Report to: **Executive**

Date: **24 July 2007**

Report of: **Executive Member for Improvement**

Subject: **Best Value Review of Support Services: final report**

Ward: **All**

1.0   Purpose of the Report

1.1   To present the findings of the Best Value Review of Support Services and the proposed Improvement Plan.

2.0   Consultation

2.1   The Council has taken an inclusive approach to this review:
- The review's scope was set by a workshop attended by Members, Trades Union representatives, representatives of the teams in the review and customers of those teams, as well as the IDeA and three critical friends from Durham, Chester-le-Street and Derwentside councils
- All relevant service heads, plus a Trades Union representative, have been part of the Project team, and staff from service teams affected by the review have been involved in specific review activities, as well as having regular briefings on progress.
- The consultation of customers of support services has been a core part of the review
- Members have been involved at the scoping stage, and have given a steer through progress reports to Working Executive and Scrutiny. The Executive Member for Improvement has kept a watching brief on the review's progress and has been consulted on this report
- Regular briefings have been given to Tripartite meetings, the latest of these being in October 2006.
- Staff briefings have been conducted on the content of this report throughout the development process. Briefings on the findings and draft Improvement Plan were conducted in May 2007.

3.0   Background

3.1   This review is the last in a five year programme and was carried out between October 2005 and January 2007. Whilst as an excellent council we are not required to carry out Best Value reviews, it was recognised that a strong corporate core is essential to an excellent authority, and we wished to explore support services with the same degree of rigour which has been applied to other services in recent years.

3.2   The review covers Democratic Services and Administration, Finance and Audit, Corporate Development, Personnel and Information Services. Not included in the scope of the review were services reporting directly to the Chief Executive (Communications Unit), newly created services (Procurement Manager, Customer Services) and services which had already been reviewed (Graphic and Technical team, although some work was done on this team as part of the review).

3.3   The attached report contains an account of the review (part A) and key findings (part B) which are presented by service area[1], although we have attempted to look at support services as a whole rather than piecemeal. Part C of the report

---

[1] The data included in the report is a much summarised version of the large amounts of data amassed during the review.

covers improvement options, with a cross cutting Improvement Plan in section 14.

4.0 Aim and objectives of the review

4.1 The review's overarching aim has been "to ensure that the Council has efficient and effective support services which are fit for the purpose of delivering modern local government, and able to support the delivery of improved and new services to benefit Easington people". Within this, the objectives of the review have been to:
- Maximise the effectiveness and efficiency of the Council's support services in terms of cost, performance and quality
- Ensure that we have the right support services to respond to the Council's priorities and the current and future needs of customers
- Improve support service processes and ensure consistent quality
- Explore all available delivery options with a view to finding the best fit for Easington
- Realise efficiency savings (cashable or non cashable) which can be ploughed into frontline services

5.0 Process

5.1 The review has been carried out by a project team led by the Assistant Chief Executive and comprising the Heads of each of the Support Services, the Procurement Manager, two Principal Corporate Development Officers, a Trades Unions representative and a Customer representative (the Head of Housing Strategy). Management Team acted as Project Board and the team used consultants to offer independent analysis in terms of business process mapping and service PROBE. Member involvement in the process is via shaping the scope, deciding outcomes and offering a steer at specific parts of the review.

5.2 The review has employed a range of tools to ensure effective challenge, comparison, exploration of the marketplace and consultation. These included:
- Benchmarking through a range of sources
- Customer satisfaction survey
- Business process mapping and diary analysis
- Service PROBE (independent analysis of each service, carried out with teams, including cross sector comparison)
- Best practice visits
- Soft market testing (public and private sectors)

6.0 Key findings and review recommendations

6.1 Across the piece, Easington's support services are generally comparatively low cost (with a few exceptions such as some specific areas of IT performance, corporate administration and Health and Safety), and in some cases (Finance, HR, training, corporate policy) very low cost.

6.2 Services are also high quality (all in the Contender category according to PROBE, with the slight exception of IT processes) and satisfaction is high in most areas although there is room for improvement.

6.3 However, the review has also identified efficiencies and areas of growth where either the Council is not investing enough resource, or needs to provide more focus in terms of emerging agendas. The key growth areas are:
- Finance (strategic as opposed to statutory)
- Strategic HR as opposed to operational activity
- Training and development

- Legal and insurance work
- Corporate policy work
- Performance improvement activities
- Support for community engagement and promotion of democracy

6.4 The review recommends in the immediate future converting some of the efficiencies identified through the process into additional capacity to address the areas of under-focus, without needing to increase overall spending on support services (in fact spending would be likely to reduce slightly against an already low base, with investment in some specific areas).

