

**Initial Draft**

**HARROGATE BOROUGH COUNCIL**

**VALUE FOR MONEY**

**SELF-ASSESSMENT**

**2005**

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## 2005 Value for Money Self-Assessment

### KLOE 5.1: How well does the Council currently achieve good value for money?

Value for money has been a key theme running through the Council's corporate planning processes for a number of years. One of the Council's six corporate priorities is to deliver first-class public services which includes a clear commitment on "accessible, value for money services". This commitment is reinforced by one of the Council's five corporate principles on value for money (1). The Council continues to focus on value for money and strong financial management in the 2005 corporate planning process. The draft Strategic Plan has twelve strategic priorities, one of which on "Resources and Priorities" sets out clear commitment to provide value for money services (2).

We challenge value for money in several ways. Within our corporate improvement agenda we use Best Value, management and scrutiny reviews to critically examine issues of service cost and quality. We use a risk-based corporate approach to determine what to look at with value for money on the current use of resources as one of the factors (3). The review methodology includes comparing our service costs and quality with those in other authorities (4).

Progress on the Service Improvement and Action Plans has led to improved value for money through cost savings and/or improvements in service quality, eg, benefits and taxation (5); local economy (6); waste management (7), procurement (8) and corporate restructure (9). Progress against the review action plans is monitored by the relevant Scrutiny Commission or Member Steering Group.

### *Reference to evidence source*

- (1) The Council's Corporate Strategy 2005 to 2008.
- (2) 2005 to 2008 Strategic Plan.
- (3) Best Value Review programme rationale – Cabinet report (10.11.2004).
- (4) Best Value Code of Practice.
- (5) Benefits and Taxation BVR.
- (6) Local Economy BVR.
- (7) Waste Management BV Inspection.
- (8) Procurement review.
- (9) Corporate Restructure.

## KLOE 5.1: How well does the Council currently achieve good value for money?

The Council monitors performance indicators, both national and local, on a regular basis. The reports highlight possible value for money issues on costs and performance which are reported (10) at several levels in the Authority including Corporate Management Team, Cabinet, Scrutiny and service management level. In addition, since 2004, the Authority has used the CIPFA cost data (11) to specifically identify possible value for money issues as part of the Council's corporate planning and budget process. Where benchmarking (12) or other data identifies that costs and performance are not in line with expectations compared to others, appropriate action plans (13) are produced.

The Council also challenges costs through its annual budget setting process. The Annual Corporate Planning timetable (14) is designed to align service and financial planning to ensure that service plans and changes are reported at the same time as financial issues (15) so that their resource implications are included in the budget. The relevant Portfolio Holder is directly involved in the budget discussions with service officers at key stages in the process.

Overall, our expenditure on services is £124.50 per head of population. This is slightly above the average for the comparative group of 16 Councils (59). For 2005/2006, our overall budgeted expenditure falls to £117.92 per head compared to the group average of £124.65 per head.

Our service performance compares well with the other 16 councils in our comparator group. 26% of our performance indicators were in the upper quartile and a further 31% above the English District average performance in 2003/2004 (17). There were increases in year-on-year performance in the recycling kerbside collection service, accessible public buildings, minor and other planning application processing and the level of public satisfaction with our parks and open spaces – all in line with the Council's corporate priorities.

Customer numbers at museums/galleries and changes in the proportion of non-decent local authority homes are two service areas which reported decreases in year-on-year performance over the same period.

The Council's £143.98 net revenue expenditure per head figure does not allow us to compare and assess our value for money in this area because of the inclusion of revenue contributions to capital in our expenditure figure. Most but not all of the other Councils in our comparator group do not include the comparable revenue contributions to capital in their net expenditure per head figure. The cost/head data is not, therefore, comparable across the Councils in the comparator group (60).

Our Council Tax Band D level of £1224 is 3.3% above the comparator group average of £1185. The Band D increase over the period 2001 to 2004 is largely due to increases by the pre-cepting authorities,

## ***Reference to evidence source***

- (10) Examples of quarterly performance monitoring reports.
- (11) Examples of comparative CIPFA data reports.
- (12) IPF benchmarking of Housing services.
- (13) Example Action plan – planning services.
  
