

Subject: A Strategic Approach to
Achieving Value for Money in
Service Delivery

Status: For Publication

Report to: The Cabinet

Date: 6th June 2007

Report of: Executive Director of Resources

Portfolio

Holder: Well Managed Council

Key Decision:

Yes

Forward Plan

General Exception

Special Urgency

1. PURPOSE OF REPORT

- 1.1 To seek approval to the adoption of a strategic approach to the delivery of value for money in delivery of the Council's services.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the following corporate priorities:

- *Strong Financial Management and the Delivery of Value for Money Services* – Delivery of this approach will make it easier for the Council to demonstrate that it is achieving value for money and also strengthen the corporate approach to improving efficiency.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- *Financial Risks* – The strategy is designed to form part of the process for mitigating the financial risks around resource levels set out in the Medium Term Financial Strategy approved by the Council in February.

4. BACKGROUND AND OPTIONS

- 4.1 The Council has a relatively good record over recent years of delivering efficiency improvements as required by the so called Gershon process. However, only 24.9% of residents in the recent General Household Survey believe that the Council either to some or a great extent provides value for money. Thus, as an organisation there is an important perception gap for us to bridge. In addition to this the annual efficiency target is to be increase from 2.5% to 3% for the coming spending review period and the Audit Commission is continuing to place a premium on the robustness of arrangements for securing value for money in the assessment processes for councils.
- 4.2 To date we have concentrated on the delivery of improved value for money and efficiency within individual services, rather than taking an organisation wide approach. This has paid dividends, as indicated in the Forward Looking Annual Efficiency Statement considered by the Cabinet before the election and in the degree of ownership of the issue taken by individual managers. However, if we are to move to the next stage in the search for improved value for money we now need to adopt a more corporate approach, which is set out in the attached document. The key features of this approach are:
- Steps to improve awareness across the organisation, including amongst members.
 - The use of business process transformation techniques to fundamentally reshape the way we do business
 - A more structured approach to benchmarking and learning from the best.
 - A proactive approach to collaboration in order to both improve services and deliver cost efficiency.
- 4.3 These approaches are not new to the Council they are already being used in different areas. The approach set out in this strategy is to embed best practice from specific areas across the whole organisation, with the aim not solely of making savings but of improving the quality of service element of the value equation as well.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 The adoption of the strategy will assist the Council in demonstrating and delivering further economies, efficiencies and effectiveness across all its services.
- 5.2 Ultimately our customers will see that the “Rossendale alive” also stands for Value for Money services.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 6.1 The legal implications will be considered and appropriate advice provided as required.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

7.1 Specific issues in relation to training are identified within this strategy which will be reflected in detailed training plans and the Organisational Development Plan.

8. CONCLUSION

8.1 The Council needs to demonstrate and deliver upon its commitment to value for money in service delivery across the whole organisation rather than solely within individual services and the attached strategy provides a mechanism for achieving this.

9. RECOMMENDATION

9.1 The Cabinet are recommended to approve the attached strategy.

10. CONSULTATION CARRIED OUT

10.1 Senior Management Team, relevant portfolio holder.

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No background papers