6.5 Through soft market testing, the review has identified that opportunities do exist for both shared service development and strategic partnering with the private sector. The appetite for the former was limited at the time of our soft market testing exercise, and the private sector indicated that a package of services such as that set out in the review is not in itself sufficient (large enough) to attract interest.

6.6 However, future financial settlements, and the arguments around economies of scale brought into clearer focus through the Local Government White Paper, mean that we need to go beyond the duty and imperative to demonstrate best value in the Council, to a cross authority drive for economies of scale. This issue is also recognised in the Council's recent work in partnership to prepare proposals for a pathfinder to improved local governance. This review needs to be seen as part of the context for this wider agenda; the Council would be unlikely to be able to deliver on its own the level of efficiency savings likely to be required beyond 2008/9.

6.7 The review's second recommendation is therefore that the Council should set aside additional review efficiencies to help pump prime work across the County to develop shared services arrangements for support and other services over the coming two years.

7.0 Implications

7.1 Financial Implications

The review has identified that the Council's support services are generally low cost. However, potential efficiencies have been identified in the Improvement Plan. The exact value of some of these will be quantifiable through the service review process but it is envisaged that short term efficiencies will be sufficient to cover the costs of growth and pump priming for shared services, identified in the Improvement Plan, as estimated below:

Improvements	Cost
Use savings from other parts of the review to create a corporate training and development manager role to draw together disparate development functions and increase capacity (action RS7)	£40,000 approx
Increase corporate policy capacity (action RS8)	£47,000 approx
Use efficiencies generated by the review to create a time limited funding stream to pump prime Shared Services development across the County (action SS1)	£50,000 per year for 2 years
Total	£137,000 approx

Realignment of spending in this way is likely to still provide a balance of cashable efficiencies for the Council.

7.2 Legal Implications

This report has no direct legal implications

7.3 Policy Implications

The methodology used in the review is an adaptation of the Council's Best Value process. Learning from the review has shaped the Council's Value for Money process which is currently under discussion. The report has no direct policy implications.

7.4 Risk Implications

A risk assessment has been carried out and action taken to manage the risks.

7.5 Communications

The improvement plan needs to be formally communicated to affected staff alongside communication around local government reorganisation issues (shared services).

8.0 Corporate Implications

8.1 Corporate Plan and Priorities

The review will assist the Council in its objective of delivering organisational excellence and will also assist in the delivery of or efficiency and value for money commitments.

8.2 Service Plans

The work for this review will need to be reflected in the service plans of the relevant teams

9.3 Performance Management and Scrutiny

The review findings will assist in improving performance management in support services and specific actions in the Improvement Plan reflect this. This will result in changes to how support service performance is reported to Scrutiny and enable more effective scrutiny of these services.

9.4 Sustainability

The Improvement Plan contains actions which move responsibility for corporate sustainability issues into one place. This should allow more effective use of resources.

9.5 Human Resource Implications

The Improvement Plan contains proposals which involve restructuring in Democratic Services and Administration and the Corporate Development Unit. These do not involve redundancies but do involve some role changes and team changes. There is potential for further change management activities in IT Services following further process mapping. The Management of Change process will apply.

It should be noted that recommendations around Shared Services within the Improvement Plan and also in the District and County Councils' respective Local Government Review proposals have significant HR implications, and cross Council negotiation and processes will need to be agreed in order to manage these.

9.6   Information Technology

The Improvement Plan will foster improvements in IT processes and performance.

9.7   Equality and Diversity

There are no direct Equality and Diversity implications.

9.8   Crime and Disorder

There are no crime and disorder implications.

9.9   Human Rights

There are no human rights implications.

9.10   Social Inclusion

There are no direct social inclusion implications.

9.11   Procurement

The Improvement Plan contains proposals which will lead to services being procured in different ways. The continued advice of the Procurement Manager will be sought as these are worked through.

10.0   Recommendations

Members are recommended to agree the findings and draft Improvement Plan of the Best Value Review of Support Services

Background Papers
Scoping day data presentation and notes of discussions, October 2005
Review data
Progress report to Working Executive and Scrutiny February and May 2006
Presentations to Project Team, Working Executive, Tripartite
Local Vision documents 2004-6 (ODPM)
Interim report of the Lyons Enquiry 2006
Local Government White Paper: Strong and Prosperous Communities (CLG October 2006)
Use of Resources KLOEs (Audit Commission)
Structures for collaboration and shared services: technical notes (CLG June 2006)
Rethinking service delivery vol 2: From Vision to Outline Business Case. (ODPM/Strategic Partnering Taskforce 2003)
Service PROBE methodology (London Business School and Northumbria University 1990s)