- (14) The Annual Corporate Planning timetable
- (15) Examples of an annual budget report.
  
  
  
  
  
- (59) CIPFA Finance and General Statistics 2005/2006, col. 185
  
  
  
  
  
- (17) Cabinet report on the Council's 2003/2004 comparative performance.
  
  
  
  
  
- (60) Analysis of the net expenditure vfm profile data

**KLOE 5.1: How well does the Council currently achieve good value for money?**

especially the North Yorkshire Police Authority increase of 181% compared to 31% by HBC and 36% by NYCC over the same period.

Harrogate Council's element of the Council Tax is above the comparator family group average due to legacy costs from before the introduction of Council Tax, mainly relating to the costs of building the Harrogate International Centre. The rate of increase in Harrogate's Council Tax since 1993/94 has been 37% below the District Council Tax. The tax levels reflect both the policies set out in the Council's Medium-Term Financial Strategy and the improvements in performance set out later in this self-assessment (16).

***Reference to evidence source***

(16) Medium-Term Financial Strategy

### KLOE 5.1.1: How well does the Council's overall and service costs compare with others?

The VFM profiles summary report (18) shows that our spending on all services of £124.50 per head of population is slightly above the average of the 16 councils in our comparator group. The level of public satisfaction with the overall service provided by the Council is 58% - above the national average satisfaction level for District Councils. The profiles also show that spending per head on housing, homelessness, Council Tax benefits administration and street cleansing is comparatively low and within the lower quartile of the comparator group.

Cultural services account for a high proportion of our total spend and reflect the Council's policy. Our spending of £15.48 per head on recreation and sport and £11.39 per head on parks and open spaces is high in comparison to the other comparator district councils at 2<sup>nd</sup> and 6<sup>th</sup> highest respectively. This is because of the rural nature of the District, the sparsity of the population, etc (19) and the level of provision of cultural services in each of the District's six main urban settlements (20). Parks and open space services are high quality and support the Council's policies on the environment, business tourism (21), holiday tourism (22) and the Economic Development Strategy (23). The costs of refuse collection and recycling are high at £19.94 per head and reflect the local demography and geography (19).

Our Medium-Term Financial Strategy (16) shows that we plan to continue to increase our budget on recycling, access to services and planning services in line with our corporate priorities. The Strategy also sets out how we will achieve Gershon efficiency savings of 2½% per annum and maintain Council Tax increases at levels in line with Government expectations over the medium-term.

The VFM Profiles Summary Report (18) also shows that our spending on central services and overheads is higher than in the other Districts in our comparator group. This is because the spending includes £1.25m of pension back funding costs in the unapportionable overheads spending block (25). The Council's central services costs are below average without this pension variable as demonstrated in the CIPFA Finance and General Statistics 2005/06, col. 183. This assessment is supported by our own analysis of the central service costs in the other district councils in our CIPFA Family (11). The Council accounts for its central service costs in line with the CIPFA Accounting Standards (25). Our accounting practice has received favourable comment in the last two years' annual audit and management letter (26).

Our spending on Home Office Services is relatively high compared to the other Councils in the comparator group but the absolute sums involved in emergency planning are small and reflect the Government's

### *Reference to evidence source*

(18) VFM Profiles Summary Report.

(19) Harrogate District Datafile 2004  
(20) Cultural Strategy.  
(21) Business Tourism Strategy.  
(22) Holiday Tourism Strategy.  
(23) Economic Development Unit Business Plan.  
(24) Environment Strategy.

(19) Harrogate District Datafile 2004

(16) Medium-Term Financial Strategy

(18) VFM Profiles Summary Report

(25) Budget Book 2004/2005.

(11) Examples of comparative CIPFA data reports  
(25) Budget Book 2004/2005  
(26) Annual Audit and Management Letter

KLOE 5.1.1: How well does the Council's overall and service costs compare with others?

emerging agenda on this issue.

