

**SOUTH DERBYSHIRE DISTRICT COUNCIL**

**(FIRST DRAFT)  
CORPORATE PLAN 2001**

***FOR CONSULTATION***

# SECTION 1: INTRODUCTION TO THE PLAN

## Introduction

- 1.1 This is the Council's first Corporate Plan. It is an important 'building block' in the steps we are taking to manage the organisation more effectively, to cope with change and to safeguard our long term financial security.
- 1.2 The Council is one of South Derbyshire's largest businesses with 310 employees and annual expenditure in the order of £27 million. The services that we provide, either directly or through partners, impact upon every aspect of local life - including housing, economic development, refuse collection, parks and leisure facilities, environmental health, land use planning and community safety.
- 1.3 Like all businesses, we need to plan for the future and to have a clear idea about what sort of organisation we should be in order to meet the needs and aspirations of the community.

## Plan purpose

- 1.4 The purpose of the Plan is to:
  - set out a vision for South Derbyshire
  - explain how we intend to manage our business over the next 18 months, the strategy we will follow, and the implications for services in terms of priorities and methods of provision
  - provide a framework for the Council's contributions to partnerships and joint working initiatives
  - inform and involve internal and external stakeholders in the work of the Council

## Scope of the Plan

- 1.5 Sections in the Plan discuss:
  - the relationship of the Corporate Plan to other plans and strategies
  - the Council's vision for the future, the values that underpin our actions and our key aims
  - organisational strengths and areas for improvement
  - the opportunities and challenges facing the Council
  - the delivery of 'Best Value'
  - the availability of resources to implement our proposals
  - the factors that will be critical to the success of the organisation
  - departmental and service plans
  - how we will monitor and review the Plan.
- 1.6 At the end of the document, there are a number of appendices containing supporting information.

## Setting the Scene

- 1.7 The Plan has been produced at an important time for the Council as we seek to rebuild the organisation and establish our 'community leadership' role.
- 1.8 After the financial crisis of 1999/2000, there is now an organisational structure in place and our financial position is stable. However, there is a need to refocus and reprioritise our spending to ensure that it meets the changing needs of local residents and regional and national priorities.
- 1.9 We are also actively progressing the Government's 'modernising' agenda. Earlier this year, we introduced changes to the political management of the Council. This involved reducing the number and size of existing committees and establishing the new function of 'scrutiny'. We are also continuing to develop our approach to Best Value and soon, we will begin work with our partners on the development of a Community Strategy.
- 1.10 We will need to continue to make progress in these and other areas and also to respond to new challenges and opportunities. The Plan aims to support this work and lead to improvements in the quality of services that local people receive from their Council.
- 1.11 The timescale of the Plan has been intentionally kept short. This is because local priorities are likely to change over the next 18 months with the development of the South Derbyshire Community Strategy.
- 1.12 Table 1.1 (overleaf) completes the picture with some facts and figures about the district.

**Table 1.1: A Snapshot of the District**

- the district of South Derbyshire was established in 1974. At the next local elections (2003), the size of the Council will be increased to 36 councillors representing 17 wards.
- outside of the urban area of Swadlincote, there are 50 parishes (33 administered by Parish Councils: 17 by Parish Meetings).
- for almost two decades, South Derbyshire has been the fastest growing district in Derbyshire. The current population is estimated to be 82,300. The town of Swadlincote is the main centre of population.
- about 21% of the population are in pre-school/school age groups, 63% are of working age and 16% retired. At the last Census, 1.6% of the district's population (about 1200 people) belonged to ethnic minority groups
- unemployment levels are low (1.9% compared with 3.1% nationally). However, the standard of living in some parts of the district is poor – the areas concerned are mainly Swadlincote and the villages of the former South Derbyshire Coalfield.
- 1,000 businesses are located in the district employing about 18,000 people.
- about 25% of the National Forest area lies in South Derbyshire
- 22 Conservation Areas (areas of special architectural or historic importance) have been designated
- the district has 3 Leisure Centres (at Swadlincote, Etwall and Melbourne), 45 playgrounds and parks and 6 cemeteries
- 53% of homes are in Council Tax bands A and B (i.e. valued at up to £52,000)
- 3712 homes (11% of the total) are rented from the Council
- South Derbyshire households generate 36,000 tonnes of waste annually (and this is increasing). At the moment, just under 10% is recycled.

