy.

- We have an established, documented corporate approach to the gathering, determining, calculating, recording and reporting annual efficiency gains.
- Our efficiency gains to date have already exceeded the government target set for the council.
- Our strategic framework for vfm is now well established and significant progress has been made in implementing the corporate vfm action plan.
- A strong value for money culture has been established within the council.
- A 3-year programme of vfm service reviews has been established.
- The council has taken a lead role in high profile projects geared to improve services to the customer and achieve efficiency gains.
- Our data quality has been significantly improved.
- Our external funding strategy continues to make a major financial contribution to achieving the objectives of the Community Strategy.
- Our major investment in IT through the website refresh provides a platform for the achievement of future efficiency gains through customer channel migration.

KLOE 5.2.3 Do procurement and other spending decisions take account of full long term costs?	Reference to evidence source
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