***Reference to evidence source***

<p><b>KLOE 5.1.2: How do external factors affect costs and how do adjusted costs compare?</b></p> <p>The Harrogate District is one of the largest Districts in area and has a large, sparsely populated rural area. 70% of the population live in the District's six main urban settlements of Harrogate, Ripon, Knaresborough, Boroughbridge, Masham and Pateley Bridge (19). The District's demography and geography have a major impact on the Council's costs and level of service provision. For example, we have very long distances to travel to collect and dispose of domestic refuse which impacts on our refuse collection costs. Seventeen District Wards are ranked in the 25% of Wards nationally with the poorest access to services like a post office, GP etc. making access to services in a District of our size a key challenge. We provide leisure and recreation facilities in each of the six urban centres which makes them locally accessible to most of the District but makes their service costs higher than in the comparator group of Councils.</p> <p>The District has a high quality environment with a rich mix of natural and man-made heritage. It is seen as a desirable place to live and the District's house prices have risen 68% since 1997. The local environment provides a challenge in terms of the cost of maintaining the District's heritage, parks and gardens, etc to a high standard to meet the expectations of local people. It also challenges that part of the Council's agenda which is about making housing affordable locally to those in need.</p> <p>Whilst deprivation generally is relatively low, there are pockets of deprivation in the District. The Council uses Ward data to build up a picture of the areas of local need. It is putting together a Ward profile database to enable it to analyse areas of most need and determine spending and service priorities in individual service plans and strategies on a Ward basis.</p> <p>The Council has had the equal lowest Government grant increase nationally for four years running. In 2005/2006, the national Rate Support Grant for Shire Districts was 4.0%. In comparison, Harrogate Council received 2.2%, topped up by the "floor minimum" to 2.5% (25). Against this backcloth, Harrogate's own level of Council Tax increase for the last two years has been broadly in line with the other Councils in the comparator group.</p>	<p><b>References to evidence source</b></p> <p>(19) Harrogate District datafile 2004.</p> <p>(19) Harrogate District datafile 2004.</p> <p>(25) Budget book 2004/2005</p>
<p><b>KLOE 5.1.3: To what extent are costs commensurate with service delivery, performance and the outcomes achieved?</b></p> <p>Our regular performance monitoring enables us to identify low performing services at an early stage and to take corrective action. We use a corporate basket of PIs (27) to monitor those national and local PIs related to the Council's corporate priorities and improvement agenda which includes using "traffic lights" to identify performance which is improving and achieving the planned outcome (green), performance on track (amber) and performance requiring attention/corrective action (red).</p> <p>We also monitor and report our performance on all of the national PIs, both in terms of performance trends and in comparison to others in our family group and our neighbouring North Yorkshire District Councils.</p>	<p><b>References to evidence source</b></p> <p>(27) Examples of quarterly Corporate Basket Monitoring reports.</p>

Our current vfm assessment on each of our corporate priority action areas is summarised below:-

## Housing

We have targeted affordable housing and carried out research into the needs of those living in rural areas, young people and local workers (28). Investment in new affordable housing secured a further 106 homes across the District in 2004/2005. We also undertook an Options Appraisal into future housing service delivery (29). This work is key to delivering the Council's commitment to meeting the Decent Homes standard in all Council dwellings by 2010. The Council has the 4<sup>th</sup> lowest cost (£5.82 per head) of providing housing services in the comparator group and the highest tenant satisfaction level. In 2003/2004, the Housing Quality Network confirm that the Council's housing service was the top performing service nationally on all four housing BVPIs.

Investment in Homelessness continues to produce improved performance year-on-year. The average length of stay in Bed and Breakfast (2 weeks) is the 5<sup>th</sup> best performance of the Councils in the comparator group. However, the average length of stay in hostels (24 weeks) is below average with only 2 of the 7 Council's that have hostels in the

(28) Affordable Housing needs survey.

(29) Housing Options Appraisal

**KLOE 5.1.3: To what extent are costs commensurate with service delivery, performance and the outcomes achieved?**

comparator group having longer lengths of stay than at hostels in the Harrogate District. This performance reflects the Council's policy of increased numbers of hostel places in response to increased levels of homelessness in the District.

**Traffic and Transport**

Because of the size and nature of the District, we have targeted improved accessibility for local residents in rural areas through travel concessions across the District (30). The take-up of travel concessions of 542 per 1,000 people eligible showed a marked improvement in 2004/05 on the previous year's performance. We are also continuing to address traffic congestion and road safety in the Harrogate and Knaresborough urban areas.

