



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**13 JANUARY 2004**

Report of the Director of Finance

## **Best Value Review Of Support Services**

### **RECOMMENDATION**

1. To endorse the Terms of Reference for the Best Value Review of Support Services, as outlined in Appendix 2.

### **REASON FOR RECOMMENDATIONS**

- 2.1 The Council provides a wide range of support services. Some are provided only on a corporate basis, while others are provided across a range of directorates and departments. In order to conduct a meaningful review of such a broad topic, it has been necessary to identify crosscutting themes that encapsulate the key issues and risks.
- 2.2 The themes identified in Appendix 2 will enable the Review to avoid specialisation and to focus attention on key issues common to the delivery of support services across the Council.
- 2.3 The Terms of Reference need to be endorsed by Members in order to progress to the next stage of the Review.

### **SUPPORTING INFORMATION**

- 3.1 As part of the 2003/2006 programme of Best Value Reviews, the Council is carrying out a review of Support Services.
- 3.2 The Terms of Reference are set out in Appendix 2.
- 3.3 This review focuses on all support services, including those provided corporately and those services that are also provided within individual Directorates. Appendix 3 contains a list of the main support services covered by the review.

3.4 Due to the broad nature of the review topic, decisions were made to exclude:

- Support services to schools, as there is a similar review to be carried out separately next year
- Support staff directly employed as part of a front-line service, e.g. administrative staff within leisure centres

3.5 The stakeholders of support services are largely internal, as costs are recharged to front line services. The definition of a stakeholder is somewhat complex, as, for example:

- Support services managers are, in turn, dependent on other support services, e.g. Payroll Services are dependent on ICT and Personnel.
- Services provided within directorates have a more complex dependency. For example, devolved personnel services may be dependent upon policies determined by Corporate Personnel; on the other hand, Corporate Personnel in an advisory capacity also provides a service to individual directorates.

3.6 The Review Team held a scoping event on 24 November 2003, attended by 60 key stakeholders both from front line services and from the various support services, together with Members and representatives of Derby Homes.

3.7 In determining the scope of the Review, the Team also considered feedback and recommendations from the Budget Peer Review and from the Scrutiny Management Commission Budget Sub-group.

3.8 The Terms of Reference need to be considered by Council Cabinet before being reviewed by the Scrutiny Management Commission. The Council Cabinet, taking account of any comments made in the scrutiny process, must then approve them.

3.9 It is anticipated that the review will be completed by July 2004.

## OTHER OPTIONS CONSIDERED

4. None.

<b>For more information contact:</b>	Pam Vernon 01332 255343 e-mail <a href="mailto:pam.vernon@derby.gov.uk">pam.vernon@derby.gov.uk</a>
<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Terms of Reference – Support Services Best Value Review Appendix 3 – Services covered by the review

## IMPLICATIONS

### Financial

1. The costs incurred in carrying out this review must be self-financing from cost improvements generated within support services across the Council. There is significant potential for being able to re-use the findings of this review within other projects, e.g. the Council's Financial Systems Strategy.

### Legal

2. The Best Value Review of Support Services is being carried out under the requirements of the Local Government Act 1999.

### Personnel

3. None arising directly from this report.

### Corporate Themes and Priorities

4. **Value for money** is a key theme within the review. We will be challenging our support services to ensure that they are appropriate and cost effective. Support services contribute to the cost, quality and efficiency of all of the Council's front line services and thus the review will indirectly support other themes and priorities.

## Appendix 2

<b>Best Value Terms Of Reference</b>	
<b>Review Title</b>	Support Services
<b>Cabinet Member</b>	Cllr Maurice Burgess
<b>Review Team Leader</b>	Pam Vernon – Assistant Director (Financial Services)
<b>Scope of Review: Key Issues &amp; themes</b>	<b>Related points</b>
1. Are the services that we are providing appropriate to the requirements of our customers?	<p>What services do we need to provide?            Who provides them?            How far are current services fulfilling those needs?            What are our statutory responsibilities?            How far do the services extend beyond these into discretionary areas?            Are there choices available?</p>
2. Are the services that we are providing cost effective?	<p>How much do our current services cost?            Are we currently charging stakeholders for levels of service that they do not require?</p>
3. How can we ensure a better dialogue between support service providers and stakeholders?	<p>This has close links with item 1.            How far are we agreeing upfront service levels and costs?            How are we monitoring these?            How can we do this in a cost effective but not labour intensive manner?            How can we jointly plan to ensure that future developments are sustainable?</p>
4. How can we optimise the balance between corporate and devolved support services?	<p>Examine both corporate and devolved services, side by side, as a total service provision.            How can we avoid:</p> <ul style="list-style-type: none"> <li>• Duplication of effort? Duplicated systems?</li> <li>• Conflict of priorities?</li> <li>• Redundant work?</li> <li>• High management overheads?</li> </ul> <p>How can we balance economies of scale against the advantage of proximity to front line services?            What opportunities are there where further devolution may save time and effort elsewhere?            What opportunities are there where a centralised service would be appropriate and more cost-effective than a currently devolved service?</p>

<p>5. Review the way that support services are charged to service users. How far can we:</p> <ul style="list-style-type: none"> <li>• Further devolve budgets to departments where there is an identified control over risks or volumes?</li> <li>• Apply further refinement as to how individual support services are recharged?</li> </ul>	<p>There is less incentive to identify and address risks, e.g. issues resulting in insurance claims, if budgets are held centrally away from the impact of the risk. Similarly, there are budgets where the department could influence volumes of expenditure, e.g. telecommunications, or invoke choices. Recharging of central support services needs to be aligned more closely with the nature of the stakeholder service. We need to relate these points back to items 1 and 2 above.</p>
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Please note that the above terms of reference are inter-dependent, and will be addressed in parallel to ensure that the overall issues are identified.

**SERVICES WITHIN SCOPE OF REVIEW**

**Corporate Services Directorate**

ACCOMMODATION (Paul Windle)

CENTRAL SERVICES (Chris Earnshaw )

COMMITTEE (Kate Owen)

LEGAL (Stuart Leslie)

MANAGEMENT & ADMINISTRATION

TELECOMMUNICATIONS (Phil O' Brien)

VALUATION (Steve Meynell)

**Finance Directorate**

ACCOUNTANCY (Carolyn Wright)

BANKING (Keith Dalton)

CASH OFFICE (Marj Morrice)

E-SERVICES (Chris Dawson)

TAX & INSURANCE (Keith Dalton)

INTERNAL AUDIT (Richard Boneham)

I. T. SERVICES (Mike Thompson)

EMPLOYEE PAYMENTS (Sue O' Reilly)

STRATEGIC PLANNING AND PERFORMANCE (David Armin)

EXTERNAL PAYMENTS, INCL SUNDRY DEBTORS (Sue Bowling)

**Policy Directorate**

CORPORATE COMMUNICATIONS (Theresa Knight)

EQUALITIES (Muzar Syed)

PERSONNEL (Sue Scott)

## **Appendix 3 (continued)**

### **All Other Directorates**

Any of the above services that are also provided within individual directorates will be included within the scope of the review.