

Star Chamber Review

2nd September 2008

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT			
To seek Cabinet's approval for revised arrangements for Star Chamber and Cabinet members in bringing forward both service improvement proposals and service efficiency/savings options to meet the targets included in the Medium Term Financial Strategy and Corporate Plan			
Key Decision	<input type="checkbox"/>	Non-Key Decision	Referral from Corporate Director
			X
Date Included in Forward Plan	N/a		
This report is public			

RECOMMENDATIONS OF COUNCILLOR J.R.MACE

- (1) That the revised arrangements for Star Chamber, and individual Cabinet members, in bringing forward both service improvement proposals and service efficiency/savings options to meet the targets included in the Medium Term Financial Strategy and Corporate Plan, be approved
- (2) That the amended Terms of Reference for Star Chamber as proposed in Appendix A be approved
- (3) That the revised timetable for Star Chamber as set out in Appendix B be approved
- (4) That the outstanding items from last year's Star Chamber as set out in Appendix C be reviewed and those retained be progressed as proposed within the report.

1.0 Introduction

1.1 Following the completion of the 2008/9 budget process, there was a general consensus that the current process for identifying service efficiencies and savings need a refresh. This view was also supported by the recent Comprehensive Performance Assessment (CPA) and annual Use of Resources judgement that identified that the council has no corporate agreed approach for :-

- identifying how the council will achieve its savings and efficiency targets
- how its existing plans and strategies contribute to delivering these targets

- how it is embracing transformational government and/or business process re-engineering
- how it identifies services for improvement/investment

1.2 At the heart of this, is the need to review the effectiveness of Star Chamber and how Cabinet members could take a more active role in bringing forward budget proposals for their portfolios areas within an agreed framework. This report therefore recommends a revised process and procedure for how Cabinet can satisfy its responsibilities in bringing forward its annual budget and policy framework proposals in a structured manner.

2.0 Existing Star Chamber Process

2.1 Star Chamber was set up to assist Cabinet in bringing forward its annual budget and policy framework proposals by:-

- providing a continuing process that examines current and future spending plans with the aims of ensuring value for money,
- identifying efficiencies and so allowing resources to be redirected into Council priorities and away from non-priorities.
- considering alternative methods of service delivery.
- providing the framework and focus for achieving the financial savings targets included in the Medium Term Financial Strategy.
- considering growth bids, both revenue and capital

2.2 However, over the years, Star Chamber has become less effective in determining the above, and whilst Cabinet has always brought forward options to meet its budget setting targets, it has relied on officers identifying options for driving efficiencies that could be redirected into service improvements or to keep council tax increases at a minimum.

2.3 The proposals in this report seek to re-focus the process for identifying options for service efficiencies, reductions and reinvestment opportunities for service improvement around specific meetings outside of Star Chamber, where each Cabinet member can agree proposals that can then be shared subsequently with Cabinet colleagues in Star Chamber. However, this can only take place within a framework of clearly understanding what the council wants to achieve and in particular, knowing what its key priority service areas are. This is considered further in the proposals below.

3.0 Proposal Details

3.1 Since Annual Council, options for the future of Star Chamber have been considered by the officer Performance Management Group and discussions taken place with the Leader of the Council. In particular, separate consideration has been given to identifying efficiencies and savings in the context of providing Value for Money (vfm), the process for considering revenue and capital growth bids, the process for dealing with outstanding issues from last year's Star Chamber, and timetabling of future meetings. The outcome of these are set out below.

3.2 Review of Priorities

In order for any revised arrangements to be effective, Cabinet members need to ensure that they have a good understanding of key priorities within their portfolios and how their services contribute to them, and also of activities that are less of a priority, given funding and other constraints. It is proposed therefore that Cabinet

meet separately to consider these, and to agree initial proposals regarding priority and non-priority areas, as well as how the revised arrangements can be implemented, in order that everyone understands the process. It is anticipated that this meeting should take place early in September ahead of the new arrangements being implemented. This initial meeting will set the context for the development and focus of the budget and planning process, in identifying potential areas for the diversion of resources away from non (or lower) priority areas, to support the achievement of proposed key priorities and objectives.

3.3 Vfm, Efficiencies and Savings

Vfm

In respect of vfm considerations, it is proposed that each Cabinet member has responsibility for ensuring each service activity within their portfolio is still appropriate and provides vfm. This will involve each Cabinet member gaining a thorough understanding of their service areas and copies of service business plans have already been made available to all Cabinet members.

The revised arrangements for Performance Management (see separate agenda item on this agenda) already provide for more frequent, informal meetings between Cabinet members and service heads. It is proposed that Cabinet members take advantage of these meetings to gain a good understanding of service activity and how they contribute to delivering key priorities. This will then enable cabinet members to provide a robust challenge to ensure that service delivery mechanisms are the most efficient and cost effective, and effort is concentrated on delivering key priorities. Service heads will be required to provide each cabinet member with evidence to satisfy this requirement.

It's likely that service activity for immediate review will be identified through Performance Review Team meetings, benchmarking data, outturn information, and / or Audit Commission vfm statistics. Challenge to existing performance should begin on an exception basis informed by this information and take place throughout the year. The process for review and challenge to service activity will be for the cabinet member to agree with the service head and should begin early in each financial year. However this will not be possible for the current exercise and it is acknowledged that the timing for this to begin is now early September. Each Corporate Director will be available to provide support and assistance throughout the process.