**References to evidence source**

(30) Concessionary Fares Scheme monitoring report.

**In 2004/2005, in partnership with the County Council, Network Rail and Arriva Trains Northern, we sought to improve accessibility and the visual environment through a new transport interchange at Station Parade, Harrogate (30.1). We are also working with others to improve public transport facilities on the Bilton and Jennyfield bus routes, extending the cycle route network and the “Safe routes to School” scheme.**

**Overall spending on transport services is below average, with spending on public transport in the lowest quartile. The level of parking income (£9.53 per head) is the 5<sup>th</sup> highest in the comparator group. Parking provision is part of the new integrated approach to transport for Harrogate and Knaresborough and reflects the policies in the draft transport strategy which is currently being developed jointly with the County Council.**

(30.1) Design brief for the new transport interchange in Harrogate.

(31) Reports on the Transport Strategy

**KLOE 5.1.3: To what extent are costs commensurate with service delivery, performance and the outcomes achieved?**

**References to evidence source**

**Keeping the District Safe**

The Community Safety Partnership has invested in awareness campaigns and effective cross-agency working over the last two years. This has led to a reduction in the District's crime levels with vehicle crime at 5.1 incidents per 1000 population and racial incidents at zero incidents for the third year running. Our spending on Community Safety is the 4<sup>th</sup> lowest in the comparator group at £0.73 per head.

(32) Safer Communities Strategy

**Natural and Built Environment**

Our costs on waste collection are the 4<sup>th</sup> highest in the comparator group at £19.94 per head. In its July 2005 report on Waste Services, the Audit Commission rated our waste service as "good with promising prospects for improvement" and commented favourably on the service's vfm (33). The report highlighted three vfm issues for us to review and these are to be carried out in 2005/06 as part of the Council's Waste Action Plan (34). The outcomes of these reviews will enable us to improve the vfm of this key District service including the expansion of the kerbside recycling schemes and improvements in waste minimisation.

(33) Waste Services Inspection Report

(34) 2005/2006 Waste Action Plan

**We improved our performance on the processing of planning applications in 2004/05 with our processing of other applications and minor applications 6<sup>th</sup> and 10<sup>th</sup> highest respectively compared to the Councils in the comparator group. Our processing of major applications has also improved but is the 3<sup>rd</sup> lowest performance of the comparator Councils at 38% of major applications determined within 13 weeks. The Council continues to invest in the Planning Service and address the vfm issues through its 2005/2006 Action Plan (35). Work has also started on the Local Development Framework for the Harrogate District up to 2021 on transport, housing and the environment. The cost of our planning services is just above the average cost in the comparator group at £11.73 per head.**

(35) Planning Improvement Plan 2004 to 2008

**KLOE 5.1.3: To what extent are costs commensurate with service delivery, performance and the outcomes achieved?**

**References to evidence source**

**Our spending on street cleansing and litter services is the third lowest in the comparator group of £4.99 per head. The Public's satisfaction level on our standard of cleanliness is the highest in the comparator group at 74%. The percentage of our local streets and land which does not meet the cleanliness standard is the 2<sup>nd</sup> best performance at 11%, (ie 89% of our streets, etc meet the standard).**

**Our Asset Management Plan (36) is the key driver on the management of the Council's property and buildings. In the 2005 Yorkshire and Humber Environmental Index (37), the Council was ranked 9<sup>th</sup> out of 15 public sector organisations with an environmental assessment score of 64%. Our performance showed significant improvement compared to the previous year on water consumption and on waste and resource management compared to the organisations in the comparator group. We are also making significant reductions in our CO<sup>2</sup> emissions and water usage in line with the Council's commitment to MACC2 (38). The project to restore the Royal Hall using £6m of Heritage Lottery funding and £2m of Council funding will see the Council's premier Listed Building re-open to the public in the Summer of 2007.**

**The cost of the Council's parks and open space service is £11.39 per head, the 6<sup>th</sup> highest in the comparator group of 16 Councils. This reflects the Council's commitment to tourism and the local environment and delivers the significant service performance demonstrated by Harrogate and Darley winning gold awards in the Entente Florale European "In Bloom" event in September 2004, the Council**

