

Corporate Procurement and Partnerships Manager Janet Hinds

1. Please could you outline the responsibilities within your role?

Raising profile of procurement: so officers understand importance of procurement. The contracts procedure rules have been reviewed, guidance produced and training given. Corporate procurement of goods and services e.g. energy, stationery, mobile phones. More recently the telephony contract in conjunction with ICT. There has been an increased involvement from directorates.

Provision of advice and support in procurements within directorates, also play a major role in some of the larger procurements like Property.

Monitoring of key partnerships and contract management, including sports and leisure, property etc to monitor the effectiveness and governance of key partnerships. This was picked up in a use of resources assessment that this area needed to be strengthened.

2. What contribution have corporate procurement made to the council's efficiency savings in the period covered by the 04 Spending Review.

IDeA Procurement Challenge in March 2006 said "The Team commend the council on their excellent progress." It is estimated that the savings are half a million.

3. Can you broadly tell us how these are made up and give us some more detail on the more notable examples?

Contact Centre: £129,000 in total, with £43,000 per year.

Property: £117K per year commencing in July 2007 (7 year contract). The procurement process was managed and now the contract management is within corporate procurement.

Insurance: £101,000 per year commencing in March 07 (10 year contract). Following a full European Union negotiated procedure, market timing and review of policies.

Cleaning of Public Conveniences: £18,600. New Contract from May 07.

Process Savings: £66,000 reduction in corporate support costs as a result of new system (£48k in 04/05 and £18k in 05/06).

Recycling Vehicles: £51,910 Full EU tender, which realised much better prices than market testing (Oct 04) and enabled them to reconsider service and procure another vehicle

Also, consolidated invoicing programme, photocopiers/printers, kerbside recycling bags and Christmas lighting.

4. The efficiency agenda continues as part of the CSR07 review. What future contribution do you feel corporate procurement can make to securing future efficiency gains?

There are several key procurements including the main waste contract due for renewal April 2009. Tenders are out this month.

Telephony system: we have worked with South Ribble Borough Council and invited tenders jointly with both Councils buying a similar system. Chorley BC provided the procurement support was provided for both Councils and South Ribble provided legal support for both Councils. We have also shared the cost of consultants in the development of the specification, instead of both paying consultants fees. The new telephony system itself is estimated to save approximately £200,000 over a 7 yr life.

Postal Project: All 2nd class mail will now be handled by TNT from the Union Street Offices, with 1st class mail remaining with Royal Mail. This will save approximately £8,000 per year.

Shared Services project with South Ribble: this should come to fruition later this year. Chorley will be the host authority and will be providing a procurement service for South Ribble.

Another key area in the next few months is to make progress on and embed across the authority, best practice and initiatives for sustainable procurement, procuring from the third sector, and equality and diversity in procurement, all of which are important factors in the government's transformational agenda.

CSR07 will present Chorley with a very difficult challenge over the next 3 years as we are ahead of the game. There is an expectancy that a large proportion of the savings will come from smarter procurement of the top spend categories. These are identified in the CSR 07 report and include spend on construction of roads and buildings and adult social care - expenditure that is not available to districts like Chorley. For Chorley, the savings will come from focusing on strategic service areas, which is part of the vision for business transformation. The infrastructure is in place but it will be extremely difficult to make 3% over the 3 years.

Customer Access Officer Kris Boardman

1. Please could you outline the responsibilities within your role?

The role is a newly created one and includes the design, development and delivery of a customer access strategy, and to understand our customer groups (especially minority and hard to reach customers) and their needs. Also, to provide assistance to other council departments in measuring customer satisfaction and gathering customer insight.

A project which has received funding from central government which examines customer needs and related needs to assist customer service advisors in delivering a range of appropriate services regardless of the provider is managed through this role. The project is in very early stages.

We feed into Value For Money reviews from a customer satisfaction aspect and 'keep an eye' on any opportunities which may present themselves from central government which will enhance the services we offer.

2. Can you tell us what contribution the creation of the Contact Centre has made to delivering efficiency savings for the council?

For financial year 04/05 through to 06/07 efficiency savings of £150,200 can be claimed.

