

IMPROVEMENT PANEL12th April 2005**PRESENT:-****Labour Group**

Councillor Whyman, M.B.E. (Chair) and Councillors Harrington, Murphy and Taylor.

Conservative Group

Councillors Atkin and Harrison.

APOLOGIES

Apologies for absence from the Meeting were received from Councillor Carroll (Labour Group) and Councillor Ford (Conservative Group).

IP/33. **MINUTES**

The Open Minutes of the Meeting held on 8th March 2005 were received. Clarification was provided under Minute No. IP/28, regarding comments made by Councillor Harrington, that the Panel should retain a strategic overview of the Gershon Project, rather than examining the detail of it.

IP/34. **GERSHON PROJECT - UPDATE**

The Deputy Chief Executive introduced Steve Powell, who had recently been seconded to the post of Head of Business Improvement, to Members of the Working Panel. He explained the work undertaken to date and the first requirement from the Office of the Deputy Prime Minister (ODPM) to submit a strategy for ensuring efficiency gains by Friday of this week. A draft document showing the outline proposals was circulated for the Panel's consideration. The Deputy Chief Executive took Members through this document and explained the requirements for this submission. The strategy comprised the cross cutting and sector themes, the suggested approach and consultation proposals. It included links to other plans and strategies and information was to be submitted on the proposals, performance measures and management of the process. The report proposed key actions to be taken during the year, together with efficiency saving measures for 2005/06. This included identified schemes in culture and sport, corporate services, procurement, productive time and with regard to transactions. The total projected savings for a full year were in excess of the £240,000 target for Year 1 of Gershon. This recognised that there would not be in effect, a full calendar year for the achievement of Gershon savings in 2005/06.

The Officer then touched on the consultation arrangements, explaining the discussions with Unions and staff meetings held to date. The Leader sought confirmation that this report set out the initial thoughts on potential saving areas and was subject to detailed consultation. The Deputy Chief Executive responded that the detailed proposals still needed to be considered by Members. If these areas were approved, there was a need to look at how the savings would be delivered. There was also a need for consultation throughout the process. The

Chair reminded of the cumulative nature of savings and the requirement for these savings to be achieved.

Councillor Harrison made a general point, referring to an article in a finance magazine on the monitoring of Gershon savings. The Deputy Chief Executive explained discussions to date with the District Auditor on the detail of auditing of this process. The ODPM wanted a more detailed approach and the Officer explained the feedback from District Audit (DA) to this. The measurement of quality was a further issue to be determined. He explained how it was proposed to approach this subject and there was the issue of equating quality to financial savings. DA would be able to check how the Council had achieved cash savings. Councillor Harrison felt there was a need for an internal system to ensure that the Council took full advantage of this opportunity. The Chair said there was a need to assume external inspection and to take Gershon very seriously.

The Chair then suggested looking at the detail of the report and the proposed saving areas. The Deputy Chief Executive explained the approach taken to seek a number of projects to show how savings could be achieved. The first project, within the policy division related to the Footpaths Agency Agreement. There was an opportunity to discontinue this agreement following the resignation of the current postholder. Members discussed service delivery issues and this would need to be considered by the policy committee. It was acknowledged that any efficiency savings should not be a service reduction.

There was a proposal to bring legal work for Right to Buy house sales back within the Council. Officers explained the potential risks associated with predicted levels of savings. With regard to procurement, DA experience showed that savings of between 3% and 10% could be achieved on expenditure. A modest assumption of £50,000 had been made, but this could be substantially higher in future years. In response to a question from Councillor Murphy, it was noted that the DA study took place approximately one year ago. The Member asked why this initiative had not already been implemented and the Deputy Chief Executive explained the proposals taken forward to date, together with future proposals that could be achieved with technology improvements. The Director of Community Services added that 72% of housing procurement was now undertaken through partnering arrangements.

Members were reminded of the recently agreed vehicle replacement strategy. There had been some discussion with DA around the treatment of this and other financing issues. Officers contended that this was a positive initiative and should be considered as a Gershon saving. The Chair was happy to attend a meeting with DA to endorse this view. It was thought that DA was awaiting the views of the ODPM on this issue. With regard to productive time, it was considered that agency staff could be procured more efficiently. There was the potential to reduce the need for agency staffing by streamlining recruitment to shorten the period of vacant posts. The Chair questioned whether there was an element of self-financing in this area because of the savings from vacant posts. It was noted that the Head of Human Resources was to submit a report to Members on the use of agency staff.