(36) Asset Management  
(37) Yorkshire and Humber Environmental Index  
  
(38) MACC2 Year 2 update report (27/5/05)

**winning the national Groundsman of the Year Award for Killinghall Moor (October 2004) and retaining “Green Flag” status on Ripon Spa Gardens and Hookstone Woods. The contribution that our Parks and Open Space service makes to the cleanliness agenda across the District is reflected in the costs of that service.**

**KLOE 5.1.3: To what extent are costs commensurate with service delivery, performance and the outcomes achieved?**

**References to evidence source**

**The cost of our Environmental and Public Health service is the second lowest in the comparator group at £8.39 per head. (The average cost is £11.91 per head). Local service PIs on food inspections, health and safety inspections etc demonstrate high levels of performance. Customer satisfaction with our public health services is 85%. The external audit by the Food Standards Agency and the external inspection by the Health and Safety Executive both found the enforcement services to have a high level of compliance against national standards and demonstrated best practice.**

#### Local Economy

Economic activity in the Harrogate District is above average on the key economic indicators (39). However, this tends to reflect the position in Harrogate Town. There are a number of economic issues in the Market Towns and rural parts of the District which the Council, in partnership with others, is addressing. The success of the Ripon City

**Partnership in regenerating the economy of Ripon has been supplemented by regeneration partnerships in Knaresborough, Boroughbridge and Nidderdale. There is a clear Council commitment to develop the local economy outside of the town of Harrogate and our spending is £5.60 per head – the 5<sup>th</sup> highest in the comparator group of 16 Councils (40). The recent notification of a Local Authority Business Growth Incentive (LABGI) grant to the Council is in recognition of the performance of the Council's Economic Development Unit on growth in local businesses across the District.**

**The Harrogate International Centre (HIC) goes from strength to strength and is the**

(39) Annual Local Economy Profile

(40) Economic Development Unit's Business Plan

**third most successful conference and exhibition centre in the UK. During 2003, the District attracted 2.5m visitors (6.2m visitor days), a 10% increase on 2002. There were also increases in day visitors and stay visitors. The overall direct spend by all visitors is estimated as £234.1m, an increase of 17% on the 2002 figure. Of this, £74.1m is determined as attributable to holiday tourism and £160m to business tourism (41). The new breakout facilities in the Queen's Suite at HIC were opened in 2004/2005 as part of our continued investment in HIC. Conference and exhibition venue occupancy days at HIC were 1,700 in 2004/2005 with sales and lettings exceeding their target at £5.4m.**

(41) 2003 Tourism Economic Activity Monitoring Report.

#### Benefits and Local Taxation

Our Council Tax Benefits administration costs are the 4<sup>th</sup> lowest in the comparator group of 16 Councils at £3.63 per head. Our Housing Benefits administration costs are the 4<sup>th</sup> highest at £6.73 per head. The Benefits administration costs and the local taxation collection costs together are £17.36 per head - the 3<sup>rd</sup> highest spending in the comparator group. The Council issues 12% more Council Tax bills per household than the national average. Benchmarking with comparator authorities as part of the Benefits and Local Taxation Best Value Review in 2003 identified that not all of them fully apportion central costs, especially ICT, to their Revenues and Benefits service.

**The Best Value Review and inspection of the Council's Benefits and Local Taxation services was completed in September 2003 and the implementation of the resultant Service Improvement Plan (SIP) over the last two years has resulted in significant improvements in customer care, more effective communication with customers, better working relationships with other bodies and agencies, core system upgrades and the**

**implementation of the Government's Benefit Verification Framework (42). Over this same period, tax collection rates have been maintained, benefit processing times have been reduced, complaints have reduced and customer satisfaction levels have risen.**

#### Central Services and Other Costs

Our costs on central, corporate and democratic core services are the 6<sup>th</sup> highest in the comparator group at £16.77 per head. Unapportionable central overheads are £8.81 per head – the 2<sup>nd</sup> highest of the comparator group of 16 Councils. The main reason for the cost differences on these two cost indicators is the accounting practices in the comparator authorities. We follow the CIPFA Best Value Code of Practice and fully allocate support service costs. The unapportionable central overhead cost includes a significant figure (£1.25m) for back funding pensions (25). Without this anomaly, Harrogate's costs on central services would be below the comparator average.