For backward looking statements for 04/05 and 05/06 efficiency savings amount to £87,200 are made up of:

Non-Cashable savings of £17,200 (£13,800 for transferring first point of contact for environmental services, public space services and licensing to the OSS) and £3,400 (for transfer of first point of contact for planning and environmental services to OSS).

Cashable savings of £70,000 made up of £27,000 (due to reduction of 1.5 FTE posts following closure of the cash office at union street) and £43,000 (saved through the contact centre partnership).

The contact centre continues to make efficiencies for example the corporate director of business has estimated to provide a front line enquiry service would cost £40,000 for development and building control (in 07/08). Through a restructure it has been agreed a £20,000 transfer for the service to be provided in customer services and a £20,000 efficiency gain will be reflected in the 07/08 forward looking statements.

3. A Procurement saving of £300,000 has been identified through the Shared Services Contact Centre Partnership. Is this still a justifiable efficiency gain for the council for the remaining 4 partnership years?

The costs savings can still be claimed as despite recent delays in the Customer Relationship Management system implementation. If we were to go it alone we would have already have incurred the up front capital investment of £414,200 plus £250,586 in software plus on going maintenance costs.

4. **We are aware that implementation of the Customer Relationship Management system is currently underway. Can you please update us on progress and tell us what efficiency gains you think will be achieved through its implementation?**

The system is currently on track for implementation in February 2008. It is important for members to note implementing a CRM system on its own will not yield any efficiency savings. When individual services are integrated within the CRM system business processes can then be re-engineered and efficiency savings identified retrospectively.

During the first phase of CRM implementation the focus is on waste management as this is a high volume service. The project team have undertaken some re-engineering of business processes. For example: a number of business processes that were undertaken in the back office have now been transferred to the contractor. This will result in 38% of an FTE time being saved.

This phase will also see the implementation of SMS text messaging facilities. This opens up a new, lower cost channel for citizens to access council services. We are unable to accurately predict the amount of cost savings this will generate as take up for this service will ramp up over time. It is thought any cost savings will be non – cashable for this initiative.

5. **We understand that there is significant variation in the different methods of communicating with the council. Can you elaborate on this issue and tell us what plans there are for future channel optimisation.**

Channel Optimisation is about ensuring citizens contact us by the most appropriate channel given their individual circumstances.

We are not proposing any communication channels are shut down or customers are being forced to contact the council for certain services through certain channels. However we want to ensure citizens are using and encouraged to use the most suitable channels for their individual circumstances.

Customers are contacting us regularly enquiring about transactions that could be undertaken via self-service that we have not yet implemented. These are the type of customers who on contact we would direct to self service channels (if implemented) and would probably want to transact with us using this channel in the future for a number of transactions.

To help facilitate channel optimisation we are making services which the contact centre and one stop shop offer and (and will continue to offer) where appropriate these services will be online.

6. **Are there plans to deliver services for other partner organisations? Is there potential to generate income from this approach as well as improve the service to the customer?**

There is one service that the contact centre currently delivers for an external organisation. We currently answer housing repair calls for Chorley Community Housing (CCH) and on a Wednesday morning when CCH have training sessions we deal with the whole range of CCH calls. As part of the contract the council do receive an income from CCH for providing this service.

We have been selected (with South Ribble Borough Council), to pilot a face-to-face pilot service with Lancashire County Council, following a successful trial last year. An officer from LCC will be based in the OSS on a Monday and Tuesday every week for the next 3 months. This has provided another access channel for our citizen to access LCC services.

As part of the pilot the Council is looking into a pilot where initial enquiry telephone calls for LCC Highways enquiries would be taken by the Council and reported to LCC Highways department using their web based reporting system. The council will receive no income for providing this service, but it will enhance the overall customer experience, as the customer is not 'handed off' to

another government department. This is very much in its infancy at this stage and nothing has been implemented.

7. How will the Council measure the number of times members of the public contact the Council to resolve an issue/request for service?

The Audit Commission have recently released a new national indicator which all authorities must measure the number of times a member of the public contacts us to resolve an issue/request for service. The measurement for number of contacts per resolved request is:

Total number of customer contacts

Total number of resolved customer requests

The lower the figure, the better the performance.