## **SECTION 2: LINKS TO OTHER PLANS AND STRATEGIES**

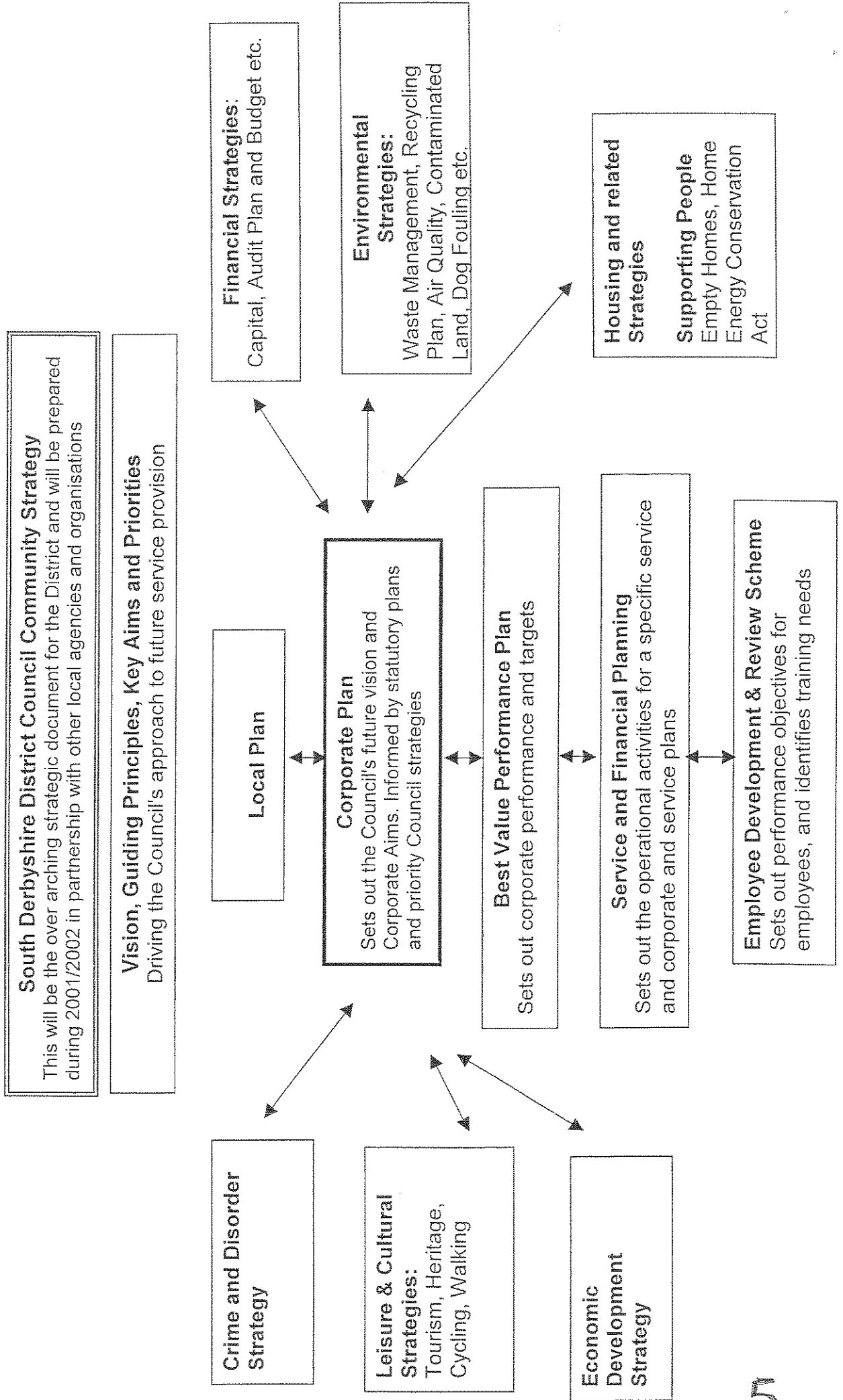
### **Introduction**

- 2.1 The Corporate Plan stands in the middle of a large number of plans and strategies that the Council, like many other local authorities, produces.
- 2.2 Some of these plans and strategies are required by statute (e.g. the Best Value Performance Plan); others are non statutory, falling generally into two groups:
  - plans and strategies required by government, usually to implement national objectives and/or support 'bids' for resources (e.g. Housing Investment Programme)
  - plans and strategies to assist the Council in particular areas of work (e.g. the Leisure Strategy)
- 2.3 The breadth and scope of our plans and strategies vary considerably. A number of these documents form part of a much larger framework of policies that are 'cascaded' down from national, regional and county guidance (e.g. South Derbyshire Local Plan). Other plans and strategies are concerned with local, and more often than not, operational issues (e.g. Dog Fouling Strategy).
- 2.4 Table A.1 at Appendix A details current plans and strategies.

### **South Derbyshire Community Strategy**

- 2.5 A growing number of plans and strategies are produced jointly with other agencies (e.g. the Crime and Disorder Reduction Strategy).
- 2.6 This will apply especially to the proposed South Derbyshire Community Strategy.
- 2.7 The Local Government Act 2000 gives the Council new powers to promote or improve the economic, social or environmental well being of the area. This is linked to the duty to prepare a community strategy.
- 2.8 According to guidance from Government, community strategies must:
  - allow communities to express their aspirations, needs and priorities
  - co-ordinate the actions of the Council, and of public, private, voluntary and community organisations that operate locally
  - focus and shape the existing and future activities of these organisations so that they effectively meet community needs and aspirations; and,
  - contribute to the achievement of sustainable development both locally and more widely

Figure 2.1 Links to other Plans and Strategies



2.9 They should also:

- engage and involve communities
- be prepared and implemented by a broad 'local strategic partnership' through which the local authority can work with other bodies
- be based on a proper assessment of needs and the availability of resources

### **Other new developments**

2.10 As part of the corporate planning process, we are also proposing to put in place a framework of Departmental and Service Plans. The aim is to align financial and service planning more closely, strengthen service delivery and improve performance management.

### **Links to the Corporate Plan**

2.11 Looking ahead, the South Derbyshire Community Strategy will form the overarching plan for the district and drive and direct the Corporate Plan. The Corporate Plan, in turn, will inform and shape service-related strategies and plans. Finally, the Best Value Performance Plan (linked to Financial Plans and the new Departmental and Service Plans) will focus on performance management and service delivery.

