Self Assessment Proforma

June 2005

audit commission

ANNEXE A

Value for money

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our remit covers more than 12,000 bodies which between them spend nearly £100 billion of public money every year. Our work covers local government, housing, health, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure public services are good value for money.

Contents

Guidance

1 You are asked to complete the self-assessment pro-forma and return it, along with referenced supporting evidence, to your local appointed auditor. This will be reviewed along with any supporting evidence prior to the fieldwork. The key lines of enquiry, which are the basis of this assessment, along with further *Guidance for Councils*, can be found www.audit-commission.gov.uk. The Guidance covers the whole use of resources assessment and includes interpretation and expectations of good performance in relation to value for money. The key lines of enquiry (KLOE) include descriptions of typical performance equivalent to scores of 2, 3 and 4 (see Guidance - Introduction for an explanation of the scores). **You should read and understand these before you complete this self-assessment.**

2 The self-assessment pro-forma is for you to complete to show how well the council manages and uses its financial resources and achieves value for money. Cost data is also required to support your assessments – please make use of the 'VfM Profiles' report and web-based tool that we are providing for this. The VfM Profiles tool can be found at www.audit-commission.gov.uk from 17 June 2005.

3 In addition, please append your backward looking Efficiency Statement covering 2004/05.

4 The questionnaire has been designed to invite the council to assess its current performance in achieving and delivering value for money by answering a series of questions and providing brief supporting details. Fieldwork on site will follow up on areas identified within the self-assessment.

5 Significant emphasis will be placed on evidence of outcomes in the assessment and this should be clearly reflected in the self-assessment. The pro-forma also includes a series of sub-questions that relate to the key questions to enable you to tailor your response. Use column 2 to reference key supporting documentation or provide links to the documentation. Please do not provide hard copy documents – a reference to the document/information/electronic copy will be best. Hard copy documentation should only be provided where this is the only available source. Providing these references will assist auditors and should make the audit process less onerous on the council.

6 Your self-assessment (excluding Efficiency Statement and references, but including contextual information) should not exceed 5,000 words. We will be placing examples of suitably completed self-assessments on our web-site at the end of June 2005.

7 There is a final section to allow you to make reference to any contextual or other information you feel may be of assistance in the assessment.

8 We want this to be your self-assessment. Your relationship manager and auditor will provide advice should you need help in understanding the assessment approach. They will not however, be able to directly support you in contributing to the self-assessment, for example by reviewing content or acting as a critical friend.

9 Please put the name of the person responsible for completing this self-assessment in the box provided on the front cover.

10 We would like to take this opportunity to thank you in advance for your assistance. For single tier authorities and counties please return the completed pro-forma to your appointed auditor by 31 July 2005. For district councils please return the completed pro-forma to your appointed auditor by 30 September 2005.

Value for money key lines of enquiry

5.1 The council currently achieves good value for money

What is the purpose of this section of the self-assessment?

This section provides the authority with an opportunity to demonstrate how it achieves good value for money including how current costs compare with others. Local fieldwork will focus on the extent to which the authority understands, compares and reviews its costs in relation to both performance and priority. This section will draw significantly on the evidence provided in the standardised VFM Profiles report.

Completing the self-assessment

Please provide short statements using the pro-forma which address the key line of enquiry and each of the key sub-questions:

5.1 How well does the council currently achieve good value for money?
5.1.1 How well do the council's overall and service costs compare with others?
5.1.2 How do external factors affect costs and how do adjusted costs compare?
5.1.3 To what extent are costs commensurate with service delivery, performance and the outcomes achieved?
5.1.4 To what extent do costs reflect policy decisions?

