



**South  
Derbyshire**  
District Council

# *Value for Money Update*

## *October 2008*

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### Background Documents:

1. Annual Report 2008
2. Corporate Plan refresh 2008/9
3. IPF VFM Statistical review 2008
4. Housing Inspection 2008
5. Use of Resources Assessment 2006, 2007 & 2008
6. Audit Commission's on-line VFM profile tool 2008

## Themes

We have created six themes to focus our efforts to achieve our vision for the people of South Derbyshire. This report outlines the work that we have carried out to deliver our vision and the outcomes we have achieved in 2007/8.

- Safer and Healthier Communities
- You at the Centre
- Higher Quality Services
- Prosperity for All
- Rural South Derbyshire
- Stronger in the Region

## VALUE FOR MONEY

For the past two years the Council has been assessed as 'performing well and above minimum standards' – 3 out of a possible 4, for the Use of Resources Value for Money theme. We have also achieved of 3 for both parts of this theme in 2007 and we have shown year on year improvement in this area scoring 2 in both parts of this theme in 2005 and a score of 2 for the Council currently achieves good value for money and a score of 3 for the Council manages and improves value for money in 2006.

The 'Use of Resources' judgement by the Audit Commission for 2007/8 highlighted that

***'In relation to value for money (VFM) the Council has improved over the last year and is performing well. It has continued its prudent approach to finances and made further significant efficiency savings***

We believe that we have at least maintained our score of 3 for criterion 5.2 and and have made further improvements for criterion 5.1 (achieving good value for money) and therefore for the theme overall, and are 'performing well and above minimum requirements'. This update document adds to our previous comprehensive submissions by detailing significant improvements made since last year.

## 5.1 The Council currently achieves good value for money

- ✓ We are a low spending council and have a well-developed framework to manage our finances. The Corporate Plan for 2007/10 includes a commitment from the Council that *'Value for Money services ...will be at the heart of everything that we do'*.
- ✓ We are embedding a culture of VFM, and are using procurement to deliver savings, and our business improvement programme is working well to identify more efficient means of service delivery and better use of resources.
- ✓ We have fundamentally reviewed our financial plans to ensure continued financial prudence and the last Council Tax increase was 2.5% for 2008/9. The level of council tax used to finance the authority's budget is 41.2%, the lowest within our nearest neighbour group.
- ✓ Our 2008/09 Council Tax increase of 2.5% was:
  - Below the rate of inflation as measured by both the Retail Price Index and Consumer Price Index;
  - A continuation of the downward trend of the last 5 years, than the previous year; and
  - Below both the county and national averages.
- ✓ The Council continues to be one of the lowest spending Councils for all districts and where we are the 58<sup>th</sup> lowest out of 238 non-metropolitan district authorities in England.
- ✓ Expenditure per head of population is estimated to increase from £138.89 to £138.79 in 2008/9, which is significantly below our nearest neighbours average of £150.24, and more than £27 lower per head lower than the all district average spend of £165.42.
- ✓ Environmental services represents the largest spending service area within South Derbyshire with 33.43% of total service expenditure above both the nearest neighbour group average of 32.89% and the district average of 31.17%. In response to this our Waste and Cleansing service is currently out to tender to make cost and efficiency savings from 2009/10.
- ✓ The total grant allocation for South Derbyshire is just short of £22m averaging £243 per head of population and this is lower than the average for all districts at £329 per head and than our nearest neighbours at £273 per head.
- ✓ Our combined debt position is very small at only £0.28m and at just £3.13 per head of population and 2.4% of operational assets; the combined level of debt is a long way short of the group averages of £10.59 (4.1%) within the nearest neighbours group and £15.47 (4.0%) within all district councils. This position gives us the flexibility to use the resources we would be using to pay off the debt to invest in our services for the benefit of the residents of the district.