2.12 Naturally, all of the linkages are 'two way' as Figure 2.1 illustrates.

### **Further thoughts**

2.13 Before leaving the subject of plans and strategies, it is perhaps worth highlighting a number related issues that will have to be addressed:

- the need to concentrate on a smaller number of operational plans and strategies that will support the delivery of the Council's vision and key aims and have a clear focus on service outcomes
- the need to ensure that service strategies incorporate a realistic assessment of the resources that will be available to implement their policies and proposals
- the need for all plans and strategies to incorporate the principles of Best Value, in particular, continuous improvement and consultation with the local community, service users and stakeholders in the public, private and the voluntary sectors
- the need for the effective monitoring of plans

2.14 Most of these point will be picked up in later sections of this Plan.

## SECTION 3: THE COUNCIL'S VISION, GUIDING PRINCIPLES AND KEY AIMS

### Introduction

- 3.1 The Council's current vision, corporate objectives and priorities for service delivery were agreed in March 2000, following consultation with employees and the local community. These are set out at Appendix B.
- 3.2 The main form of community consultation was a household survey which was undertaken by the independent market research company MORI in late 1999. The survey involved face to face interviews with a sample of local people, chosen to represent the age, sex and work status of the district's residents. A number of questions were asked relating to satisfaction with the way the Council provides its services, the services that we provide, our image within the community and service priorities. (This survey will be referred to on a number of occasions in this Plan.)
- 3.3 It is now clear that some changes are needed to the present framework in order to:
- link our vision more closely to our resources (a point highlighted by the Council's external auditors)
  - address the new power of 'well being' contained in the Local Government Act 2000
  - provide a relevant and meaningful framework for service strategies and plans
  - support arrangements for good corporate governance
- 3.4 We have tried very hard to minimise the extent of the changes. This is because of previous levels of community support for our approach (as evidenced by the MORI survey) and the expectation that the proposed South Derbyshire Community Strategy will play a significant role in the shaping our future activities. However, we think that it is important, to include, for the first time, a commentary on our values and guiding principles as well as an aim that reinforces the Council's commitment to the development of the National Forest.
- 3.5 The new framework is set out below. This comprises:
- a statement of the Council's vision for the future
  - a note of the principles that will guide our actions and govern our relationships with our stakeholders and partners
  - a list of the key aims that will guide service delivery and help us to achieve our vision
  - priorities for service delivery



## The Council's Vision for the future

### 3.6 Our vision is to:

*'always provide high quality, value for money services which respond to changing needs and improve the well being of the community'*

### Guiding Principles

### 3.7 The following principles will guide everything we do:

- *making decisions openly and with integrity*
- *being accountable to the people of South Derbyshire for our decisions*
- *involving the community in choices about services and local priorities*
- *being open and responsive to change*
- *treating people fairly and promoting equality of opportunity in employment and service provision*
- *providing reliable and responsive services to our customers*
- *working with partners in the public, private and voluntary sectors to achieve more than we can on our own*
- *ensuring that the actions we take are sustainable in the long term*
- *valuing employees and the essential role they play in service provision*

### Key Aims

### 3.8 To help us to achieve our vision, we have also identified a number of key aims that will be used guide service delivery. They comprise:

- *to strengthen and develop the local economy through support for business development and inward investment*
- *to safeguard and enhance the natural and built environment*
- *to address the needs of South Derbyshire residents for good quality homes, of a variety of tenures, located in well planned and safe environments*
- *to promote the health and welfare of all sections of the community, including access to leisure and cultural activities*
- *to secure continuous improvements in the quality and efficiency of services provided by the Council*
- *to manage resources efficiently and effectively*
- *to listen to and represent the people of South Derbyshire in county, regional and national arenas*
- *to support the development of the National Forest and its enjoyment by residents and visitors*

## Priorities

3.9 Our priorities for service delivery remain unchanged and continue to reflect the views of local residents as expressed in the MORI survey. They are:

- *the provision of high quality value for money services*
- *community involvement in decision making*
- *the protection and promotion of the environment*

## Where are we now?

3.10 In the next sections of the Plan, we try to assess where we stand in relation to our vision for the future. We examine, first of all, organisational strengths and areas for improvement, and then consider the opportunities and challenges that we face, including the availability of resources.

## SECTION 4: ORGANISATIONAL STRENGTHS AND AREAS FOR IMPROVEMENT

### Introduction

- 4.1 A large amount of progress has been made over the last year to rebuild the organisation and to place it on a sound financial footing.
- 4.2 This section of the Plan seeks to provide an indication of where we stand at the moment and how far we have to travel to achieve our key aims.
- 4.3 Consideration is given to:
- our performance against the targets that we set for ourselves
  - the views of service users
  - comments from important external organisations
  - an assessment of the organisation using the Excellence Model of the European Foundation for Quality Management (EFQM)

### Performance against targets

- 4.4 Table 4.1 compares (estimated) performance in 2000/2001 against the targets that we set for 37 national Best Value and Audit Commission performance indicators. It can be seen that performance was at or above target for just under half of the indicators. Performance below target was across all areas but especially corporate health (mainly the personnel indicators) and housing.

Area	Number of targets set	Target Achieved	Performance above target	Performance below target
Corporate Health	14	5	2	7
Housing	6	0	0	6
Benefits and Council Tax	3	1	1	1
Environment	7	1	2	4
Planning	2	1	0	1
Culture	2	1	1	0
Crime	3	0	1	2

- 4.5 Table 4.2 (overleaf) compares our performance with that of other District Council's using information supplied by District Audit (the Council's external auditors). Once again, this shows mixed performance across the board and weaker overall performance in the housing service.

Service Area	No of PIs	% in worst quartile		% deteriorating to 2000/01
		1999/00 actual	2000/01 estimatea	
All indicators	60	25%	22%	58%
Corporate Health	16	0%	31%	67%
Housing	17	33%	12%	50%
Benefits	6	0%	0%	100%
Environment	10	25%	30%	100%
Planning	7	50%	14%	33%
Cultural Services	3	100%	33%	n/a

Source: District Audit Database

## Service Users' Views

4.6 According to the Audit Commission, *'it is only by focusing on users' experience that public services can deliver improvements that are relevant and can add public value'*.