(42) Progress Report on the Benefits and Local Taxation Best Value SIP.

(25) Budget Book 2004/05

#### KLOE 5.1.4: To what extent do costs reflect policy decisions?

Our annual budget process includes reviewing and updating the forecasts of likely costs for the next three years, forecasting inflation on pay and prices, reviewing the balances of Reserves and Provisions, carrying out a review of budgets to identify where efficiency savings might be made and updating the Medium-Term Finance Strategy (16) with the most recent details on growth proposals and service pressures.

The Council has detailed information on the costs of its actions and appraises them to ensure they reflect the relevant policy (43). To develop this approach further, a rationale is being developed as part of the 2005 Corporate Planning process to enhance our current arrangements on the prioritisation of capital and revenue resources in line with the key priority areas in the Council's new Strategic Plan (44). (The rationale cannot be finalised until the Council adopt the Strategic Plan and corporate priorities in October 2005). Once in operation, the prioritisation rationale will further strengthen the Council's commitment to deliver its 10-year vision and corporate priorities through affordable, policy-led plans and budgets.

The Council balances costs and performance in line with its corporate priorities and in relation to the external factors (eg the level of Government grant, the District's geography and demography, etc) which impact on costs and performance. High spending to achieve high performance is budgeted for, planned, aimed at priority services and agreed in advance. Examples are:- recycling and waste management – key services in terms of our corporate priority on the local environment; parks and open space – key services in terms of tourism, the local economy and the environment; sport and recreation – key services in terms of life style, health and culture across the District.

#### References to evidence source

(16) Medium-Term Financial Strategy

(43) Break-out Space, HIC  
(43.1) HIC Board monitoring report  
(44) Draft prioritisation rationale report to CMT  
(14/07/05 – Major Projects; 28/07/05 – Council services).

**KLOE 5.2: How well does the Council manage and improve value for money?****References to evidence source**

Whole project term costs are taken into account on the appraisal of major projects and partnerships. For example, the whole project term costs and benefits of the Ripon City Partnership SRB projects were considered as part of the scheme's approval and costs were projected over the full term of the scheme (5+ years) (45). Other examples include the Royal Hall Restoration project, the Hydro and Nidderdale Pool. This long-term approach on project costs is a requirement in our appraisal of all major projects and partnerships.

(45) Ripon SRB mid-term evaluation report (06/05/04)

We set the budget for the financial year and monitor actual income and expenditure against budgets as the year progresses. Action is taken to investigate variations as required. Variations and the actions taken are reported to the relevant Cabinet Portfolio Holder and Scrutiny Commission (46). Each budget is assigned to a budget holder who is responsible for monitoring that budget. All budget holders have online access to the Council's Financial Management System (FMS) which provides up to date information on income and expenditure.

(46) Example Budget variance report to Scrutiny

As part of our project management arrangements, we set up a Project Board for each major project which meets regularly to discuss progress on the project, both in terms of costs against the budget and how the work is progressing. Project Boards are cross-directorate groups chaired by a nominated Director or Lead Member. Each Board provides reports to CMT, Cabinet and Scrutiny on a pre-agreed basis – quarterly or more frequent if required. An example of this approach to project management is the Royal Hall Restoration Project (47).

(47) April 2005 Minutes of the Royal Hall Restoration Project Board

KLOE 5.2: How well does the Council manage and improve value for money?	References to evidence source
<p>We carry out public consultation on a regular basis and use the outcomes to set and review our corporate priorities and service delivery. We have a District Panel of 1500 residents which is profiled on the demography of the District. We also use questionnaires, focus groups, informal discussions and electronic surveys to inform our strategies, policies and service plans (48). In 2004/2005, we used Research for Today Limited to conduct qualitative research with local stakeholders, using the SIMALTO methodology, on the allocation of resources and spending options which informed the Council's Medium-Term Financial Strategy (16) and related corporate policy decisions on resource allocation.</p>	<p>(48) Examples of District Panel consultation and resulting actions.</p> <p>(16) Medium-Term Financial Strategy</p>

**KLOE 5.2.1: How does the Council monitor and review value for money?****References to evidence source**

The Council has existing corporate strategies and policies on procurement, annual efficiency savings, external funding and project management. It is currently developing a rational on the prioritisation of capital and revenue resources. In the 2005 Corporate Planning process, the Cabinet has agreed (for consultation) a draft Strategic Plan which includes a strategic priority action on the Use of Resources (2). Once the Strategic Plan is approved, the Council will develop and adopt a corporate Use of Resources Strategy to bring together all of the above strands into one coherent approach on the use of resources which will ensure that achieving value for money is at the heart of all that we do and ensure that all parts of the organisation are working to a common framework.

