

# Public Document Pack



## Business Efficiency Board

Wednesday, 9 January 2008 at 6.30 p.m.  
Civic Suite, Town Hall, Runcorn



**Chief Executive**

### BOARD MEMBERSHIP

<b>Councillor Dave Leadbetter (Chairman)</b>	<b>Labour</b>
<b>Councillor Martha Lloyd Jones (Vice-Chairman)</b>	<b>Labour</b>
<b>Councillor Carl Cross</b>	<b>Conservative</b>
<b>Councillor David Findon</b>	<b>Conservative</b>
<b>Councillor Eddie Jones</b>	<b>Labour</b>
<b>Councillor Alan Lowe</b>	<b>Labour</b>
<b>Councillor Ulfar Norddahl</b>	<b>Liberal Democrat</b>
<b>Councillor Shaun Osborne</b>	<b>Labour</b>
<b>Councillor Ged Philbin</b>	<b>Labour</b>
<b>Councillor Tim Sly</b>	<b>Liberal Democrat</b>
<b>Councillor Philip Worrall</b>	<b>Liberal Democrat</b>

*Please contact Caroline Halpin on 0151 471 7394 or e-mail [caroline.halpin@halton.gov.uk](mailto:caroline.halpin@halton.gov.uk) for further information.*

*The next meeting of the Board is on Wednesday, 27 February 2008*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

<b>Item No.</b>	<b>Page No.</b>
<b>1. MINUTES</b>	
<b>2. DECLARATIONS OF INTEREST (INCLUDING PARTY WHIP DECLARATIONS)</b>	
<p>Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda, no later than when that item is reached, and (subject to certain exceptions in the Code of Conduct for Members) to leave the meeting prior to discussion and voting on the item.</p>	
<b>3. CPA - USE OF RESOURCES ASSESSMENT</b>	<b>1 - 3</b>
<b>4. ENGAGEMENT OF EFFICIENCY PARTNER</b>	<b>4 - 6</b>
<b>5. TOPIC GROUPS - UPDATE</b>	<b>7 - 8</b>

***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**REPORT TO:** Business Efficiency Board

**DATE:** 9th January 2008

**REPORTING OFFICER:** Strategic Director – Corporate and Policy

**SUBJECT:** CPA – Use of Resources Assessment

**WARDS:** Borough-wide

### **1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to appraise the Board of the process the Audit Commission use annually to assess how well the Council uses its resources.
- 1.2 Publication of the Council's most recent assessment is due imminently. The Strategic Director – Corporate and Policy will appraise the Board of the informal feedback received from the Audit Commission.

### **2.0 RECOMMENDED: That**

- (1) the report be noted; and**
- (2) an Action Plan be developed to address the development issues identified by the Audit Commission, be reported to the next meeting, and be monitored by the Board.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 Use of resources is an Audit Commission assessment of how well councils manage their financial resources. It looks at how financial management is integrated with strategy and corporate management, supports council priorities and delivers value for money.
- 3.2 Use of resources work is carried out yearly at all councils as part of the external audit by the Council's appointed external auditors. They produce a judgement for each of five themes, covering:
- financial reporting – how well the council prepares its accounts and promotes external accountability;
  - financial management – how well the council plans and manages its finances;
  - financial standing – how well the council safeguards its financial position;

- internal control – how well the council ensures its money is spent properly and that significant business risks are managed; and
  - value for money – how well the council achieves value for money for the community from the money it spends.
- 3.3 For value for money, the Council produces a self-assessment to explain how its costs and performance relate to the local context and its priorities.
- 3.4 The auditor's judgement is based on a scale of 1 to 4 (highest) which determines how well a council is performing against minimum standards, set at level 2 performance. The overall use of resources score is calculated by the Commission using a set of rules for combining the auditor judgements for each of the five themes.
- 3.5 The use of resources judgements and the underlying theme scores are published annually for all Councils.
- 3.6 The publication of this year's assessment for the Council is due soon. Informal feedback has already been provided by the Audit Commission and will be discussed at the Board Meeting. The Council's formal score is embargoed until the national publication takes place.
- 3.7 The Use of Resources represents a level 1 service in the overall Comprehensive Performance Assessment score for the Council (the other two level 1 services are Children and Young People and Social Care for Adults). This means that it has a higher weighting and therefore greater significance in the overall score for the Council.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 Retention of the Council's four star status means it benefits from a lighter approach to inspections and provides some freedoms and flexibilities around its overall use of resources.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 None.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

Efficient use of its resources will ensure that services to the frontline are protected and enhanced.

**6.2 Employment, Learning and Skills in Halton**

Efficient use of its resources will ensure that services to the frontline are protected and enhanced.

**6.3 A Healthy Halton**

Efficient use of its resources will ensure that services to the frontline are protected and enhanced.

**6.4 A Safer Halton**

Efficient use of its resources will ensure that services to the frontline are protected and enhanced.