4.7 At an organisational level, we have three pieces of 'evidence' to describe what local people think about the services that we provide:

- *1999 MORI survey*

This showed that:

- \* 63% of residents were satisfied with the way the Council provides its services
- \* the most important services to residents are parks, playgrounds, open spaces, refuse collection and off-street parking
- \* there were a number of areas, such as access to services and listening to local people, where we need to do more work to develop and promote our image within the community

- *Best Value user satisfaction surveys*

For 2000/2001, the Government specified a number of Best Value performance indicators involving satisfaction surveys of residents and service users. The results of these surveys (still to be audited) are set out in Table 4.3.

Some 58% of respondents were fairly or very satisfied with our services, which is not dissimilar to the levels found in the MORI survey. This would suggest that despite the difficulties of the past year, we have managed to minimise the impact on service delivery.

Another point to note is the variation in satisfaction levels across the different service areas.

- *Complaints to the Ombudsman*

The Council has a good record in terms of complaints to the Ombudsman. In the year ending 31 March 2001, X complaints were determined by the Ombudsman. None of these complaints was classified as maladministration and only 1 as a local settlement.

## External Organisations

4.8 A number of external organisations also have a role in 'judging' organisational strengths and areas for improvement. The main ones are District Audit (our external auditors), the Best Value Inspectorate and the Government Office for the East Midlands. Some of their observations are set out below:

- *District Audit*

The most recent Management Letter (December 2000) states:

*'...You have responded positively to the significant issues you have faced and have generally made a sound start in addressing the Government's demanding new agenda. It is now imperative that you maintain the momentum to ensure that a sound financial base is established, not only in the short, but also in the medium term and that the key lessons of the financial crisis have been taken on board by both officers and members..'*

The District Auditor has also identified a number of 'risks' to our business including:

- \* the Council's financial standing and our approach to the management of 'risk'
- \* the operation of the new employee structure
- \* the implementation of a new political structure and decision making framework
- \* housing strategy and the Housing Revenue Account
- \* delivering Best Value
- \* preparing the Community Strategy
- \* meeting statutory deadlines for financial reports

- *Best Value Inspectorate*

The outcome of the two Best Value Inspections to date has been disappointing. *Development Control* was judged to be a '1\* fair service that was not going to improve'; *Sheltered Housing and the Warden Service* a '0\* poor service that was unlikely to improve'

- *Government Office*

As previously explained, we are required to submit various strategies and plans to the Government Office for assessment. Feedback has been mixed - the Government Office considers that we have made a good start in terms of our first Capital Strategy and Asset Management Plan but thinks that our the Housing Strategy is below average.

## EFQM Excellence Model

4.9 The EFQM Excellence Model is a well established framework for assessing organisational strengths and areas for improvement across a whole range of activities.

4.10 The model (in the form of the simple Business Improvement Matrix) was applied to our organisation for the first in 1999. This exercise has recently been repeated and it is evident that progress has been made in a number of areas, especially policy and strategy, people management, partnership working and financial planning. Overall, our 'score' has increased from about 110 to 160 (which compares with around 300 for a 'good' organisation).

4.11 Table 4.4 illustrates where we are in relation to the different criteria of the model. (The shaded blocks indicate our position on the 10 steps to excellence.)

Step	Enablers Criteria				
	Leadership	Policy & Strategy	People	Partnerships & Resources	Processes
10					
9					
8					
7					
6					
5					
4					
3					
2					
1					

Step	Results Criteria			
	Customer Results	People Results	Society Results	Key Performance Results
10				
9				
8				
7				
6				
5				
4				
3				
2				
1				

4.12 The main points to note are that:

- in terms of the 'enabler' criteria, we specifically need to make progress on organisational leadership and business processes. This Plan, the new political management arrangements and Best Value will help in these areas.
- as far as the 'results' criteria are concerned, we must develop a stronger customer focus for the organisation and address employee satisfaction/communication issues
- there is inevitably a delay before improvements to the 'enabler' criteria are reflected in the 'results' criteria - we have to accept and plan for this.

## Overview

- 4.13 It is clear from these various sources that the organisation has turned the corner and we are now starting to move forward. This could not have been achieved without the support and co-operation of everyone.
- 4.14 Progress, however, is uneven and there are a number of corporate and service issues that have still to be tackled. The efficient and effective management of resources - our finances, our employees and our capital assets will be crucial to this. These are discussed further in Section 7.

## SECTION 5: OPPORTUNITIES AND CHALLENGES

### Introduction

- 5.1 This section of the Plan reviews the opportunities and challenges faced by the Council in the short/medium term.
- 5.2 The first part considers national, regional and local drivers for change; the second, examines the opportunities and challenges that lie ahead of us.

### Drivers for change

- 5.3 The Government's plans for reforming and modernising local government will lead to major changes in the way in which all Councils operate.
- 5.4 This 'modernising' agenda has a number of related components:
  - placing Councils at the heart of *community leadership*
  - establishing the duty to achieve and demonstrate '*Best Value*' in all our service areas
  - giving Councils new powers to promote or improve the economic, social or environmental *well being* of their area. This is linked to the duty to prepare *community strategies* with *local strategic partnerships* and to fully involve local people in the process.
  - requiring all Councils to revise their *political management arrangements* with the aim of taking decisions in more open, efficient and accountable ways
  - establishing a *new ethical framework* for local government
  - reforming local government *finance*
- 5.5 Further proposals are expected to be announced in a Local Government White Paper, due to be published later in the year.
- 5.6 There are also a number of other national policy initiatives that will have an impact on how we provide our services. Some of the main ones include:
  - the Government's strategy for housing, set out in the Green Paper 'Quality and Choice: A Decent Home for All' and related policy statements
  - the delivery of the 'Supporting People' programme designed to improve the quality and effectiveness of housing support services to vulnerable people
  - on e-government, the challenge to all public sector bodies of having 100% electronic service delivery capability by 2005.
  - measures to protect the environment such as the requirement for Contaminated Land Registers, the setting of targets for the recycling of household waste through the National Waste Strategy, the requirement for community strategies to contribute to the achievement of sustainable development, new planning controls on the development of 'green field' sites etc.
  - the NHS Plan which sets out the Government's proposals for the reform of the health service and plans for future investment. (We will be supporting colleagues from the health sector to deliver the new agenda locally.)