KLOE 5.1 How well does the council currently achieve good value for money?	Reference to evidence source
Please provide brief details and evidence to support your assessment with focus on: how the council challenges value for money through services and corporately; and the relationship between local taxation, overall expenditure and costs; and the level and performance of services provided, taking account of local priorities.	
Overview	
Improving the quality and efficiency of our services is a key corporate aim (1). We challenge and create value for money using a variety of mechanisms including extensive partnership working. Members are actively involved through policy and scrutiny committees and also through a member Improvement Panel, supported by the Corporate Management Team (CMT).	(1) Corporate Plan 2005-2008
We have adopted a corporate approach to the achievement of Gershon efficiencies, initiated by the CMT and co-ordinated by the Deputy Chief Executive. A delivery programme (2) has been developed to capitalise on procurement practices, partnerships and to develop improved methods of working taking advantage of new technology.	(2) Forward & Backward Look Delivery Plan and Statements
Performance management is becoming embedded throughout the organisation and progress on service plan targets and objectives is monitored and reported to members using Best Value Performance Indicators (BVPI's) and the Best Value Performance Plan (BVPP). Management intervention is taken where performance slips e.g. housing change improvement programme (3). Overall, over the past three years the percentage of BVPI's in the upper quartile has been around 40% (4).	(3) Community Services Committee Minutes June 02 (4) Best Value Performance Plans 2003-2005

5.1 (continued)/....	
Since 2000 our financial standing has improved. (5) A best value review of financial management and control (6) and investment in new technology, has enabled a sound financial position to be maintained. The subsequent reprioritising and refocusing exercises that were embarked upon have since developed into a 'shifting resources' approach, realigning Council resources with corporate priorities.	(5) Audit letters 03/04 (6) Best Value Report on Financial Management and Control
A recent example is the sale of part of the sheltered housing stock, which exemplifies our approach to asset management. The intention here is to use the capital receipts to improve the provision of sheltered housing as identified in our housing strategy (7).	(7) Housing Strategy 2004-2009
The overarching corporate framework on which our efforts to secure effective and efficient services is based is set out below:	
South Derbyshire Local Strategic Partnership – established 2003 to develop and deliver the community strategy.	
Community strategy (8) – defines community aspirations and priorities and provides a wider perspective for the development and delivery of Council services.	(8) Community Strategy
Corporate Plan – providing a strategic direction for the achievement of the Council's key aims and priorities predicated on a vision, which includes a commitment to ......' cost effective customer focussed services'.	
Financial/capital strategies and spending plans (9) – these set out the approach to funding/expenditure for current and future service provision.	(9) Financial Strategy and Spending Plans 2004-2007
Service planning – reviews opportunities and challenges, outlines and sets specific targets. Service plans inform the employee performance and development and review scheme (10). Performance is currently measured twice yearly.	(10) Employment Performance and Development and Review Guidance

5.1 (continued)/…. Service development/new capital project evaluations (11) – new proposals are judged against Council priorities. The budget (12); allocates financial resources to achieve objectives. Financial monitoring (13) – expenditure against budget provision is appraised monthly using real time systems. Best value performance plan - collates and reports Council wide performance against national indicators. Human resource polices – designed to improve the capacity of our workforce to meet the needs of our business. The Gershon initiative (14) - setting the target for efficiency gains and providing impetus to secure value for money in general procurement and service provision. Reporting mechanisms to members via the improvement panel, policy and scrutiny committees (15) – enables policies to be formulated and performance scrutinised. Utilising the above framework, value for money is specifically challenged/ created in a numbers of ways: • Targeted Best Value reviews • Procurement of goods and services. Contract evaluation procedures are in place supported by a legal and financial framework • New joint service/procurement initiatives in conjunction with other councils and the private sector are pursued e.g. in ICT (16) and partnering contracts in housing services • Capitalising on investment in new technology • Reviews of staffing structures are carried out to meet changing service needs (17).	(11) Service Development Evaluation Criteria (12) Financial Strategy and Spending Plans 2004-2007**(see ref 9 above)** (13) Financial and Performance Monitoring Report 2005/2006 (14) Annual Efficiency Statements **(see ref 2 above)** (15) Finance and Management Committee Minutes Feb 05 (16) IEG Statement 4.5 (17) Finance and management committee Minutes April 05

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<td>
5.1 (continued)/....