There were a number of transaction related initiatives, the first of which concerned maximising savings from IEG investment. Councillor Murphy questioned whether the identified £40,000 saving in this area was certain. Officers explained that there was a wish not to exclude any proposals at this time and a need to look at the detail of how savings would be achieved at a

subsequent stage. The Director of Corporate Services felt that by monitoring data over a full year it would prove actual transaction savings. The Deputy Chief Executive mentioned the issue of e-billing for Council Tax. There was currently a large cost in producing the Council Tax bill, but it was recognised that not all customers would want to receive their bill electronically. Councillor Murphy recognised the service improvements that had resulted from the substantial IEG investment. There was now a need to show where financial savings were being achieved. The Deputy Chief Executive said that to date the drive had been to make services available electronically. The focus now needed to move towards the more efficient delivery of all services that were available electronically. Councillor Harrington echoed that this was an ongoing process.

The Panel considered a project to review current methods of receiving payments, by exploiting electronic transfer methods and using localised outlets. The Chair commented on research through a Best Value Review where an option had been considered to close the Cash Office. Officers explained that the improved potential to use Post Offices and deliver benefits advice through the new contact centre made a reconsideration of the previous reviews appropriate.

Note: At 5.45 p.m., Councillor Taylor left the Meeting.

A proposal was outlined for expansion of the Contact Centre. The Director of Community Services explained the benefits that the Contact Centre had provided for the Environmental Health Service. Officers explained the potential capacity of the Contact Centre, the benefits in service for customers and the huge potential for savings. The Director of Corporate Services considered that the Council was well placed and could look at workforce planning issues to manage this process. Employment issues were discussed and there was the opportunity to relocate staff into currently under-resourced areas.

The final proposal was to review and re-engineer business practices and procedures for internal financial and operational transactions, to maximise the use of IT. This might require a small IT investment, but it should remove the current, sometimes bureaucratic processes for some internal functions.

IP/35. **INTERIM REPORT ON STRATEGIC PLANNING REVIEW**

Councillor Murphy explained that the Corporate Scrutiny Committee had prepared an interim report for the Improvement Panel on its Strategic Planning Project. The document was submitted for the Panel's information and feedback would be welcomed. He explained that Councillor Whyman M.B.E. and the Deputy Chief Executive had already made contributions as part of this project. A final draft of the document would be submitted to the Improvement Panel for consultation, before being submitted to the Finance and Management Committee. The Director of Corporate Services asked about the timetable for this review and it was hoped to complete the project during this municipal year. The Chair urged a response from Senior Officers on this interim report. It was agreed to include an item on a future Improvement Panel agenda, at the appropriate time, to consider the final review report.

IP/36. **CORPORATE PLAN 2005/08**

The Panel gave consideration to the first draft of the Corporate Plan 2005/08. The Deputy Chief Executive gave an outline of the approach taken in producing this document and the issues considered to date. The Chair questioned whether

the document would be submitted to policy committees and the Corporate Scrutiny Committee.

The Head of Policy and Economic Regeneration explained that this was the first draft of the document and internal consultation was still required. This Corporate Plan would be considered under the current process and the work of Corporate Scrutiny Committee would inform future Corporate Plans for the period 2006/09 and beyond. The Chair accepted this point, but would also welcome the input of Corporate Scrutiny to this Corporate Plan. Councillor Murphy explained the current commitments for the Scrutiny Committee and the time pressures. However, the contents of the Corporate Plan would be scrutinised.

Reference was made to the majority group's manifesto and the priorities identified therein. The Deputy Chief Executive explained that this document was a key part of the Council's Performance Management framework. Officers had taken on board the majority group's manifesto and recognised these issues within the document. It was important that the document was finalised by the time of Annual Council in order that its objectives were cascaded throughout the Council for the following municipal year. In response to a question from Councillor Atkin, it was confirmed that the aim was for the document to be finalised and approved by 19th May 2005. The Chair recognised the time pressures, but felt there was a need for consultation to ensure ownership of the document.

The Head of Policy and Economic Regeneration highlighted particular sections of the draft Corporate Plan. She referred to the key aim of Caring for the Environment, highlighting the manifesto issues and the other issues that had been reflected in the document. This Corporate Plan included sharper targets and more meaningful performance indicators. There was the use of outputs and outcomes to address the CPA feedback. Under this section, Councillor Harrison complained about current grass maintenance issues. On behalf of Councillor Taylor, the Chair submitted comments and concerns about this section of the Corporate Plan. There were a number of examples and the Chair highlighted the omission of the Council's decision to support the Nottingham Agreement on Climate Change.