- the Crime and Disorder Act 1998 which places a duty on local authorities and the police to work in partnership to reduce crime and fear of crime.
- the Human Rights Act 1998 and the Freedom of Information Act 2000

5.7 There will also be opportunities and challenges associated with the development of regional/sub regional structures (i.e. East Midlands Regional Assembly, East Midlands Development Agency, Strategic Sub Regional Partnerships etc.) and the implementation of their strategies and plans such as the Integrated Regional Strategy.

5.8 The local factors that will have an impact on future shape of our services include:

- the district's growing population
- the poor standard of living in some parts of the district
- the promotion of equality of opportunity and access to services
- work with other tiers of Government - Derbyshire County Council and Parish Councils and Meetings

### Opportunities and challenges

5.9 As a result of these national, regional and local drivers for change, we now face a number of important opportunities and challenges. They include:

- implementing the Government's '*modernising*' agenda

Our approach to Best Value is now well established. However, for most services we have not yet achieved the required quality, cost and efficiency targets.

New political management arrangements came into force in July based on a revised Committee structure (the option preferred by the local community). Work still needs to be done to monitor how these arrangements are working in practice and to make any necessary changes. A key challenge will be to develop the role of scrutiny so that it meets the needs of members without over-stretching already limited resources and impacting on service delivery.

The new Standards Committee has met for the first time. A key task for the committee (which includes non local authority members) will be the development of new codes of conduct for councillors and employees.

The establishment of a Local Strategic Partnership and the development of the Community Strategy will a major challenge and yet at the same time, an important opportunity to engage with the community about needs and priorities and to work with our partners in more 'joined up' ways to deliver the community's agenda. If we are achieve this objective, we will need to build on existing partnerships and to integrate the work of different disciplines across the organisation.

- working in *partnership* to develop and deliver specific initiatives such as community safety, e-government, waste management, 'Supporting People'. This

will also include working with the Derbyshire Partnership Forum on a county wide Community Strategy and with Parish Councils on the delivery of local services.

- making the *best use of our resources*

The Council has only limited resources and we need to make sure that they are used efficiently and effectively.

Section 7 discusses in more detail issues relating to the management of our finances, our employees and our capital assets together with the use of Information Technology in service delivery.

- *delivering better services for citizens*

Public expectations about the quality and quantity of services provided by their Council have increased. However, as the recent report from the task force chaired by Sir Ian Byatt points out:

*'Local government has great opportunities to improve local services to citizen's in affordable ways. The scope for working productively with the private and voluntary sectors is widening. Restraints on innovative and effective approaches to procurement are easing. Information technology enables a wider use of markets and opens up new ways of delivering services...'*

The challenges for Council in consistently delivering high quality, value for money services are:

- \* establishing a 'right first time' culture
- \* being reliable and responsive in everything we do
- \* adopting a clear customer focus
- \* promoting equality of opportunity
- \* exploiting the opportunities provided by Information Technology (whilst recognising the challenges of social exclusion)
- \* delivering Best Value
- \* developing a strategic approach to the procurement of goods and services

We will need to consider the adoption of 'Egan' principles in contracts and be open to other ways of delivering services if this means lower costs and a better service. The Byatt report comments:

*'...Local government should decide pragmatically what to buy from the private or voluntary sectors, and in what ways, and what to provide directly. This should be done on the merits of individual cases, from the point of view both of service users and council tax payers, taking account of the quality of the service. Decisions should be taken strategically, on the basis of costs and benefits..'*

- balancing *national standards* of service provision with *local priorities*

In a recent speech to the Local Government Association, the Secretary of State for Transport, Local Government and the Regions commented:

*'Local Government must have the space to develop and promote local priorities. Equally, central government legitimately has a role to define and promote key national standards'*

National standards and targets are already in place for a number of our areas of work (e.g. collection of income). However, progress towards the achievement of these targets has been uneven across the organisation.

Clearly, the Council does not have the resources to do everything that it would like to do. The challenge will be to establish and agree with stakeholders an appropriate balance between national and local priorities (including those associated with a growing population) and to find ways of releasing additional resources to support their delivery.

- managing *change*

Like other Councils, we face huge challenges if we are to deliver the improvements that users of our services expect. Not only does this require changes to systems, procedures and working arrangements but also to the attitudes and behaviour of everyone in the organisation.

Change has to be managed sensitively as well as effectively. There will be a need to focus on a small number of key priorities and to maintain that focus through the inevitable highs and lows of the change process.

- identifying and managing *risk*

Risk is the *'threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to execute its strategies successfully'* (Audit Commission).

New pressures acting as drivers for risk management include increased partnership working, demands for higher quality services, new legislation, e-government, Best Value etc.

Successful risk management will help us to be more flexible and responsive to change and better placed to deliver services efficiently and effectively.

- establishing effective arrangements for *corporate governance*.

The Audit Commission defines corporate governance as

*'the system by which local authorities direct and control their functions and relate to their communities'*.