Service developments are fully evaluated and determined to meet priorities (capital and revenue bidding process) (18)
Improving capacity by significantly reducing sickness absence levels
Use of public, private and voluntary sector partners to deliver services
Scrutiny committee review of Best Value review processes (19)
Scrutiny annual review of budget proposals (20)
Asset management/disposal
Use of Section 106 agreements
Successful funding bids to a range of organisations

Our Council tax for a band D property over the past four years is below average compared to ‘nearest neighbours’ and the other ‘authority group’. It is also the second lowest compared to other Derbyshire districts (21). In terms of spending on services, comparisons with nearest neighbours’ and the other ‘authority group’ reveals that, both net revenue expenditure and total expenditure on services (per head) is around the lower quartile of the value for money profile rankings and the trend over the past three years reveals no major fluctuations.
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(18) Service Development Evaluation Criteria (see ref 11 above)
(19) Finance and Management Committee Report March 05
(20) Finance and Management Committee Minutes Feb 05 (see ref 15 above)
(21) Value for Money Overview Report
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<table>
<tr><th>5.1.1 How well do the council's overall and service costs compare with others?</th><th>Reference to evidence source</th></tr>
<tr><td>Please provide brief details and evidence to support your assessment – please attach the VFM Profiles summary report provided. Key areas of focus:

current level of overall costs and costs for key services;
planned spending in relation to others; and
level of overheads and how they are accounted for.

Our major spending areas, ranked in order of gross spend are as follows:
<table>
<tr><th>Service area</th><th>VFM profile block</th></tr>
<tr><td>1. Revenues and Benefits</td><td>Central services and other</td></tr>
<tr><td>2. Housing</td><td>Housing services</td></tr>
<tr><td>3. Corporate services</td><td>Central services and other</td></tr>
<tr><td>4. Waste</td><td>Environment, planning & transport</td></tr>
<tr><td>5. Leisure</td><td>Culture</td></tr>
<tr><td>6. Environment</td><td>Environment, planning & transport</td></tr>
<tr><td>7. Planning</td><td>Environment, planning & transport</td></tr>
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<tr><td>Appendix A (22) tabulates these services indicating, performance, future plans and user satisfaction surveys.</td><td>(22) Appendix A</td></tr>
<tr><td>Our VFM profile (23) indicates that within the overall low level of expenditure per head, there are services nearing the upper quartile compared to nearest neighbours. The most notable variances are:</td><td>(23) Value for Money Overview Profile (see re 21 above)</td></tr>
</table>

5.1.1 (continued)/.... 1. Above average Housing expenditure. (24) ▪ The other authorities profile indicates below average expenditure, whereas the nearest neighbour comparison suggests above average expenditure. The position in the rankings influenced by whether or not a council has retained it's housing stock and where it is retained, the relative numbers of houses involved.	(24) Housing VFM Profile
2. Above average un-apportioned central overheads. (25) • Spending on un-apportionable central overheads is shown in the profile as being highest compared to our nearest neighbour group. However in 04/05, this was mainly due to the treatment of pension commitments in accordance with FRS 17.	(25) Central Overheads VFM Profile
3. Above average waste collection costs and low levels of recycling. (26) • High waste disposal costs are primarily due to the delayed introduction of local tipping facilities by the waste disposal authority (DCC). A more local facility has been negotiated from 2006, which will reduce costs.	(26) Waste VFM Profile
4. Above average transport costs. (27) • High transport costs can in part be attributed to our concessionary travel scheme operated in partnership with the County Council and other districts. The fact that we do not have car-parking charges also affects the net profiled figures. We achieved our performance standard for recycling/composting one year ahead of the required deadline; Below average spending on leisure services (28)	(27) Transport VFM profile **(see ref 26 above)**
▪ The comparisons with leisure which are included in the culture service block are somewhat distorted due to the limited number of museums and theatres in the district. (i.e. one).	(28) Culture VFM Profile

5.1.1 (continued)/.... The Council has in place a financial strategy, which seeks to ensure that spending is affordable and sustainable in the medium term. This takes into account a range of matters including our key aims, priorities and meeting the demands of a growing district together with the resources to fund them. We are confident that our planned pattern of expenditure will remain on track and we will continue to make progress in many areas. The value for money position will be further improved by the efficiency gains obtained from the Gershon programme.	