- ✓ Average band D equivalent Council Tax figures for 2008/9 show that we are 84<sup>th</sup> lowest of all Districts and is £144.42, below both the nearest neighbour and all district averages of £149.89 (3.7% increase) and £157.70 (3.6% increase) respectively.
- ✓ In 2007, in all 11 areas of reporting, covering financial management and standing, internal control and also in giving value for money, the Council was judged by the Audit Commission as “performing well” in all the ways in which a local authority can use its financial resources. 62% of our Best Value Performance Indicators for 2007/8 are above the national average (based on the 2006/7 audited quartiles), with 46% in the top quartile, the same as 2006/7 (46%).
- ✓ We have a Disposals Policy in order to bring forward the sale of assets that are surplus to requirements and in 2007/8 we netted £300,000 and this has been invested in the development of Council Services that are delivering on our key priorities.
- ✓ We have in place a People Strategy and continue to develop our managers and leaders. We have IIP accreditation and good working relationships with the unions. Our change management policies have been tested of late and have proven to be robust. Changes to structures have been seamless in terms of the delivery of services to the public.
- ✓ Similarly, our analysis of the IPF VFM Statistical Review Report shows South Derbyshire District Council as having below average costs per head for the following services:
  - Environmental and Public Health
  - Street Cleaning
  - Planning services
  - Housing Benefit Administration
  - Culture and heritage;
  - Tourism; and
  - Recreation and sport;
- ✓ Overall satisfaction with the Council improved from 54% in 2003/4 to 58% in 2006/7 over the last two BVPI surveys, against a backdrop of a national decline, and is above the national average for all Councils in England. Similarly we have achieved the 5<sup>th</sup> highest rating in England for satisfaction amongst tenants for the Housing Services in 2006/7.
- ✓ Had our Strategic Housing Services inspected by the Audit Commission who concluded that it provide a *‘good 2 star service with excellent prospects for improvement’*, one of the highest ratings for this service in the Country
- ✓ Our capital programme was £6.7million last year and enabled us to carry out improvements to many areas including, parks and recreation grounds, the development of Rosliston Forestry Centre, carrying out disabled adaptations in homes, extending the recycling scheme and improving Council homes. These areas are all important areas and contribute to delivering our corporate priorities.
- ✓ Our success in leveraging in external funding from organisations such as Big Lottery fund, Derby and Derbyshire Economic Partnership and Sports England means we can make our own funds go that much further. We attracted for our community (2007/8) around £207,000 of funding paid via section 106 agreements and levered in over £500,000 of additional funding into our community through matched funding on projects. We will also ensure our

future capital schemes are not only affordable but also sustainable and continue to match our corporate priorities.

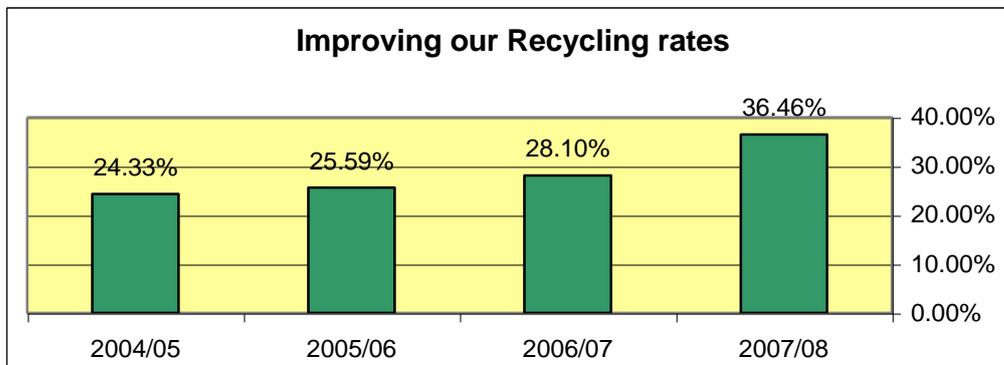
- ✓ Through our local planning role and economic development activities attracted to the area significant inward investment in excess of £17.5 million in 2007/08. We have attracted some £160 million of inward investment over recent years and the total number of businesses in South Derbyshire has grown twice as quickly as the national average over the last recorded 10 years. Significant external investment has been secured to improve the area for local people in line with our corporate priorities. Examples include:
  - Swayfield Group in Willington - A £7.5 million investment to develop an “Extra” 24-hour service station facility on the A50 with food court, shop and parking for 100 cars and 9 coaches. The development will include a pub/restaurant run by Cloverleaf Pubs Ltd, 81-bedroom hotel operated by Etap (part of Accor), a KFC drive-thru restaurant and a Shell petrol station, creating 60 jobs. This links to our **Prosperity for all theme**.
  - Through partnership working with the County Council, Derby and Derbyshire Economic Partnership, Toyota Motor Manufacturing (UK) Ltd, Badminton England, Etwell Leisure Community Group and John Port School we have funded £6.9million investment and have started to construct a 21<sup>st</sup> century leisure facility. The physical developments will include a new build multi-purpose facility Leisure/sports facilities will be constructed to Sport England standards. This links to our **Safer and Healthier communities theme**.
  - An example of matched funding is Eggington Memorial Hall where our investment of £25,000 helped lever in a total of over £406,000 to the hall which has been totally refurbished and a new larger hall has been added, without losing the original character of the 1857 building. There is no pub, church hall or other meeting place within the village, so this is a great asset for the community and links to our **Rural South Derbyshire theme** and will have:
    - Comfortable meeting room for use throughout the day.
    - Larger new hall for gatherings, celebrations and a range of activities.
    - Well fitted kitchen and new lavatories.
    - New classroom for the Primary School.