The fundamental principles of good corporate governance are openness, integrity and accountability. These principles need to be reflected in our relationship with the local community, in service delivery arrangements, structures and processes, and in the conduct of councillors and employees.

- establishing a framework for the *development and use of land* in South Derbyshire to the year 2011

The Derbyshire Structure Plan makes provision for 12,000 new dwellings in the district over the period 1999/2011 along with 150 hectares of land for employment purposes.

A key issue for the South Derbyshire Local Plan will be to find ways of accommodating this new development whilst providing for the protection and enhancement of the environment and the conservation of scarce resources.

The Local Plan will also need to address the impact of development proposals in adjoining areas of East Staffordshire, Derby and North West Leicestershire.

- supporting the *National Forest*

The National Forest is a major environmental initiative covering about 500 sq. km in Staffordshire, Derbyshire and Leicestershire. The aim is to create a new landscape for work, recreation and wildlife and provide an important alternative use for surplus agricultural land.

The Council's current support is focused on the Rosliston Forestry Centre, tourism marketing and the Swadlincote Woodlands Regeneration Scheme. The challenge will be to identify and exploit other opportunities, especially linked to job creation in the former coalfield area.

## SECTION 6: BEST VALUE

### Introduction

- 6.1 One of the most important challenges facing the Council is the delivery of Best Value.
- 6.2 Best Value requires us to:
- continually improve the way in which we deliver services in terms of economy, efficiency and effectiveness
  - consult local people about what we do and how well we do it
  - monitor the Council's performance across a range of indicators and set targets so that people can see whether we have achieved what we set out to do.
  - fundamentally review every one of the Council's services over a five year period
  - publish an annual Best Value Performance Plan
- 6.3 The aim is to make a real and positive difference to the services that local people receive from the Council.

### Best Value Performance Plan

- 6.4 The Best Value Performance Plan (BVPP) is the principal means by which the Council is held to account for the efficiency and effectiveness of its services.
- 6.5 Our second BVPP was published in March 2001. This sets out our record of delivering services together with our plans and priorities for the financial year 2001/2002. Approximately 35,000 copies of the summary BVPP have been distributed to households, businesses and organisations across the district.
- 6.6 The BVPP is subject to audit by the Council's external auditors. In relation to our second BVPP, the District Auditor concluded:

*'The Council's key priority in the last 12 months has been to stabilise arrangements following the recent financial crisis. Given this demanding agenda, we commend the Council for continuing to develop its Best Value approach'*

- 6.7 A number of recommendations were also made designed to strengthen our approach to performance management and challenge

### Continuous Improvement

- 6.8 Continuous improvement in service delivery requires the efficient and effective management of all resources.

6.9 Over the last twelve months, we have implemented a number of measures (some of which are Government led) to support this process. They include:

- strengthening budgetary monitoring procedures and putting in place the building blocks to deliver sound financial management.
- introducing a wide range of employment policies and procedures designed to support good practice
- looking for ways to reduce energy consumption by the use of more efficient plant and equipment
- developing a strategy and Business Plan for managing and maintaining the Council's housing stock
- producing a strategy for capital investment and a plan for asset management in preparation for new funding arrangements by Government (the 'Single Capital Pot').
- developing our approach to e-government

6.10 We will need to continue to make progress in all of these areas over the next 18 months. (More details can be found in Section 7.)

### **Performance Management**

6.11 Performance management lies at the heart of Best Value and continuous improvement. By 'performance management', we mean having mechanisms in place to monitor performance, to measure how well we are doing over time and in comparison with other service providers, and to manage development and change.

6.12 This is an issue that has not really been addressed by the organisation, although we are now putting in place a number measures that will help us to move forward. They include:

- formalising linkages between our corporate, service and financial planning processes (Table 6.1 illustrates the annual planning cycle)
- producing Service Plans (to a standard format) for all service areas and improving reporting arrangements
- using the Corporate Plan, Departmental Plans and Service Plans as mechanisms for establishing service priorities and targets against which performance can be judged
- implementing the Employee Development and Review Scheme (as discussed in Section 7)
- strengthening arrangements for collecting and monitoring national performance indicator data whilst developing new, local indicators and improving target setting
- developing the role of the Council's Overview and Scrutiny Committees
- providing training of councillors and employees to support the development of a 'performance' orientated organisational culture

6.13 Subject to resources, we also intend to:

- participate in the Local Government Improvement Programme (a form of peer review)
- develop our approach to 'benchmarking' our services with other providers
- extend the application of the EFQM Excellence Model of the European Quality to key service areas
- apply relevant national standards corporately and to specific service areas (e.g. the Commission for Racial Equality's Standard for Local Government)
- take advantage of the 'Beacon Council' Scheme so that we can learn from the top performing Councils
- consider 'Charter Mark' as a way of demonstrating our commitment to improvements in service quality

### **Best Value Reviews**

6.14 All of the Council's services have to be reviewed over a five year period starting in April 2000.

6.15 In carrying out Reviews, Best Value requires us to:

- *challenge* why, how and by whom a service is provided
- *compare* our performance with other providers across a range of relevant indicators
- *consult* local people, service users, partners and the business community about what we do, how well we do it and targets for the future
- use fair and open *competition* wherever practicable as a means of securing efficient and effective services.

6.16 Despite some 'slippage' in the programme, five Reviews have been completed:

- Development Control (September 2000)
- Sheltered Housing and the Warden Service (January 2001)
- Cash Office Services (January 2001)
- Financial Planning and Control (July 2001)
- Cleansing the Environment (September 2001)

6.17 As mentioned previously, two Reviews have been inspected by the Best Value Inspectorate - *Development Control* and *Sheltered Housing and the Warden Service* with a third - *Cleansing the Environment* planned for later in the year.