5.1.2 How do external factors affect costs and how do adjusted costs compare?	Reference to evidence source
Please provide brief details and evidence to support your assessment: external local contextual factors that influence costs (such as deprivation, geography, demography); and demand and supply levels. The external local contextual factors affecting service provision are: ▪ High levels of growth (29) ▪ Pockets of deprivation ▪ Rural services/facilities	(29) Summary of PS2 Return

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5.1.2 (continued)/....

The effects of a growing district on service provision include high levels of new development resulting in:

- Increased levels of development proposals for processing (30)
- Increased areas of open space to maintain (31)
- More waste to collect (32)
- More streets to clean

(Increased demand)

The district has generally low levels of deprivation, but there are exceptions, which centre on areas in and around the urban core of the former mining areas. The Council has invested significantly, both capital and revenue, in regeneration projects in these areas which have a focus on:

- Managing development pressures in a sustainable way
- Supporting development of the National Forest
- Attracting more job and inward investment to the area
- Building community capacity (e.g. OPRA)

(Increased supply)

The key issues in rural areas are connected with:

- Availability of affordable housing
- Promoting equal opportunity and social inclusion e.g. Community Partnership Scheme
- Availability of facilities – e.g. investment in village halls
- Support for parish councils in the development and delivery of services

(Increased supply)

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(30) Summary of PS2 return **(see ref 29 above)**
(31) Summary of ground maintenance database
(32) Best Value Performance Plan 2005 **(see ref 4 above)**

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5.1.2 (continued)/.... Adjusted service costs are difficult to determine, however despite the need to address these factors overall expenditure has been contained.	

5.1.3 To what extent are costs commensurate with service delivery, performance and the outcomes achieved?	**Reference to evidence source**
Please provide brief details and evidence to support your assessment in relation to the key areas of focus – please refer to the VFM Profiles tools for evidence: quality and standards achieved, including targeted investment to improve poorer services and quality of life; results of service inspections; and range of discretionary services provided.	
The overall cost of the services we provide is low; services are provided to a range of standards.	
High performance for example is achieved in areas of revenues and benefits, composting and planning; good progress is also being made with our IEG statement goals (33). User satisfaction is also high in housing (34).	(33) IEG Statement 4.5 **(see ref 16 above)** (34) Best Value Performance Plan 2005 (**see ref 4 above)**
There are however areas where improvements can be made; these have been identified in our CPA improvement plan (35). The Council's best value performance plan (36) details progress made to date. The Council's policy committees, member improvement panel and scrutiny committee also have a role in driving up performance and this will be further developed in the future.	(35) CPA Improvement Plan (36) Best value Performance Plan 2005 **(see ref 4 above)**
Our programme of best value reviews, detailed in Appendix B (37), has led to significant service improvements. They have been achieved utilising a variety of mechanisms including staff management policies, reconfiguration of service delivery and sometimes additional resources, e.g.	(37) Appendix B
▪ Waste recycling and composting performance standard achieved for 05/06 one year ahead of schedule (38)	(38) Best Value Performance Plan 2005 (**see ref 4 above)**