Efficiencies and Savings

Informed by the information from the above vfm challenge and the meeting to review Cabinet priorities, each cabinet member will be responsible for bringing forward options in respect of service efficiencies and savings. These will be developed throughout the year but pulled together for a special meeting in Oct / Nov between the Cabinet member, Corporate Director, and Service Head to enable them to agree options to be considered by Star Chamber prior to be presented to Cabinet. The Cabinet member with responsibility for efficiency will also attend this special meeting. The officer Performance Management Group (PMG) will assist Star Chamber in considering the options referred to them following this meeting.

Cabinet will then receive recommendations from Star Chamber to consider if these should be adopted as part of their budget and policy framework proposals. The views of the Budget and Performance Panel on the proposals will be sought prior to Cabinet meeting to discuss them.

This review will coincide with the review of the Medium Term Financial Strategy and this will determine whether the options prepared to date are sufficient to meet any revised targets for savings and efficiencies. If not, Cabinet may wish to set specific targets for each Cabinet portfolio holder to achieve from their services.

In addition to identifying service-based options, the Cabinet Member (efficiency & performance management) will meet with Corporate Director (Finance and Performance) and Head of Financial Services to determine what corporate

efficiencies there may be. This exercise will follow the same timetable and framework as outlined above.

Any new ideas or options for efficiencies that arise outside of this process will be developed through the cabinet member / service head / corporate director and reported into Star Chamber.

3.4 Service Improvements - Revenue and Capital Growth

The process for identifying opportunities for service improvements will follow the same process as outlined above for identifying efficiencies and savings options. Each cabinet member and service head will discuss any revenue growth bids that may arise from their review of performance, new legislation, or any other source, but only within the context of delivering the identified key priorities. These will be developed throughout the year but pulled together for the special meeting in Oct / Nov referred to above to enable both savings and growth to be considered together. Throughout this process Corporate Directors will provide support and assistance.

Those options supported will then be worked up by service heads for the Cabinet member to refer onto Star Chamber. Recommendations from Star Chamber in respect of these options will then be presented into Cabinet for their consideration. Budget and Performance Panel will also be consulted on the proposals from Star Chamber prior to the Cabinet meeting. The officer Performance Management Group will provide advice and comments for Star Chamber.

Capital growth items will continue to use the existing Asset Management Working Group process with recommendations following the same process outlined above for revenue growth (i.e. AMWG (from service head) through to individual Cabinet member, then into Star Chamber, then Cabinet via B&PP).

Outstanding items / reports from previous Star Chambers should be presented to the appropriate cabinet member during the course of the year. This will allow any issues arising from these to be developed into options for efficiencies/investment for consideration at the special meeting referred to above.

3.5 Format of Star Chamber

The increased responsibility of the new arrangements on cabinet members will mean that Star Chamber's role will change with individual cabinet members bringing forward savings and growth proposals for their consideration.

Star Chamber however will continue to meet informally on Wednesdays between 10am and noon, will be chaired by the Leader, and consist of all cabinet members. Senior officers who will support Star Chamber will continue to be determined by Chief Executive.

A revised Terms of Reference to reflect the new arrangements has been prepared and is attached as **Appendix A**. If the new arrangements are approved there will be no requirement for early meetings of Star Chamber and on this basis a draft timetable of meetings is attached at **Appendix B**

3.6 Outstanding Star Chamber Issues

Following last year's Star Chamber exercise, there were a number of outstanding issues that were to be pursued in this year. A list of these items is attached at **Appendix C**. Cabinet is asked to consider this and determine which items it still

wishes to pursue, and agree that reports concerning those items should be considered by individual cabinet members within the process identified above

4.0 Improvement and Efficiency Plan.

4.1 The proposals outlined above, set out a process for identifying options for efficiencies and service improvements. This process is not restricted to a 12 month period and will support the delivery of the Council's 3 year Corporate Plan and inform the preparation of the 3 year revenue budget, the 5 year capital investment programme, and the Medium Term Financial Strategy.

4.2 The options supported through the revised arrangements will enable Cabinet to identify a range of service efficiencies and investment opportunities, over the medium term, that can be brought together into a 3 year Efficiency and Improvement Plan designed to deliver the Council's key priorities. As such, it will provide the Council's formal, structured approach for meeting its efficiency and service improvement targets as recommended in the CPA inspection judgement.

5.0 Details of Consultation

5.1 Discussions have taken place about the options for revising the Star Chamber process within the officer Performance Management Group. Draft proposals have also been discussed with the Leader of the Council.

6.0 Options and Options Analysis (including risk assessment)

6.1 Option 1:- is to approve the proposals as set out in the report

Option 2:- is to approve the proposals either in part, or as amended at the meeting

Option 3:- is to retain the present system and make no amendments to existing processes

7.0 Officer Preferred Option (and comments)

7.1 Option 1 is the preferred officer option. It offers an improved process for assisting Cabinet in bringing forward its budget and policy framework proposals and would satisfy the recommendations from the recent CPA inspection judgement.

8.0 Conclusion

8.1 The proposals recommended in the report set out a clear process for considering options for achieving savings and efficiencies, for considering new revenue and capital growth bids, for providing a challenge to what and how we currently deliver our services, and a process for setting targets for improvement.

RELATIONSHIP TO POLICY FRAMEWORK

The proposals suggest an improved process for meeting the following Corporate Plan priorities:-

1. continue to evaluate our services to ensure they are delivered in the most efficient and cost effective way.
2. keep the City Council element of council tax increase to acceptable levels
3. provide customer focused services
4. develop a service culture that embraces transformational change

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None directly arising from this report

FINANCIAL IMPLICATIONS

None directly arising from this report but the recommended process outlined would bring clarity and focus to identifying how efficiencies and service investment decisions are considered within a structured approach and how they contribute to meeting the specific financial targets included in the Medium Term Financial Strategy and Corporate Plan.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add

BACKGROUND PAPERS

None

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