6.18 Towards the end of 2000, the Audit Commission issued guidance recommending ways of making Review programmes more effective. This included reducing the number of reviews and making provision for larger, 'strategic' reviews where there is clear scope for improvement

6.19 The Council's programme (set out in Table 6.2) has been reviewed in the light of this guidance.

**Table 6.2  
BEST VALUE REVIEWS – REVISED FIVE YEAR PROGRAMME (2000/01 TO 2004/05)**

Year 1	Year 2	Year 3	Year 4	Year 5
Development Control <i>(completed)</i>	Financial Services	Leisure and Heritage	Democratic Renewal	Corporate Planning & Communication
Cash Collection Services <i>(completed)</i>	Housing Services	Planning and Building Control	Economic Development	Legal Services
Sheltered Housing & the Warden Service <i>(completed)</i>	Asset Management	E - Government	Community Planning	
Cleansing the Environment <i>(completed)</i>	Customer & Support Services	Environmental Health	Technical Services	
Financial Planning & Control <i>(completed)</i>	Human Resource Management	Tourism		
	Cemeteries & Bretby Crematorium			
	Car Parking			



6.20 Best Value Reviews provide an opportunity to take a more long term and rounded view of performance. The '*South Derbyshire Best Value Framework*' stipulates that all Improvement Plans should set:

- quality targets that are, as a minimum, consistent with the performance of the top 25% of all authorities
- cost and efficiency targets over 5 years that, as a minimum, are consistent with the performance of the top 25% of authorities of the type to which they belong and which are consistent with the overall target of 2% efficiency improvement set for local government spending as a whole.

6.21 These targets are as set out in DETR Circular 10/99. They are intended to secure improvements in performance that represent the required 'step changes'.

6.22 Progress to date suggests these targets are not being met and this is a cause for concern.

### **Consultation**

6.23 Under Best Value, the Council has a duty to consult a wide range of local and other interests about what we do, how well we do it and targets for the future. This applies not only to the general arrangements for achieving Best Value but also to specific service Reviews.

6.24 A strategy for consultation was agreed in March 2000. However, recent events suggest that it does not appear to have achieved its stated aim of encouraging more involvement in the Council's decision-making processes. In the coming months, the limitations of our approach will be highlighted further as more Reviews are progressed and we seek to engage the community and other stakeholders in the development of the Community Strategy and other key plans.

6.25 Important 'learning lessons' include:

- consultation programmes need to be structured - a first stage will often comprise raising awareness of the issues involved
- a variety of qualitative and quantitative techniques need to be used.
- front line staff can make a valuable contribution to consultation programmes and should be actively involved in their design and implementation
- members have a role to play in the process
- we need to build on the opportunities for joint working with other authorities (as we do at the moment with the Citizens' Panel)

## Looking ahead

6.26 The main tasks over the next 18 months include:

- continuing to develop our approach to Best Value, including reinforcing the links between Best Value and routine service delivery
- delivering the 5 year programme of reviews and achieving quality, cost and efficiency targets
- introducing an effective, integrated performance management framework for the authority
- strengthening arrangements for consultation

## SECTION 7: RESOURCES

### Introduction

- 7.1 The Council's resources are limited and we need to make sure that they are used efficiently and effectively to support the achievement of our vision for the future.
- 7.2 This section of the Plan examines our approach to the management of our financial resources, our employees and our capital asset and the use of Information Technology in service delivery. These matters are central to plans for rebuilding the organisation.

### Financial Resources

- 7.3 The Council is committed to sound financial management. This means that we will:
- maintain balances in line with guidelines set by our external auditors to protect against unforeseen spending pressures. For the General Fund which accounts for most of the Council's day to day expenditure this equates to about £500,000.
  - ensure new spending commitments are sustainable in the medium to long term (in other words, that we have sufficient revenue funds to deal with ongoing commitments arising from capital projects and service developments)
  - put in place mechanisms to link service and financial planning
  - adopt an approach of 'responsible bidding' to ensure that any bids for external funds are consistent with the Corporate Plan and support the delivery of the Council's key aims.
  - refocus and reprioritise spending to ensure that it meets the changing needs of local residents and regional and national priorities

### *General Fund*

- 7.4 The Statement of Accounts for the financial year ending March 2001 confirms that we have taken another step forward in stabilising our financial position and putting the organisation on the road to financial recovery. However, there are still many financial challenges that will need to be addressed if we are to develop sustainable council finances and services in the future.
- 7.5 Our medium term forecast of the General Fund (based on the out-turn budget position for 2000/2001) is set out in Table 7.1 (overleaf).

Table 5.1: GENERAL FUND SUMMARY - FORECAST				
	2001/2	2002/3	2003/4	2004/5
	£'000	£'000	£'000	£'000
Projected Spending	7,974	8,207	8,182	8,314
Commutation Adjustment	-483	-444	-266	-176
<b>Net Spending</b>	<b>7,491</b>	<b>7,763</b>	<b>7,916</b>	<b>8,138</b>
<b>Projected Income</b>	<b>7,687</b>	<b>7,849</b>	<b>8,075</b>	<b>8,237</b>
Surplus	-196	-86	-159	-99
Addition to commutation reserve	237	321	266	176
<b>Reduction in Reserves</b>	<b>-41</b>	<b>-235</b>	<b>-107</b>	<b>-77</b>
<b>Projected Balances at year end</b>	<b>1,094</b>	<b>859</b>	<b>752</b>	<b>675</b>

- 7.6 On the basis of this forecast, we will maintain balances above the recommended £500,000 level for the next 3 financial years.
- 7.7 A key factor affecting this forecast is the commutation adjustment (which relates to the financing of historic improvement grants). In the short term, this produces savings and additional resources for the Council but in the long term, it will result in increased costs. The Council is now planning for this situation by setting aside savings to contribute to the additional costs in later years.
- 7.8 The forecast does not provide for any new spending initiatives; these will need to be funded from within existing resources. This means that if there is a need to find resources for new service developments, we will have to review spending on existing services

#### *Housing Revenue Account*

- 7.9 The costs of providing housing services are charged to the separate Housing Revenue Account (HRA). The HRA has been under pressure but working balances now stand at £929,000. These provide the opportunity to address a number of performance issues within the housing service, without adding to the rent burden of our tenants.
- 7.10 The objective is to maintain a minimum balance of £500,000 within this account.