The key aim of improving services was considered. The Officer highlighted CPA themes and explained how they would be shown in the final plan. Councillor Murphy asked about the inclusion of local indicators. In response, the Officer referred to specific sections of this key aim, the outputs and outcomes, to show the proposed approach. Delivery of the Plan was also discussed together with the links to Gershon. In response to a question from the Chair, there was a discussion about how the Corporate Plan addressed comments and criticisms from the CPA Inspectors. It was questioned whether the Council had an audit trail of progress and this was addressed through the Improvement Plan. The Deputy Chief Executive added that once the revised Corporate Plan had been approved, the Improvement Plan would also be revised, so that it was in line with the other performance management documents. Councillor Harrison asked about rural proofing issues and made comment on older peoples' services. Officers responded, explaining where the Corporate Plan sought to address these issues. In closing the item, the Chair summarised the planned consultation on the Corporate Plan.

IP/37. **DATES OF FUTURE MEETINGS**

It was agreed that the next Meeting of the Improvement Panel be held on Thursday, 12th May 2005 at 5.30 p.m. A future Meeting was provisionally agreed for Wednesday 25th May at 5.00 p.m. In response to a comment from Councillor Harrison, it was agreed to submit the “traffic light” report to a future Improvement Panel Meeting.

B. WHYMAN, M.B.E.

CHAIR

The Meeting terminated at 6.30 p.m.

IMPROVEMENT PANEL

12th May 2005

PRESENT:-

Labour Group

Councillor Whyman, M.B.E. (Chair) and Councillors Carroll and Harrington.

Conservative Group

Councillors Atkin, Ford and Mrs. Wheeler (substitute for Councillor Harrison).

APOLOGIES

Apologies for absence from the Meeting were received from Councillor Murphy (Labour Group) and Councillor Harrison (Conservative Group).

IP/38. **MINUTES**

The Open Minutes of the Meeting held on 12th April 2005 were taken as read, approved as a true record and signed by the Chair.

IP/39. **MATTERS ARISING - CORPORATE PLAN**

Further to Minute No. IP/36, the Working Panel gave consideration to the draft Corporate Plan for the period 2005/08. The Deputy Chief Executive explained that the document was considered by the Corporate Scrutiny Committee at its Meeting on 9th May 2005. The latest version of the Plan had been updated to include outputs and outcomes. The Officer explained the proposed process to finalise the Corporate Plan by the end of the month and the reasons for this. A seminar would be held for all Members on 25th May and the Plan and would then be submitted to a Special Council Meeting on 2nd June 2005.

The Chair referred to the section of the Plan on the key aim of community leadership. There was a discussion around Members' involvement in outside bodies and the receipt and circulation of information to other Members of the Council. The Chair explained the approach used by the Nottingham East Midlands Airport, which he felt could be applied by the Council as a means of reporting on outside bodies. Members also discussed a proposed milestone for this area together with a performance indicator. There might be some difficulty in monitoring levels of Member attendance at outside bodies. Another Member recognised the importance of people attending the outside bodies to which they were appointed. Officers explained that this item stemmed from the controlling group's manifesto and the desire to ensure that South Derbyshire was represented at important forums. Guidance was sought from Members on a suitable alternative performance measure for this area. It was a matter for Members to determine their community leadership role and after further discussion it was suggested that the performance indicator be withdrawn. Officers explained the opportunities for Members to submit comments on the draft Corporate Plan, before it was finalised.

IP/40. **GERSHON EFFICIENCY SAVINGS – OVERALL DELIVERY PLAN**

A report was circulated for the Committee's consideration. The Council had determined in its "Forward Look" Annual Efficiency Statement (AES) that it would undertake a series of efficiency projects to produce cashable savings of £302,000 in a full year. This was in excess of the Government target for 2005/06, but it recognised that for some projects a full year's saving could be not be achieved. The Paper outlined the approach by which these projects could be delivered, the methods of reporting to be used and how proposals could be developed for subsequent years. The report contained sections on reporting to the ODPM, the co-ordination of projects, project planning and briefs for the projects to be undertaken in 2005/06.

The Working Panel considered each of the project briefs. With regard to the proposal to terminate the Footpaths Agency, the Chair explained that there had been some Member concern and there might be a need to revisit this proposal. The Deputy Chief Executive confirmed that there would be a choice for Members on which projects to proceed with, but the savings targets were fixed. In response to a question from Councillor Ford, the Deputy Chief Executive explained the likely proportion of savings to be achieved from larger projects, with the balance from a number of smaller project proposals. The Head of Finance and Property Services was looking at a realistic de-minimis level for saving thresholds from smaller projects.