We will be able to measure this via the CRM system with the limited data it will hold by the Audit Commission deadline for waste management. The Audit Commission recognise difficultly councils without a CRM system in place will have in measuring this, which Chorley Council is one of. The Audit Commission has left measurement open to some interpretation and potential negotiation.

8. According to the Varney report there should be a reduction of 25% in running costs for contact centres in the future. Do you think this is a realistic target for Chorley?

We are aware of the contents of the Varney report and the fact that these reductions are thought to be achievable by 2010/2011.

At the present moment we are not in a position to say if these cost savings are realistic. As already outlined the contact centre has already delivered significant cost savings to the organisation and it is looking likely the CRM system roll out will deliver more efficiencies. However it is not known if the contact centre will be able to deliver the efficiencies outlined in the Varney report at this time – especially as we have more services currently in the pipeline to migrate into the contact centre.

External auditor Mike Thomas

1. Please could you outline the responsibilities within your role?

I have two roles, district auditor and inspection role.

As the district auditor I give an opinion on the council's accounts and use of resources/Value For Money. This includes a view on where we are currently and the direction of travel.

As a relationship manager I have an inspection role for Comprehensive Performance Assessment and undertake that role across Lancashire and for various local authorities.

2. How do you feel Chorley Council has performed in relation to the delivery of its efficiency targets set for the 04 Spending Review period compared with other Local Authorities?

We don't specifically report on targets set by Chorley, just what has been achieved. The Audit Commission and the Government didn't want to be set on numbers, it's more about do you know what you want to achieve, have you put in place the arrangements and where are you on what it costs to deliver services. There needs to be a culture within the organisation to continuously improve. The wider element is to look at the arrangements and on that Chorley have scored 4.

When changes are made to improve there is a time lag to demonstrate that improvement. Chorley has progressed well and is continuously improving. There is a constant challenge to deliver services in a more efficient way and robust performance management.

There are different elements to use of resources, including comparison of cost and performance with other local authorities and customer satisfaction. It is difficult to obtain customer satisfaction information.

Work undertaken in Chorley on partnerships and outsourcing has produced efficiency savings whilst improving the service.

Before the efficiency targets were set out efficiency was seen as an important challenge. CPA and BVPI have challenged and pushed for improvements. There will be a different perspective on performance indicators going forward and spending review will demand continual improvements. There will be indicators through the local area agreements and it is thought that the relevant performance indicators will still be collected.

It is important for members and employees to be focussed on efficiency.

3. Are there any efficiency areas where you feel we might have had a greater focus on?

Last year there were a few things and these have been responded to. The self-assessment completed by Chorley has been hailed as best practice. There is nothing specific I can suggest, the culture and awareness shows in the better scoring authorities like Chorley. The corporate strategy - plan on a page is a good example of the council reacting to a changing world, the plan is reviewed on a regular basis. Options for the delivery of services are regularly considered.

A few years ago local authorities didn't seek out best practice but this has now changed. It is difficult to compare districts and this is a challenge for the Audit Commission. Local authorities have chosen to deliver services such as waste collection differently, weekly, fortnightly etc. There may be political decisions and policy reasons for some of these differences. The key point is evidencing cost information about what the council does. CIPFA do request standard accounting returns, but even these can be interpreted in different ways with recharges being done in different ways.

4. What are your views on the targets set by the Government for the CSR07 spending review period?

The efficiency agenda is being challenged on, the treasury are saying savings need to be made. It is a political agenda so it is difficult to comment on really. There is a national efficiency strategy that will be received by local authorities that Donna Hall and Lesley-Ann are involved in.

The challenge is how to continually make efficiencies savings whilst maintaining the service delivery to the customer. Chorley is well along the road and this should be taken into account going forward.

In the next three years there may be a general election, this may have a bearing on the future. This is public money and we ought to be challenging how the money is spent.

5. How would you assess Chorley's readiness to deliver against these targets?

The targets are set at a national level, it is anticipated that there will be a focus on areas that aren't improving, such as health, decent homes and education.

If authorities can prove they have been prudent, have had good scores from audit commission, have good performance indicator statistics and have good customer satisfaction scores it can be question what further could be done.

Value For Money is not just about money it's about providing a better service.