(2) Strategic Plan 2005 to 2008 (Strategic Priority Actions)

Our approach on corporate planning brings together service and financial planning (14). The consideration of service and financial issues together has proved to be a key factor in being able to improve value for money and divert resources to areas where performance issues or changing service demands justify increased funding. For example, in 2004/05, the Council invested £481,000 in recycling to further develop the kerbside collection service in line with the expectations of local people. The Access to Services budget was also increased by £287,000 to meet the identified needs of local residents on accessible Council services and information. In 2005/06, the Council will spend an additional £65,000 on accessible rural transport in line with its corporate priority on accessibility because of the increased take-up of travel concessions in the Harrogate District (49).

(14) The Annual Corporate Planning timetable

(49) 2005/2006 Performance Plan – Section 5: Funding Corporate Priorities

KLOE 5.2.1: How does the Council monitor and review value for money?	References to evidence source
<p>We continue to use Best Value, management and scrutiny reviews to challenge service performance and costs where appropriate. The scope of each Best Value review is agreed by the Cabinet based on the recommendations of the Corporate Management Team. A risk-based approach is used to select the services for review (3) using the Council's priorities, legislation and other criteria. Each review is lead by a nominated Director who is independent of the area under review. The review Steering Group is chaired by the relevant Cabinet Member and has at least 2 Members from the relevant Scrutiny Commission, as well as external partners and agencies (4). The Council's Best Value Review Programme is currently suspended, awaiting the adoption of the new Strategic Plan in October 2005 to enable the revised Council priorities and improvement agenda to inform the development of the future BVR programme.</p> <p>Examples of external reviews used to examine vfm include the District Auditor's review of our internal audit service and the earlier Food Standards Agency audit of our food inspection service.</p> <p>Cost indicators are regularly monitored against our own internal targets and on a comparative basis (10). These comparisons have helped identify services for further review or areas for benchmarking. We are members of the CIPFA benchmarking clubs on Creditors, Debtors and Payroll. Also, our Bereavement Services benchmarked on service quality and costs as part of the "Charter for the Bereaved" (50). The benchmarking confirmed that our bereavement services are good value for money compared to the other Council's in the comparator group.</p> <p>Once we have adopted the Strategic Plan and corporate priorities, we will identify service costs and quality for benchmarking and review as part of the new Corporate Use of Resources Strategy (51).</p>	<p>(3) Best Value programme rationale – Cabinet report (10.11.2004).</p> <p>(4) Best Value Code of Practice</p> <p>(10) Example performance monitoring report.</p> <p>(50) Bereavement Services benchmarking.</p> <p>(51) Use of Resources Action Plan 2005.</p>

**KLOE 5.2.2: How well has the Council improved value for money and achieved efficiency gains over the last three years?**

**References to evidence source**

As part of the Council's corporate planning process each year, an efficiency gains target is agreed with each directorate in line with the policy in the Medium-Term Financial Strategy (16). There is both a cash and non-cash target for each directorate. Performance against the cashable efficiency gains targets is reported to Members as part of the budget monitoring process. Non-cash efficiency gains are currently monitored as part of the service planning process in directorates. It is proposed that these arrangements are reviewed in 2005/2006 as part of the Use of Resources Action Plan (51) in order to ensure that efficiency gains are monitored and reported corporately.

(16) Medium-Term Financial Strategy

Over the last three years, our corporate planning processes have identified savings and efficiency gains in excess of £2.4m. The identification of savings has followed an upward trend - £0.43m in 2003/04 to over £1.40m in 2005/06. The upward trend is attributable in part to the budget preparation work undertaken by directorates in the run-up to the budget being agreed.

(51) Use of Resources Action Plan 2005.