#### *Capital Expenditure*

- 7.11 The Council is now required to prepare annually a Capital Strategy and an Asset Management Plan setting out priorities for capital investment and detailing how we will make the best use of our existing assets to deliver services.
- 7.12 These are important because, overall, the Council's capital resources are limited and heavily reliant on government support in the form of grants and borrowing approvals. Looking ahead, the introduction of the 'Single Capital Pot' (in April 2002) will give us greater flexibility on how we allocate capital resources between housing and general schemes. We also have the ability to gain additional capital resources from government depending on the quality of our Capital Strategy.

7.13 Table 7.2 outlines the Council's Capital Programme. It can be seen that the delivery of the programme depends substantially upon generating further resources from asset disposals.

**Table 7.2**

		<b>SDDC INVESTMENT PROGRAMME</b>					
		2001/2	2002/3	2003/4	2004/5	2005/6	Total
		£'000	£'000	£'000	£'000	£'000	
<b>Schemes</b>							
Housing		1142	1142	1142	1142	1142	5710
Regeneration		0	71	386	686	650	1793
Leisure & Tourism		70	275				345
Crime & Disorder		0	0	0	0	0	0
E – Government			100				100
Maintenance		40	104	33	12	2	191
<b>Total</b>		<b>1252</b>	<b>1692</b>	<b>1561</b>	<b>1840</b>	<b>1794</b>	<b>8139</b>
<b>Funding</b>							
Capital Receipts		250	250	250	250	250	1250
Disposals		1076					1076
Credit Approvals		826	826	826	826	826	4130
<b>Total</b>		<b>2152</b>	<b>1076</b>	<b>1076</b>	<b>1076</b>	<b>1076</b>	<b>6456</b>
<b>Extra resources needed</b>		<b>900</b>	<b>-616</b>	<b>-485</b>	<b>-764</b>	<b>-718</b>	<b>-1683</b>

*Towards Sound Financial Management*

7.14 We have recently completed Best Value Review on Financial Management and Control. This looked at the mechanisms in place across the organisation to achieve sound financial management. As a result of the Review, new monitoring and reporting arrangements are now being implemented. It is also planned to replace the Council's main financial information system in April 2003.

*Looking ahead*

7.15 Key tasks over the next 18 months include:

- continuing to develop a long term, sustainable financial strategy linked to corporate and service planning processes (this will include work on the refocusing and reprioritising of spending across service areas)
- establishing trading accounts for relevant services in accordance with the CIPFA Best Value Accounting Code of Practice
- providing greater clarity in the apportionment of central and other overhead costs to front line services
- revising the Council's Financial Regulations and Standing Orders to reflect the new arrangements for the political management of the authority and the development of new procurement options
- addressing the implications for the Housing Revenue Account and the General Fund of the 'Supporting People' programme and other national housing policy initiatives
- ensuring that all the Council's strategies and plans incorporate a realistic assessment of the resources that will be available to implement them
- improving the communication of financial and performance information to stakeholders

## Managing People

- 7.16 As mentioned previously, the Council is one of South Derbyshire's largest employers with 310 employees. As a service organisation, a large part of our expenditure takes the form of staff related costs. This means that the management of people is very important consideration.
- 7.17 The current staffing structure came into operation in September 2000. The review had been prompted by the Council's financial 'crisis' and the aim was to reduce management costs whilst strengthening service delivery. As a result of this exercise, some 42 posts were deleted from the establishment (about 15% of the total number of full time equivalent posts).
- 7.18 The restructuring has resulted in a Corporate Management Team (CMT) consisting of:
- Chief Executive (and Head of Paid Service)
  - Deputy Chief Executive (Head of Development Services)
  - Head of Community Services
  - Chief Finance Officer
- 7.19 Each member of the CMT is then responsible for a number of service areas. These are managed by a Division Manager who is, in turn, responsible for a number of operational units each headed by a Unit Manager. Figure 7.3 illustrates these arrangements.
- 7.20 In general terms, the new arrangements appear to be working satisfactorily. However, there are a small number of areas where some 'fine tuning' (e.g. in the form of additional management capacity or service alignment) might further assist service delivery. There is also a need to tackle issues relating to the different levels of administrative support currently provided to provided to service units and to deal with any implications arising from the refocusing and reprioritising of expenditure.
- 7.21 Over the last two years, a wide range of policies and procedures designed to support good employment practice and the management of change within the organisation have been introduced. These cover, for example, the handling of grievances, taking disciplinary action and the management of sickness absence. An Employee Development and Review Scheme has also been implemented. This sets clear objectives for employees, measures performance and identifies training needs.
- 7.22 As yet, the introduction of the new policies and procedures has not been reflected in our performance; we remain some way behind the top performing Councils in terms of the Best Value Performance Indicators relating to employees. The current Best Value Review (on Human Resource Management) will provide an opportunity to explore of these issues in more detail.