- ✓ Our key frontline services were performing well in 2006/7 as seen below (based on 2006/7 audited data) and are being delivered at some of the lowest costs in the Country whilst being very well received by residents:

Service Performance	Cost	Public Satisfaction
<p><u>Housing – rent collection</u> Level of rent collection 99.6%. Top quartile performance (6<sup>th</sup> Best) against All Districts (AC VFM Profile)</p>	<p>HRA debit per dwelling is £3,792 which is lower than the nearest neighbour average (£3,810) and all district (£4,169) (IPF VFM statistical review). Top quartile performance on average weekly cost of management per unit (BPSA e1e) (AC VFM Profile)</p>	<p>We have achieved the 5<sup>th</sup> highest rating in England for satisfaction amongst tenants for the Housing Services in 2006/7.</p>
<p><u>Decent Homes</u> Only 5.0% of dwellings within South Derbyshire were deemed non-decent at the start of the year (8.0% previous year), compared to nearest neighbour average (17%) and all districts (23.6%) (IPF VFM statistical review). Top quartile performance against All Districts (AC VFM Profile)</p>	<p>HRA debit per dwelling is £3,792 which is lower than the nearest neighbour average (£3,810) and all district (£4,169)</p> <p>We performed at the average level on the % of expenditure on repair work that was planned (BPSA d28b) (AC VFM Profile)</p>	<p>We have achieved the 5<sup>th</sup> highest rating in England for satisfaction amongst tenants for the Housing Services in 2006/7.</p> <p>Top quartile performance in the satisfaction of tenants with the repairs and maintenance service. (BPSA e8e) (AC VFM Profile)</p>
<p><u>Sport and Recreation</u> Although no national performance indicators exist we have exceeded our local targets by delivering 416 sessions with 14,585 participations in sports development, play schemes and cultural activity. (LPI 26/27 – Leisure and Community Services)</p>	<p>Low spend in recreation and sport per head of the population, third lowest in the nearest neighbour group (IPF VFM statistical review)</p>	<p>93% of people satisfied with Sports Development activity provision (viewed as either Excellent or Good) Local PI 31</p>
<p><u>Benefits processing:</u> About average speed of processing new Housing Benefit/Council Tax claims at 28.1 days on average whilst at the same time implementing new software systems. (AC VFM Profile)</p>	<p>Top Quartile performance against all districts with a low cost of £8.35per head in Benefits Administration in particular Housing Benefit at £4.03 per head. (AC VFM Profile)</p>	<p>Top quartile performance of 87% with overall satisfaction with the Benefits Service. (AC VFM Profile)</p>

## TRACK RECORD OF INVESTMENT: RECYCLING

A service development was approved from 2006/07 on an-going basis to increase recycling and composting. This has led to on-going resources being invested of £124,000 per year from 06/07, although in the first 2 years, this was supported by government grant of 50%. On-going grant (through the LAA) is £40,000 from this year 08/09 - so the cost to us is about £84,000 per year, and we contract this out. In addition, the County substantially met the capital costs - green boxes (£52,000) and brown bins (£220,000). We have provided the 'in vessel composting scheme that can be used to recycle food waste, which accounts for up to a fifth of the content of the average household bin that can be recycled. This was introduced to 11,000 additional homes in 2007/8 and this meant over 30,000 households now had the system. Household waste sent for recycling and composting increased from 28.10% at the end of 2006/7 to 36.46% at the end of 2007/8 with plans to improve this even more with a target of 40% by the end of 2008/9. We are currently performing at 49% at the end of June 2008



Our investment has enabled us to exceed our Defra performance standards by over 10%; we are on course to exceed our own Corporate Plan target of 38% by March 2009; and most importantly we are witnessing the amount of waste collected per head reducing through promotion and education programmes. The Audit Commission Value for Money profile report shows our waste collection costs per head as below the average for District Councils.

## 5.2 The Council manages and improves value for money

We have continued to make improvements over the last 3 years moving from a score of 2 in 2005 to a score of 3 in managing and improving value for money. We have made further improvements as identified below in order to ensure that we retain this score this year.