Part of the improved tracking of efficiency gains will ensure that budget variances are due to other specific non-vfm issues (51).

(51) Use of Resources Action Plan 2005

We identify the allocation of efficiency gains and additional resources to our priorities in the Council's Performance Plan each year (52). The schedule of efficiency gains is agreed by the Council each year as part of the budget process (53).

(52) Performance Plan, Section 5  
(53) Revenue Budget report.

**KLOE 5.2.3: Do procurement and other spending decisions take account of full long-term costs?**

We carried out a review of our procurement strategy and arrangements in 2004/05. The review identified that a more corporate, co-ordinated approach was needed to the way the Council procures its goods and services. In the last twelve months, we have:-

- reviewed the corporate procurement strategy, including an IDeA health check, leading to the development of a revised procurement strategy for adoption in 2005/06 (54);
- become a member of the Regional Centre of Excellence in Leeds;
- achieved procurement efficiency gains in 2004/2005 of £4,220 on reduced fly tipping contractor payments, £3,000 on the price of networked photocopies through competitive tendering, £3,000 on the reduced printing costs of car parking tickets, £5,000 on consultant costs on an air quality review and £6,000 on the production of the Council Tax leaflet – a total of £21,220 of cashable efficiency gains relating to procurement (55).

We will include issues like a Member procurement champion (both Executive and Scrutiny), increased collaboration with other organisations and enhanced monitoring and reporting arrangements within the Authority in our revised procurement strategy. The corporate procurement group reviewed the cost of small purchase transactions, the use of procurement cards and e-procurement in 2004/05 and is currently seeking ways to address the outcomes, including a pilot procurement initiative with a local office equipment supplier (56).

Taking the long-term view is an important part of our decision-making process. Our project appraisal arrangements ensure that projects are evaluated at an early stage and that the links to the Council's corporate objectives, the costs projected over time and the intended project outcomes are all considered as part of the decision-making process. An example is the Royal Hall Restoration Project (57). The Council will ensure that this approach remains a key part of its revised corporate procurement strategy.

**References to evidence source**

(54) Corporate Procurement Strategy

(55) 2004/2005 Efficiency Statement

(56) Minutes of the corporate procurement group.

(57) Royal Hall Restoration Project appraisal report.

**KLOE 5.2.3: Do procurement and other spending decisions take account of full long-term costs?**

Where a scheme is reliant on external funding that is time limited, the on-going costs of continuing the scheme and any exit strategy are considered at the scheme approval stage. An example of this is the Royal Hall Restoration project (57). The Council will ensure that this approach continues to be used on all major projects.

**References to evidence source**

(57) Royal Hall Restoration Project appraisal report

The Council has a structured approach to seeking external funding opportunities which is linked to its corporate priorities and community benefit. The use of external funds is regularly reported to Members, including commentary on how the external funding has supported the delivery of the Council's corporate priorities. The Council has been very successful in attracting funding from various sources over the last three years. A list setting out the amount, source, service, contact officer and outcomes is attached to this self-assessment (58).

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(58) List of external funding 2002/2003 to 2004/2005.

**Contextual Information****References to evidence source**

We carried out a corporate restructure in 2005 which achieved over £120,000 of cash savings as well as other economies of scale in 2004/05. There are further savings in 2005/06 leading to an overall figure for annual savings of around £300,000. Post-restructure, we reviewed the Council's ten-year vision, corporate priorities, corporate plans and resources as part of the 2005 corporate planning process. This has helped to shape a draft Strategic Plan, a new organisational goal and revised strategic priorities which the Council will deliver over the coming years. These new plans will be adopted at the Council meeting on the 12<sup>th</sup> October, 2005 and a number of improvement initiatives, including enhanced VFM arrangements as part of the Use of Resources strategic priority action will flow from that decision. This 2005 self-assessment is, therefore, based on the Council's previous priorities and ambitions. It also highlights where things will change as a consequence of the corporate restructure and new Strategic Plan.

The Audit Commission's vfm analysis based on comparator group rankings does not give an adequate indication of scale and can sometimes give an exaggerated picture of inter-authority differences. Also, the population figure used by the Audit Commission in their vfm profile is not the same figure used by CIPFA in its statistics and understates the District's population which is rising each year.