5.1.3 (continued)/..... ▪ Sickness absence levels reduced from a peak of 15.5 days in 01/02 down to 8.5 days 04/05 (39) ▪ Payments made to the Council – use of BACS (40) and cash office reduction in opening times (41) ▪ Re – engineering of the administration of council tax benefits (42) ▪ Improvement in time taken to process planning applications (43) We are especially proud of the Safer South Derbyshire Partnership, which is making a significant difference to the quality of life across the district. This has been achieved through a range of multi-agency projects resulting in reductions in specific areas of crimes e.g. auto crime (44). In 2004/05 the partnership spent around £474,059 with net expenditure cost by the Council of £161,000. Unlike many other partnerships, which are dominated by the Police the success of ours, benefits from shared ownership by the Council, police and others. Consequently more funding is obtained and spent to benefit partnership working. Looking ahead we can expect that the Local Strategic Partnership through the community strategy will play an increasingly prominent role in the development and delivery of services and the achievement of better outcomes for local people. We currently provide a range of discretionary facilities/services to help fulfil the corporate plan vision. New businesses are attracted to the area and tourism is promoted. This helps to fulfil our corporate plan primary aim, to 'Develop a vibrant and sustainable economy'. Famous names currently investing in the area include JCB, Futaba, Toyota, Bison and Morrisons. Around 1.8 million visitors are attracted annually to the district with a value to the local economy of around £60m. Our approach to the provision of leisure and recreation services illustrates the use of a variety of delivery mechanisms e.g.	(39) Best Value Performance Plan 2005 **(see ref 5 above)** (40) IEG statement 4.5 **(see ref 16 above)** (41) Conclusions and Recommendations from Best value Report on Cash Office (42) (43) (44) Best value performance plan 2005 **(see ref 4 above)**

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5.1.3 (continued)/.....

Rosliston Forestry Centre (including environmental education facilities) – partners include Aurora Country Developments and the Forestry Commission
Leisure centres provided and maintained through partnerships at Swadlincote (SLM), Etwall (Derbyshire County Council & John Port School) and Melbourne (Parish Council)
Parks, open spaces and sports pitches provided throughout the district - Maurice Lea Park; planned upgrade funded by lottery and use of section 106 agreements
Provision of support for voluntary sector groups through the Cultural Forum and South Derbyshire Sport
Support for the establishment and ongoing development of Sharpe's Heritage Centre
Operation of Swadlincote Market by Market Initiatives
Community Partnership Scheme funding for community based projects

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<td>These are compatible with one of our corporate plan's (45) secondary aims, to 'Improve access to leisure and cultural facilities' and 'support the National Forest'). Many of the services and facilities are provided/developed with a range of partners and 'levered in' funding from a variety of sources.</td>
<td>(45) Corporate plan 2005-2008
(see ref 1 above)</td>
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5.1.4 To what extent do costs reflect policy decisions?	Reference to evidence source
Please provide brief details and evidence to support your assessment in relation to the key areas of focus: how costs are assessed when decisions are made; the extent to which higher spending is in line with stated priorities; and the extent of long term cost considerations with major investments or partnerships.	
Effective financial management is the cornerstone of our prudential approach to the provision of services. Our strategic decision (46) to repay government debt has effectively made the Council debt free. This will result in significant cash flow savings of £300,000 over a three-year period and £200,000 thereafter which clearly impacts on our ability to fund future service provision.	(46) Repayment of Public Works Loan Board debt paper 2003
Elements of the framework used to determine spending priorities include the medium term financial strategies (47), budget setting processes, monitoring and reporting systems and evaluation of capital and revenue proposals. All new proposals are scored by a member working panel against the following: ▪ Council priorities ▪ Local and national priorities ▪ Risks ▪ Financing and external support	(47) Financial Strategy and Spending Plans 2004-2007 **(see ref 9 above)**
To these elements has been added, an additional value for money dimension in the form of our Gershon efficiency programme (48).	(48) Annual Efficiency Statements **(see ref 2 above)**