- ✓ We are bringing together the strands of financial planning, process improvement, customer satisfaction and learning and development together as part of the Council's Corporate Planning Cycle. This will enable us to target our resources at the Council's priorities and to make sure we have the capacity and are delivering on those things that matter to residents.
- ✓ As part of the Annual Budget round, the Council makes savings within existing budgets (mainly in support and transactional services) so that these can be redirected to more front line and priority services. The Council has already identified certain areas that will contribute to an overall target set by the Government. However, given the longer-term financial position, the identification of cashable savings will become ever more important, and these will be the main option available for services that are looking to develop.
- ✓ We have an on-line system for the monitoring of our budgets. We also analyse costs through regular meetings between service accountants and Heads of Service and report cost information through quarterly budget reports to members. We also monitor a number of cost indicators on collection of Council Tax, Housing Benefit and the cost of our waste collection.
- ✓ We have adopted an integrated approach for ensuring continuous improvement/VFM, by embedding the 4'C's of Best Value into 4 work streams of Procurement, Efficiency, Performance and Consultation. This includes:
  - Business Improvement Projects to identify capacity savings by streamlining processes and best use of IT. This has also brought about cashable savings.
  - Strategic Service Reviews to establish alternative forms of service delivery including restructuring, partnering and outsourcing.
  - Monitoring performance through indicators in all service areas so we can see how need to shape services in those areas to improve outcomes, including investing in services such as planning.
  - We feed the findings of consultation into services so that we can continue to look at how we are meeting customers' expectations and where we are not looking to shape the service provision to do so.
- ✓ Our Business Improvement and Procurement section will review all Council service areas over the next 3 years to 2011. This will be a catalyst for efficiency and capacity savings over the period. Strategic reviews will be undertaken as part of the Council's methodology of providing Value for Money
- ✓ Our Leadership and Development Programme is helping us to skill our workforce to help support the delivery of our services through new ways of working.

- ✓ We are continuing to embed a culture of value for money through the work undertaken by our Business Improvement Team including procurement. We had made cumulative efficiency savings of approximately £1.3m between 2004 and 2007 (against the Government's target of £470,000). In 2007/08, this figure had increased to approximately £1.8m against a target of £710,000. These savings have been put back into services in order to meet Council priorities.
- ✓ On the back of this we have developed this approach to:
  - Streamline the print room and improved our grass cutting services.
  - Lead on the use of the Office of Government and Commerce paper framework for all of the East Midlands Councils.
  - Reviewed all sites billed for water – resulting in two sites being highlighted as being in the incorrect charging band. Negotiations are currently in progress to determine a refund of charges for the previous 6 years and this will be reported to Committee on completion.
  - Bring together resources across the Council to communicate the work we are doing on delivering the Council's priorities.
  - Improve the way we deliver our Waste and Cleansing services by going out to public tender to look at different methods of delivering the service.
- ✓ Our future target on efficiencies is to make savings of £500,000 by March 2011 and to have made £100,000 of this by March 2009. As at the end of June 2008 we reported to committee a figure above our planned savings.
- ✓ Attracted for our community (2007/8) around £207,000 of funding paid via section 106 agreements and levered in over £500,000 of additional funding into our community through matched funding on projects.
- ✓ Our record in leveraging external funding is exemplary. To date we have successfully in total over £4 million has been raised by the Council for leisure, community and economic development projects during the last year. This included:
  - £50k from the Big Lottery for Eureka Park
  - £250k for Get South Derbyshire Active from Sport England
  - £200k for Children's Play from the Big Lottery
  - £600k for Cabins and performance arena at Rosliston Forestry Centre from DDEP and National Forest
- ✓ We have a robust and prudent 5-year Medium Term Financial Plan that enables us to continue to provide high quality services to residents at low cost, with no planned reduction in the level of these services even within the context of the current climate.
- ✓ Specifically we work with a wide range of partners that include:
  - South Derbyshire Local Strategic Partnership (LSP)
  - Derbyshire Partnership Forum
  - Derbyshire Transformational Partnership
  - Derby and Derbyshire Economic Partnership

