Report to: **Resources Scrutiny Committee**

Report of: **Joint Report of Executive Members for Resources and Service Improvement**

Date: **18 September 2007.**

Subject: **Use of Resources – Value for Money Programme**

Ward: **All**

1.0   Purpose of the Report

1.1   To agree a programme for managing and improving value for money (VFM) within the Council's services.

2.0   Consultation

2.1   The report has been considered and agreed by the Management Team and has been communicated to the Corporate Support Team.

3.0   Background

3.1   In a report to Executive Committee on the 16th January it was agreed to develop a 3-year value for money programme. The reviews were seen as a necessary element of our approach in identifying efficiencies and improving services.

3.2   Since that date the council has received a further assessment under the Use of Resources criteria where it was assessed as performing well, consistently above minimum requirements.

3.3   In terms of the assessment value for money is measured under two headings: -

- How we manage value for money
And
- Overall current performance.

In the assessment we have improved our score in the management of value for money (VFM) but in terms of current performance we were adjudged as adequate performing at minimum standards. A key factor in the latter is in relation to VFM issues around housing maintenance.

3.4   The definition of *value for money* is the optimum combination of whole life costs and benefits to meet the customer requirements. It was traditionally known as the 3 E's whereby:

- Economy is the price paid for providing the service. (Staff, materials, assets and buildings).
- Efficiency is the measure of how much you get out (the results) from what is put in. Could be the number of bins emptied.
- Effectiveness can be whether citizens are happy with the results. For example if all bins are emptied on the correct day with no spillages.

In simple terms value for money is achieved when :-

- Costs are relatively low
- Productivity or performance is high.
- Outcomes are successful and satisfaction levels are relatively high.

4.0   Progress to date

4.1   The report last January set out 3 stages to the process.

1) Heads of Service were required to assess their services from a VFM perspective. This stage was completed in January but had to be reviewed when it became clear that data was not available across all services.
2) The Management Team reviewed the programme in May.
3) The programme of reviews is presented in this report and whilst it is delayed the services included in year 1 are already being progressed by managers.

4.2   A toolkit has been developed to assist the process (Appendix 2).

5.0   Developing the programme

5.1   In developing the programme it should be noted that the positioning of services is based on crude data. The purpose of the process is to interrogate the data, understand the position and review policies, which may affect costs, performance and customer satisfaction.

5.2   The following principles were applied in finalising the proposal: -

- The programme is pragmatic to ensure it will be completed on time and have minimal impact on service delivery.
- Given future financial pressures, the efficiency agenda and the pending comprehensive spending review high spend services are prioritised.
- Support services are excluded from the programme as they have recently been reviewed and are considered to be delivering value for money.
- Care services are currently being reviewed under the supporting people initiative.
- Those services, which have recently been reviewed and are improving in terms of cost and performance, are excluded. Examples are Refuse collection and street cleaning.
- Not all services can be included and therefore the process needs to be dynamic.

5.3   At this stage it should also be acknowledged that in conjunction with this process a Service Improvement Team considers low performance and customer satisfaction issues. The progress of this team is reported through the Council's performance management framework to reporting to Executive and Audit Committees.

5.4   Services to be reviewed by the Service Improvement Team in 2007/8 are set out below and it is interesting to note that costs in respect of these services are not an issue and therefore if performance is increased then value for money will be achieved.

- Corporate Health-
    BVPI156 – Buildings accessible to people with disabilities.
- Environmental-
    BVPI82a&b - Recycling
    BVPI84 – Kgs of household Waste Collected.
- Planning-
    BVPI 109 a, b and c. Turnaround time for planning applications.
- Housing-
    BVPI66b – Council house tenants with more than 7 weeks rent outstanding.
    BVPI66c – Council tenants in arrears with notices seeking possession.
    BVPI212 – Average re let times for council homes.
- Benefits-
    Satisfaction with the benefits service.

5.5   The tables in Appendix 1 set out the following information.

- Table 1 sets out a crude assessment of services based on the data available.
- Table 2 sets out those services, which are not included at this stage.

The programme for members to consider is set out in Table 3.

6.0   Implications

6.1   Policy
There are no direct policy implications the report firms up our approach to value for money and our commitment to maximise the use of our resources.

6.2   Financial
There are no financial implications at this stage.

6.3   Legal
None

6.4   Risk
A risk assessment has been carried out and the necessary actions required to manage the risks identified will be implemented.

6.5   Communications
Value for money is an issue identified by residents and it is suggested that results could be included in Infopoint.

6.6   Corporate Plan and Priorities
The approach will strengthen the council's approach to value for money and is designed to give assurance that resources are effectively used to improve performance and customer satisfaction and develop capacity within the organisation.

Priority: Striving for Excellence in the workplace
SFE2:- A Council provides Value for Money

6.7   E Government
None.

6.8   Procurement
None.

6.9   Equality and Diversity
None

7.0   Recommendations

7.1   To agree the programme as set out in Appendix 1 and await progress reports. .

Background Papers
Use of Resources Assessment – Audit Commission – Issues February 2007.
Benchmarking Information on VFM approaches from other local authorities.
Key Lines of Enquiry (Use of Resources) – Audit Commission
Report to Executive – 16th January 2007 – Use of Resources – Value for Money

TABLE 1

Service Area	High Cost Y/N	Valueof Overspend / (underspend) £000's	Performance / Quartile Position	Customer Satisfaction/ Quartile Position	Further Comments
Customer Services	No data	No data	High/No data	High/No data	Within 1 year.
Horticultural Services	Y	600	Average	Low	Review 2007/8
Street Cleaning	N	(68)	Average	average	See table 2
Culture and Heritage	N	(296)	No data	No data	See table 2
Sport	N	(596)	Low/No data	No data	See table 2
Community Safety	Y	296	No data	Low/No data	Review 2008/9
Social Inclusion					Very little data Cross cutting
Commercial Enforcement	Y See below	44	Average	High/No data	Review 2009/10
Environmental Enforcement	as above	See above	High/No data	High/No data	Review 2009/10
Licensing	Y	22	High	High	Likely to become self financing
Concessionary Fares	Y	No data	High	High	Statutory scheme in from 2008.Briefings in 2007/8.
Revenues inc NNDR	Y	63	Low	No data	Review 2007/8
Homelessness advice	Y	96	N/A	No data	See table 2
Private Sector Housing	N	Not known	high	No data	See table 2
Asset Management	No data		DK	No data	Review 2009-10
EDBS	No data		DK	No data	Awaiting further information-review

*Overspend based on 2006/7 estimates and on the basis of cost per head of population.

TABLE 2 - NOT PROGRAMMED - TO BE CONSIDERED AT A FUTURE DATE

Service/Activity	Comments
Street Cleaning	Below average cost and improving
Culture and Heritage	Low cost /Priority questionable at this point..
Sport	Low cost following PPP – Leisure Centre performance is monitored by scrutiny..
Social inclusion	Crosscutting no meaningful data to compare.
Licensing	In transition should be self financing.
Homelessness	Recently reviewed..
Private Sector Housing	Low Cost –high performance
Communications	To be reviewed.
Graphic Design	Procurement of Supplies currently being reviewed.

TABLE 3 - SUGGESTED PROGRAMME

2007/8	2008/9	2009/10
Horticulture	Homelessness	Commercial and Environmental enforcement
Revenues	Customer Services	Asset Management
Concessionary fares		

	Community safety	
	Shared Service Options Reviews.	Shared Service Options Reviews