5.1.4 (continued)/…. The requirements of existing services are reviewed in both a planned and pragmatic way, some prompted by best value reviews, others as their operational circumstances change arising from both internal and external pressures. Opportunities are then taken to consider costs and delivery options at these junctures. Examples of this are: ▪ Introduction of new planning legislation and increased numbers of applications leading to increased staff. (49) ▪ A shift from leasing Council vehicles to out right purchase. (50) ▪ A review of staffing in accountancy and environmental health divisions leading to reduced staffing for the same quality service. (51)	(49) Planning Delivery Grant report for 2004-05 (50) Financing of Vehicles etc 2005 (51) Restructuring of Commercial & Licensing Section Report 2005
A recent report to scrutiny committee (52) sets out an analysis of Council spending in its main service areas and how it has how it has changed to meet council priorities over the past three years. We are also developing mechanisms for carrying out a more fundamental shift of resources from existing service areas to new community priorities including those associated with a growing district. This will build on the Gershon efficiency agenda and support the delivery of a new corporate plan for 2006/09.	(52) Corporate Scrutiny Committee Report 2005
Long term cost considerations for major investments involves financial projections and the revenue implications from capital projects. Issues to consider here include the financing of projects/services for which only 'pump primed' or 'limited early years' funding is available. With partnerships, the identification of the default position should the partnership cease or not deliver the expected outcome is also considered.	
Whereas at the moment these issues, where relevant, are considered on a case-by-case basis, (e.g. vehicle leasing) (53) the process can be improved.	(53) Financing of vehicles etc 2005 **(see ref 50 above)**

5.1.4 (continued)/.... For major projects the Gateway review approach as advocated in the National Procurement Strategy is an option. The position will be further improved through the adoption of Prince II project management process, training for which, is being rolled out for managers across the Council. Partners may be commercial companies, other Councils, the voluntary sector or a combination of these. For significant partners/scenarios, risks are assessed and exit strategies devised. In the main the following options or a combination of them are considered: ▪ Securing of additional long term funding ▪ An adjustment of service level ▪ Service development proposals We recognise that there is a particular need to review the operational performance of the LSP including funding arrangements and we plan to complete the review before the need of the year. Our aim is to secure an adequately resourced and sustainable partnership that has the capacity to deliver the communities vision and priorities.	

5.2 The council manages and improves value for money

What is the purpose of this section of the self-assessment?

This section provides the authority with an opportunity to demonstrate how it manages and improves value for money including its processes for monitoring and reviewing its costs. Local fieldwork will focus on the extent to which the authority identifies and pursues opportunities to reduce costs or improve quality within existing costs. Please provide evidence of outcomes achieved from any processes described.

Completing the self-assessment

Please provide short statements using the pro-forma to address the key line of enquiry and each of the key sub-questions:

5.2 How well does the council manage and improve value for money?
5.2.1 How does the council monitor and review value for money?
5.2.2 How well has the council improved value for money and achieved efficiency gains (limited to the last three years)?
5.2.3 Do procurement and other spending decisions take account of full long term costs?

KLOE 5.2 How well does the council manage and improve value for money?	Reference to evidence source
Please provide brief details and evidence to support your assessment focusing on: How the council manages its costs, whilst maintaining the quality of services and responding to local needs.	
Once the budget for the financial year has been determined, Service heads in conjunction with their accountants monitor income and expenditure on a monthly basis throughout the year. Budget holders also have access through the council's intranet to the financial management system (FMS) for up to date budgetary information. Any significant variances are identified and adjustments to expenditure/resources made. Budget profiling has recently been introduced and is being developed. This will provide an increasingly meaningful comparison during the course of the year.	
The financial position and progress on individual capital projects is checked at frequent intervals by heads of service and or unit managers. The asset management-working group chaired by the Director of Corporate Services monitors the overall programme (54).	(54) Asset Management Group Minutes – July 05
Regular budget monitoring reports are also made to members through the Finance and Management Committee (55).	(55) Financial Performance and Monitoring Report 2005 **(see ref 13 above)**
Through these processes, proposals are formulated, scrutinised and implemented ensuring that they are in line with Council objectives and policies.	