**6.5 Halton's Urban Renewal**

Efficient use of its resources will ensure that services to the frontline are protected and enhanced.

**7.0 RISK ANALYSIS**

7.1 If the Council's Use of Resources score fell, it would jeopardise its star rating and the freedoms and flexibilities it enjoys as a result of that.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.

**REPORT TO:** Business Efficiency Board

**DATE:** 9th January 2008

**REPORTING OFFICER:** Strategic Director – Corporate and Policy

**SUBJECT:** Engagement of Efficiency Partner

**WARDS:** Borough-wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to inform the Board of the decision of the Executive Board to engage some external support to work alongside the Council in identifying and realising further efficiency savings.
- 1.2 The report outlines the steps the efficiency partner will take in developing, with the Council, a long-term efficiency programme.

## **2.0 RECOMMENDED: That**

- (1) the report be noted; and**
- (2) further reports be brought to the Board on the progress of the work.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 It was reported to the last meeting of the Board that as part of the announcement on the local government financial settlement for 2008/09-2010/11 the Government had published a document entitled “Delivering Value for Money in Local Government: Meeting the Challenge of CSR07”.
- 3.2 The paper outlined the Government’s expectations that local authorities should make 3% cashable efficiency savings each year for the next three years. The Government expects local government collectively to save some £4.9 billion over the next three years. This is a challenging agenda.
- 3.3 The Council’s Executive Board considered the Medium Term Financial Strategy (MTFS) on 15th November 2007. The MTFS showed that the spending required to maintain existing policies and programmes was expected to increase at a faster rate than the resources available to support it. To balance the budget, the forecast showed there was a requirement to make significant efficiency and cash savings. Given the financial challenge the Council was likely to face over the coming years, it was considered prudent to review the way in which it does its business. The Executive Board agreed that external support be engaged to work alongside the Authority to assist in the process.

3.4 A number of potential partners were asked to present options as to how such a piece of work could be undertaken. As a result of that process, KPMG have been appointed to work with the Council to deliver a longer term efficiency programme.

3.5 KPMG work will be undertaken in the following three stages:

Stage 1 – Opportunity Assessment

Will involve identifying and robustly testing the opportunities that can be included in an efficiency programme. Quantifying the priorities, risks and scale of efficiencies that can be achieved.

Stage 2 – Implementation, Design and Planning

Will involve designing an implementation programme through a robust programme management approach. Developing a benefits realisation model and assessing the resource and investments needs.

Stage 3 – Implementation delivery

Delivery of the Programme through programme management arrangements.

**4.0 POLICY IMPLICATIONS**

4.1 The demanding efficiency savings requirements set out following the publication of the Government's Comprehensive Spending Review will be challenging for the Authority and will involve looking carefully at how the Council currently organises its business. Bringing in some external challenge and resource will assist that process.

4.2 Initial funding for the engagement will come from the Invest to Save Fund established through last year's budget process. However, it is anticipated that any Stage 3 work undertaken by KPMG would be self-financing, being funded directly from the savings achieved.

**5.0 OTHER IMPLICATIONS**

5.1 None.

**6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

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**7.0 RISK ANALYSIS**

7.1 There is a risk that if the Council does not identify efficiency savings in significant quantities, then it will be difficult to maintain frontline services at their current levels. It is felt helpful to bring in an outside partner to help identify savings that the Council could make based on their experiences of what has worked elsewhere.

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.



**REPORT TO:** Business Efficiency Board

**DATE:** 9th January 2008

**REPORTING OFFICER:** Strategic Director – Corporate and Policy

**SUBJECT:** Topic Groups – Update

**WARDS:** Borough-wide

### **1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to brief Members on the work of the topic groups established by the Board.

### **2.0 RECOMMENDED: That the report be noted.**

### **3.0 SUPPORTING INFORMATION**

3.1 The Board has established two topic groups and the Chair has assigned members to them. The topic groups are examining the following issues:

- Procurement
- Workforce Planning and Structures

3.2 Each has had its first meeting and both will be meeting again shortly.

3.3 The Procurement Group received a presentation on how the Council currently carries out its procurement function and will be looking at how other Authorities carry out that activity. It will also be examining the spend analysis that has recently been undertaken to look at how the Council gains the best value from its procurement processes.

3.4 The Workforce Planning and Structures Group has asked to look at the current management structures of the Council and how they have evolved and developed over recent years. The Group will be looking at structures in the light of the recently published “Local Government Workforce Strategy” produced jointly by the Local Government Association, the Improvement and Development Agency and the Local Government Employers Association.

### **4.0 POLICY IMPLICATIONS**

4.1 The work of the topic groups is geared to ensuring that the Council is operating as efficiently as possible.

**5.0 OTHER IMPLICATIONS**

5.1 None.

**6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

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**7.0 RISK ANALYSIS**

7.1 There are no risks associated with this report.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.