

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) and Corporate Director (Business) (Introduced by the Executive Member for Resources)	Executive Cabinet	28 May 2009

VALUE FOR MONEY REVIEW OF THE BUSINESS DIRECTORATE

PURPOSE OF REPORT

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

RECOMMENDATION(S)

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

EXECUTIVE SUMMARY OF REPORT

3. During 2008/2009, a value for money review of the Business Directorate was undertaken to assess the directorate's effectiveness in delivering high quality services and value for money, and to make recommendations about possible improvements that could be made.
4. The review found that the directorate generally offers good value for money, but that there were some improvements that could be made. A series of recommendations were made, and these have been translated into a transformation plan to drive improvements. Some changes have already been made, with a restructure that has led to £125,000 of savings.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. N/A

CORPORATE PRIORITIES



7. This report relates to the following Strategic Objectives:

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

BACKGROUND

8. The Council developed a programme of value for money reviews, approved by Executive Cabinet in May 2007, to ensure the Council can continue to demonstrate that it is delivering high quality, value for money services to its residents. The review of the Business Directorate was the second undertaken as part of that programme.
9. A team of officers from the Business Improvement team, Policy and Performance, ICT, HR, Customer Services and the Business Directorate, undertook the review. It looked at each service in turn to establish the extent to which value for money was been secured. A high degree of value for money is found where there is a relatively low whole-life cost, high productivity and successful outcomes to meet the customer requirements.
10. To determine whether a service was delivering value for money, the following factors were examined:
- The rationale for providing a service, and the rationale of the method of service delivery.
 - How efficiently the service is provided.
 - Whether the service delivers good economy, through good procurement practice and understanding of staff costs.
 - How effectively the service achieves service objectives and performs in comparison to others.
 - The impact the service has on the Council's strategic objectives and the wider community.
11. In addition, the review looked at how well the directorate was delivering transformed services following the business process architecture project. The following themes were looked at:
- Technology
 - Workforce Development
 - Procurement
 - Performance Management
 - Customer Satisfaction
12. This report summarises some of the main conclusions drawn in the report and the recommendations made. The final report is a long document and so has been made available in the Members' Room.

MAIN FINDINGS

13. Overall, the review identified a great deal of good practice in the directorate. The directorate works well with neighbouring authorities and local partners to deliver improved services and outcomes for Chorley. For example, the joint work on the Local Development Framework and work carried out through the Economic Regeneration Partnership have shown that improved outcomes can be delivered in partnership for reduced costs.

14. In addition, the directorate generally exceeds targets set in corporate and national performance indicators. The rough cut costing also showed that directorate services, where comparison could be made, generally compare favourably to other local authorities in terms of the cost of services.
15. Each service within the directorate was examined in each of the factors set out in paragraph nine above and given a score out of four. The scores for each service are set out in the table below:

	Rationale	Efficiency	Economy	Effectiveness	Impact	Total
Building and Development Control	2.5	2	3	2.5	2.5	12.5
Business Support	2	2	2	2.5	2.5	11
Economic Development	2.5	2.5	2.5	2.5	2.5	12.5
Strategic Housing	3.5	3	2	2.5	2.5	13.5
Planning Policy	3	3	2.5	2.5	2.5	13.5
Regeneration and Urban Design	2.5	2.5	2.5	2.5	2	12

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

SCORE	JUDGEMENT
5	The service is not performing well or offering value for money. There is the potential to dramatically improve the service by considering alternative methods of service delivery. Options should be explored as a matter of urgency
6 - 10	The service is offering limited value for money. There is the potential to improve the service by considering alternative methods of service delivery. Options should be explored.
11 - 15	The service is generally offering value for money. There is the potential to improve efficiency and performance through exploring alternative methods of service delivery; examples of best practice should be explored and alternative methods of service delivery considered where appropriate.
16 - 20	The service is performing well and offering clear value for money, there is currently no identified need to explore alternative methods of service delivery and potential for increased efficiency or performance is low.

17. The total scores awarded indicate that the services all generally offer value for money, but that there is potential to improve efficiency and performance through exploring alternative methods of service delivery. This is particularly the case for the services that scored less than 12.
18. The Business Support function could be further strengthened. At present, the team works largely within development control, but needs a more clearly defined role and rationale within the directorate. The land charges functions needs to be more fully integrated into the team. The Regeneration and Urban design function is relatively new as a separate team, and needed to develop its position within the directorate.
19. The review found that there was some inconsistency in the directorate around ensuring that work was customer focused and that best use was made of performance management.

More focus on the customer and performance management would help to drive improvements in the service offered. Some possible improvements were suggested, including; making better use of the project management toolkit, implementing a directorate performance management framework and focusing on the customer.

20. The report makes a series of recommendations that should drive improvement in the directorate, to ensure that high levels of value for money continue to be achieved. These have been developed into a transformation project plan and workforce development plan, which are attached as appendices for information.

VALUE FOR MONEY FOLLOWING THE RESTRUCTURE

21. Following this review, the Business Directorate was restructured as part of the 2009/2010 budget setting process. This restructure addressed some of the issues raised in the review's report, but some improvements could still be made. In the light of the restructure, some further recommendations have been made in Section 5 of the main report.

IMPLICATIONS OF REPORT

22. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	√	Customer Services	
Human Resources	√	Equality and Diversity	
Legal		No significant implications in this area	

COMMENTS OF THE CORPORATE DIRECTOR OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

23. A workforce development action plan has been produced following the Business Directorate Value for Money review that deals with the key themes identified, including Communication, Management Development and technical skill requirements. This action plan will be delivered over the next 12 months.
24. The review also identified the need to restructure and realign some of the services within the Directorate in order to make maximum effective use of resources. The Council's HR policies and procedures will be adhered to throughout this change process.

GARY HALL
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

Background Papers			
Document	Date	File	Place of Inspection
Key Reference Documents in support of the final value for money review report	Various		Policy and Performance, Town Hall

Report Author	Ext	Date	Doc ID
Chris Sinnott	5337	15 th April 2009	Business Directorate Value for Money Report