5.2 (continued)/.....

Employee costs form a significant part of service provision. In order to support the above approach, people based policies have been developed to enhance value for money and support service units e.g.

1. Sickness Management Policy
2. IIP
3. Range of personnel policies including flexible working

A workforce strategy is also being developed to indicate how people will be deployed, managed and developed with a clear focus on improving Council services.

We also keep under review the structure of the organisation to ensure that it remains fit for purpose in the long term.

Consultation with the public and other interest groups takes place at various levels. In the case of the local strategic partnership a forum was established and six themes were developed for the community strategy (56) In conjunction with the County Council. A citizen's panel provides a litmus test for views, which feed into policies and proposals. A rolling series of area meetings carried out each year provides another vehicle for the public's views to be made known (57). Individual services also carry out focused consultation exercises and surveys, e.g. a junior needs survey (58) (survey doc) and a housing needs survey (59).

(56) Community Strategy **(see ref 8 above)**
(57) Programme of Annual Meetings
(58) Junior Needs Survey 2005
(59) Housing Needs Survey (Summary)

There is recognition that further development work on consultation is needed; a greater level of co-ordination between service areas and external partners may help rationalise the process. A revised consultation strategy is planned which will build on the statement of community involvement required as part of the preparations for local development framework .

The information generated through this range of processes influences Council priorities and subsequent service delivery, e.g. Community strategy action plan (60).

(60) Community Strategy Action Plan 2005-2006

5.2.1 How does the council monitor and review value for money?	**Reference to evidence source**
Please provide brief details and evidence to support your assessment: current processes for monitoring and reviewing costs, including: - consideration of value for money in the annual budget process; - internal reviews (including Best Value reviews); and - cost indicators. Budget preparations begin early in the financial year. The major influencing documents are the corporate plan (61) the five-year capital strategy (62), the three-year financial strategy and spending plans, (63) which are updated annually if required. The process is informed by the treasury management document (64) and the out turn report from the previous year (65). Following consultations with area committees, the base budget is formulated and through discussions with heads of service expenditure is challenged. Budgets are formulated on the basis of maintaining and developing key services often to fulfil statutory obligations and to meet national and local priorities. In a fast growing district, demands on existing resources are generally increasing and where possible these increased demands are absorbed, effectively increasing resource utilisation and hence value for money. When such pressures can no longer be absorbed, service development bids are made which are judged in terms of meeting Council priorities. The bids are evaluated using an established scoring system. In these circumstances our approach to achieve continued improvement in services has focused on changing working practices and procedures facilitated by new technology. The approach has been augmented by partnership working and astute procurement. This process has been given further impetus as a result of the Gershon efficiency review programme.	(61) Corporate Plan 2004-2008 **(see ref 1 above)** (62) (63) Financial Strategy and Spending Plans 2004-2007 **(see ref 9 above)** (64) Treasury management report (65) Outturn report

5.2.1 (continued)/.... Best value and other reviews are used to form a view on the effectiveness and efficiency of particular service areas see appendix (66); the 4c's regime is applied along with benchmarking exercises. The overall programme of reviews has been agreed with our audit relationship manager. Our CPA improvement plan (67) sets out objectives and milestones for improving services and our customer focus. Our Best value performance plan sets out our annual achievements together with areas for improvements. Performance is monitored twice yearly and reported to the council's improvement panel.	(66) Appendix B **(see ref 37 above)** (67) CPA improvement plan **(see ref 35 above)**

5.2.2 How well has the council improved value for money and achieved efficiency gains over the last three years?	**Reference to evidence source**
Please provide brief details and evidence to support your assessment. Please append your backward looking Efficiency Statement covering 2004/05: council targets for value for money and efficiency gains; and the achievement of efficiency gains. Our net spending over the last three years has increased from £12.7m (02/03) to £15.7 in (04/05). Spending has focused on a range of priority service areas e.g. waste collection, recycling and composting and housing. Through prudential financial management the Council has endeavoured to achieve of value for money and efficiency gains through the services it provides. Efforts have met with a good deal of success with an emphasis on partnership working. The backward look Annual Efficiency Statement for 2004-05 (68) contains a number of examples of efficiencies the Council already had in place before the obligation to collate them via Gershon savings agenda was required.	(68) Backward Look Annual Efficiency Statement **(see ref 2 above)**