- Safer South Derbyshire Partnership
  - Derbyshire Sport
  - National Forest and Beyond Partnership
  - South Derbyshire Sport
  - Get Active in the Forest
  - Rosliston Forestry Centre Partnership
  - Derbyshire Arts Partnership
  - Nottinghamshire and Derbyshire Local Authority Energy Partnership
  - Derbyshire Supporting People Board
  - South Derbyshire Play Partnership
- ✓ The LSP brought together partners from across the district to deliver improvements for the people of South Derbyshire. During 2007/8 the LSP delivered schemes including:
- Local involvement in crime reduction through Safer Neighbourhood Scheme, based on 6 areas leading to community working to reduce crime and fear of crime.
  - Three Youth facilities provided at Chestnut Avenue, Castle Gresley and Hatton to offer diversionary activities for young people.
  - Developed a Play Partnership and Strategy securing £200,000 Big Lottery funds to improve play opportunities across the district
- ✓ We work through the Derbyshire Transformational Partnership with the County Council and Districts on a range of projects that include a countywide website provider (Tridion), Customer Relationship Management system and GIS. As a County we have made estimated savings of around £900,000 with over £110,000 made in South Derbyshire in 2007/8.
- ✓ We use high quality information and benchmarking on costs to actively manage performance, improve value for money and target resources. Benchmarking is carried within Business Teams through a range of activities and with county wide groups. We are also working with our nearest neighbour authorities to develop real time benchmarking so we can share performance on a quarterly basis to analyse trends and to learn from Good practice. We also work with the Institute of Public Finance who produce an annual VFM statistical review for the Council and have done so for the past 4 years.
- ✓ We are looking at innovative service delivery methods to secure VFM, for example our waste and cleansing service is currently out to tender. As a result of this tender we should see efficiencies and improvements in the service making annual savings and new depot facilities and investment in a new fleet of freighters that will make the service more reliable for our customers.
- ✓ We work in partnership with Sports & Leisure Management Ltd to manage our indoor leisure site Green Bank as Following a successful ten year partnership Green Bank Leisure Centre has received a £200,000 investment. This coincides with the announcement of an extension to SLM's contract for a further three years. The investment has included improvements in the gym area where sixty new pieces of the latest state-of-the-art equipment has been installed and the complete refurbishment of the squash court facilities. The investment also covered a new computer system to allow customers to gain faster entry at reception and make bookings for activities both at the centre and online, both of which enable customer to beat the queues

- ✓ Our management arrangements for securing Data Quality have now been assessed as 'performing adequately' (Audit Commission, December 2007). The Council however recognises the importance of data quality, as we need to have reliable, accurate and timely performance information to manage and develop services, inform users and demonstrate our performance. Since then we have developed our Data Quality Strategy and Action Plan and have so far made improvements in:
  - Training our officers and members and raising awareness of the importance of data quality at all levels of the authority.
  - Developing our new performance management framework through the procurement of our performance management system (Ten) to better manage and use information. The new framework will help us understand the links between performance data, financial information and customer feedback and use this to make evidence based decisions on service delivery.
  - Simplifying the data collection process whilst ensuring that controls still maintain robust and timely performance information.
  
- ✓ We are proactive in our approach to ensuring fair access to services and have carried out a number of risk based Equalities Impact Appraisals (EIRAs) screenings. These have been undertaken on established policies and procedures within our Human Resources, Finance and Housing sections of the Council in order to ensure no group/s are disadvantaged. We have also carried out EIRAs on new policies and procedures such as our Draft Corporate Anti-Fraud and Corruption Policy and Fees and Charges Policy have a programme of appraisals in place to look at all our high-risk areas. We will undertake full EIRA's on all high-risk policies and procedures that have been identified through this screening process.
  
- ✓ We undertook a joint procurement exercise on the Place survey as part of a Derbyshire District Consortium (which was led by North East Derbyshire). We went through a tender process and long listed 16 companies and short-listed these down to four before the survey was contracted out to Ipsos Mori on the basis of cost and quality (based on track record of delivering these surveys, added value of benchmarking across the country and customer insight). This process alone saved the Council approximately £1,000 in savings based on officer time, postage, printing, venue costs and communication costs and the economies of scale also brought a lower than expected price against our budget (£20,000). It also has the added value of joint working across the county. The final cost with Ipsos Mori and this will cost us around £15,000.
  
- ✓ We have re-organised the top management structure to ensure we are 'fit for the future', and continue to look at structures in departments to make sure we have the organisation in place to deliver the effective services customers require as highlighted in the previous point
  
- ✓ Value for Money is embedded within the culture of the Council as demonstrated by:
  - The commitment to achieving value for money being a key part of our Vision 'by offering value for money services' and actions under the priority area Better Value for Money under the theme 'Higher Quality Services'
  - The identification of efficiencies within all of our 9 Service Plans, which will investigate opportunities for market testing, shared services and targeted procurement savings for all areas;
  - Our success in exceeding our Gershon efficiency targets.