Councillor Atkin submitted questions with regard to the procurement project for the purchase of vehicles. He was concerned about the potential extra equipment costs if grass cutting was not up to standard. The Deputy Chief Executive explained the financial strategy considered by the Policy Committee, issues around level of service and the options available to the Council with associated cost implications. The Chair added that the Council was committed to this project. There was a discussion on the procurement project to reduce transaction costs and the costs of procuring goods and services. Councillor Harrington felt that the projected savings seemed too low. Officers explained that these were the initial projected savings and there could be substantial savings in the future. Procurement was an area for significant savings and the Council had been advised that between 3% and 10% could be achieved. This project concerned payments by BACS, a reduction in the number invoices and the potential use of payment cards. The Gershon saving would result from jobs saved and transferred elsewhere. Some savings could be achieved from the purchase of goods at a more competitive price. There was a need to establish a baseline position and assumptions could not be made at this stage. Councillor Harrington clarified that the first year's savings were important, as this would benefit the year on year savings. He felt that the savings could be increased and the Council should be focusing on the larger potential saving areas. The Deputy Chief Executive clarified the nature of this project. The Chair sought further information about the Council's total revenue expenditure and the proportion that related to staff salaries. He then equated the suggested procurement saving of between 3% and 10% in terms of the salaries budget. In response to a question from Councillor Atkin, the Deputy Chief Executive confirmed the savings target for this year and the cumulative savings required in future years.

IP/41. PERFORMANCE MANAGEMENT REPORTING CYCLE 2005/06

The Deputy Chief Executive presented a report for the Committee's information. It explained the reporting arrangements for Service Plans, Best Value Performance Indicators, the Best Value Performance Plan, the Corporate Plan and CPA Improvement Plan for each quarter of the 2005/06 financial year and for the first quarter of 2006/07. The Officer highlighted particular sections of the report. Members discussed the requirements placed on the Council and the Chair touched upon the positive aspects, which could come from review processes such as the Comprehensive Performance Assessment. The Chief Executive emphasised the need to implement the findings from such reports.

IP/42. 2004/05 BEST VALUE PERFORMANCE INDICATORS

An updated report was submitted to show the Council's performance against Best Value indicators at the end of December 2004. This "traffic light" report showed, for each Best Value Performance Indicator (BVPI), whether the target was likely to be achieved and whether there was an improvement on 2003/04. A further report would be provided to the next Meeting of the Improvement Panel with statistics for the end of the 2004/05 year.

In reviewing the document, Members questioned individual performance indicators and further information was supplied. Councillor Mrs. Wheeler asked about the source of data relating to the percentage of the economically active ethnic minority community population and it was understood this came from interim census data. Questions were submitted about BVPI's where no data had been supplied. It was explained that discussions were ongoing with the Housing Department on the frequency of monitoring undertaken. Councillor Mrs. Wheeler requested that Members be kept informed of such BVPI information. Councillor Atkin submitted questions about rent collection, the levels of arrears and the proportion of rent collected. This target could not be achieved, as it provided for 100% of rent to be collected. For the BVPI report it was not possible to split rent collection and arrears, but information could be supplied to Members and the Deputy Chief Executive agreed to consider this. He commented particularly on BVPI 199, explaining the requirements for street cleansing to remove both litter and detritus. It was considered that some local authorities might not be as rigorous in their monitoring of this indicator. Councillor Ford stated the difficulty of achieving this indicator in rural areas. In response to a question from Councillor Atkin, it was confirmed that this BVPI did not include fly tipping data. Information was also supplied with regard to BVPI 84, concerning the weight of household waste collected per head of population. It was confirmed that this BVPI included the collection of recyclable materials.

IP/43. 2005/06 BEST VALUE PERFORMANCE INDICATORS – PRIORITIES

A report was submitted which identified the various Best Value Performance Indicators relating to Council services under the headings of Corporate Health, Housing, Homelessness, Housing Benefit and Council Tax Benefit, Waste and Cleanliness, Environment and Environmental Health, Planning, Culture and Community Safety and Wellbeing. The document highlighted perceived priorities in terms of national standards set by Government and those which accorded with the controlling group manifesto and the draft Corporate Plan. At this stage, the document was tabled for information and to enable discussion by both political groups. There was a need for some more analysis and ultimately, the Council could focus on achieving upper quartile performance for all priority services.

Members considered the report and submitted questions on the data collection and targets relating to Community Safety and Wellbeing. It was noted that there had been some financial rewards for achievement of Crime and Disorder related targets. This document had initially been considered by Officers in the Policy Team and approximately half of the Best Value Performance Indicators were considered to be a priority. Members were requested to provide feedback on this document within the next two weeks.

B. WHYMAN, M.B.E.

CHAIR

The Meeting terminated at 7.00 p.m.