5.2.2 (continued)/....	
The Corporate Management Team has determined that the Deputy Chief Executive supported by the Head of Business Improvement will be responsible for coordinating and monitoring projects designed to achieve our efficiency target in 05/06 of £240,000. The Annual efficiency statements have identified efficiency gains achieved in 04/05 and those planned for 05/06 together with the strategy and key actions through which they will be realised. The 04/05 efficiencies reflect value for money improvements in procurement, partnering contracts, and reductions in sickness absence. Our 05/06 efficiencies set challenging targets for service improvements with a focus on corporate services. A Derbyshire wide initiative involving the Chief Executive's from the County Council and all district councils in the county are examining the potential for collaboration between authorities involving a range of services. The Council is currently investigating the scope for the joint delivery of specific services e.g. Building Control. For the future, the development of streamlined procurement practices holds considerable potential as indicated by a recent spending analysis. (69) Members are involved in both the formulation and monitoring of projects via respective policy committees and the council's improvement panel. (70)	(69) Summary of Spending analysis 2004-2005 (70) Improvement Panel report – Dec 04

5.2.3 Do procurement and other spending decisions take account of full long-term costs?	Reference to evidence source
Please provide brief details and evidence to support your assessment: how value for money is built into the council's procurement practice; the extent to which a 'whole life' approach is taken to spending and procurement decisions; identifiable savings achieved through procurement; and use of external funding to deliver council priorities.	
The Council has in place a corporate procurement strategy (71), which is currently being refreshed to harmonise with the National Procurement Strategy. In parallel with this we have developed various procurement approaches including: ▪ Partnerships with Councils, Public Authorities, Companies and the voluntary sector to deliver and purchase services ▪ Use of purchasing consortia ▪ Electronic Payments (BACS)	(71) Procurement Strategy 2003
These have already resulted in considerable savings as identified in our efficiency statements (AES). We realise that more development work is required and progressively we are developing electronic 'order to pay systems'. Patterns of payment are currently being mapped and will ultimately assist with a wide range of procurement issues.	
'Whole life costs' raise a number of issues which relate not only to the initial set up costs of goods/service but to the but also the ongoing and exit costs. Part of the Council's approach to this has been set out in 5.1.4. Service development proposals also consider risk and revenue implications. (72)	(72) Service development evaluation criteria **(see ref 11 above)**

5.2.3 (continued)/....

We obtain a significant amount of external funding from a range of sources. The funding may take the form of finance or a benefit in kind. This sometimes involves a bidding process and where central government is the source, it is invariably dependant on performance, e.g. planning delivery grant. Other sources of external funding include:

- Section 106 Agreements
- Derbyshire Environmental Fund
- Lottery Sports and Heritage Fund
- Barclays Spaces for Sport
- EMDA
- Derby & Derbyshire Economic Partnership
- Football Foundation
- National Forest Company
- DTI
- PCT
- Police Authority
- County Council
- Community Partnership Scheme
- Disabled Facilities Capital

Partnership arrangements, bids for external funding and section 106 agreements have produced considerable income to the Council; over the last three years this amounted to £2.7m. (73)

Table 1

Financial year	Partner funding £	Section 106 funding £	Total funding £
2002/03	313,299	158,027	471,326
2003/04	384,573	694,497	1,079.070
2004/05	532,233	616,715	1,148,948
			2,699,344

(73) Table 1 – extract from final accounts 2002 -2005

Contextual information

Please provide any other information you feel is relevant.	
Comments	Reference to evidence source