

**BABERGH DISTRICT COUNCIL**

**FROM: HEAD OF FINANCE**

**REPORT NUMBER    **F131****

**TO:    **OVERVIEW & SCRUTINY  
(STEWARDSHIP) COMMITTEE****

**DATE OF MEETING    28 November 2006**

**VALUE FOR MONEY**

**1.    SUMMARY**

1.1    This report provides an update on the Council's Value for Money performance for 2004/05 compared to similar councils. This is the most recent year where information is available nationally.

**2.    RECOMMENDATIONS**

2.1    That the report be noted and the key conclusions and actions approved.

        The Committee is able to resolve the matter.

**3.    FINANCIAL IMPLICATIONS**

        None

**4.    KEY CONCLUSIONS / ACTIONS**

4.1    Babergh is a relatively low spending council compared to similar authorities.

4.2    Spending on Cultural Services has increased compared to the previous year.

4.3    Further assessment and investigation is required to identify the reasons why some of our central costs have reduced so markedly and also why our Corporate & Democratic costs are relatively high.

4.4    Spending on Environmental Services is mostly lower quartile other than on Street cleansing. This should be addressed as part of the proposed merger of the grounds maintenance and street cleansing service in October 2007 - as should spend on Parks & Open Spaces and customer satisfaction levels on this and sports/leisure facilities.

4.5    Planning and Transport costs are above average, other than those relating to Economic & Community Development, which are lower quartile.

4.6    Savings from BPR and the introduction of DIP in Planning will improve the costs position in this area. More resources are being directed to Economic/Community Development through the Structural Review.

4.7    Further consideration should be given to the low satisfaction levels in Waste/Recycling.

4.8    Performance on Housing Benefits has improved since 2004/05. An assessment of our latest performance in this and other areas will be undertaken.

4.9 Ways in which Business Rates collection rates could be improved should be explored.

## 5. **KEY INFORMATION**

5.1 Full details of overall and individual service area costs and performance the 2004/05, extracted from the Audit Commission's VFM self- assessment web –tool, are provided in appendix 1 Table -1

### **Total Expenditure**

5.2 There has been a significant change in Babergh's overall ranking (from 9<sup>th</sup> to 13<sup>th</sup>) within its 'nearest neighbours' group. This is obviously affected by the level of expenditure in each area, our financial strategy and use of reserves. This change appears to be caused by the change in Central Services costs, where further investigation is needed.

### **Environment, Planning and Transport (EPT)**

5.3 The main areas under the EPT heading are:

#### **Environment**

- This is our biggest spending area and accounts for 68% of total EPT spending. Cost per head is lower quartile at £34.85 (Low £32.49- High £62.06)
- Within this, our waste collection spend is the lowest @ £14.73 (L £14.73 – H £32.63)
- Street cleansing costs, however, are upper quartile at £7.05 - (L £3.07 – H £10.66)
- Environmental and public health is the third lowest @ £9.36(L £6.28 – H £14.06)
- Other environmental services is around average but a relatively small amount at only £1.83(L £0.4– H £7.74)
- Community Safety costs are average @ £1.77 (L £0.40. – H £7.74)

#### **Planning and Transport**

- Costs are above average @ 16.45 (Planning £12.05 and Transport £4.40)
- Concessionary fares cost £2.88 per head and is a little above average (Lowest £0.77 & Highest £4.21)
- Economic and Community Development @ £1.88 is second lowest. Highest is £9.17

5.4 In terms of performance and customer satisfaction in relation to these areas, the following information is highlighted:

- Street cleansing performance (BV199) is average. Satisfaction levels are above average - 5<sup>th</sup> out of 16
- Babergh managed to maintain its 3<sup>rd</sup> position (out of 16) for its recycling rates. The highest performing council spends 39% or £14 more per head than Babergh.
- Waste collection satisfaction levels are low/below average
- Planning performance (applications approved in time limits) has moved to a lower ranking than was reported last year from 6<sup>th</sup> to 14<sup>th</sup>. Babergh is performing above average on major applications (5<sup>th</sup>) but below average on processing minor applications (14<sup>th</sup>).

Full details are shown in the Appendix Table –2

## **Housing**

5.5 Key details are as follows:

- Homelessness costs are lower quartile but this only amounts to £1.19/ head, which is a relatively small amount.
- Other housing @ £4.17 is between lower quartile and median

5.6 On Council Housing our average rent is the second highest @ £55.34/week but our average weekly maintenance cost per dwelling is the lowest @£ 3.81. Repairs completed in time limits are lower quartile, which is good. Full details are shown in appendix 1 Table -3

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## **Cultural Services**

5.7 Key details are as follows:

- Parks and open spaces spend @ £6.79 remains near upper quartile.
- Tourism spend @ £2.84 is around average.
- Sport and recreation spend @ £7.44 is lower quartile
- Culture and Heritage spend @ £1.72 is lower quartile

5.8 In terms of performance and customer satisfaction in this area, these are:

- There is low satisfaction with sports/leisure facilities (15<sup>th</sup> out of 16).
- Parks and open spaces satisfaction levels also fairly low (12<sup>th</sup> out of 16)

Full details are shown in appendix 1 Table -4

## **Central Services**

5.9 This includes Local Tax collection, Housing & Council Tax Benefits and other central services such as land charges & electoral registration. It also includes Corporate and democratic costs and unapportioned central overheads as well as contributions to the pension deficit.

5.10 Details are as follows:

- Local tax collection @ £15.66 per head is below average.
- Corporate and Democratic costs are third highest @ £25.00 (lowest is £9.31)
- There has been a dramatic change on unapportioned central overheads/ other costs, which have changed from £4.85 to -£5.99.

5.11 In terms of performance and customer satisfaction, details are:

- Council Tax collection rates are near upper quartile but Business Rates collection rates are just above lower quartile
- Processing of new HB claims and changes are about average
- Processing renewal claims is lower quartile
- However, accuracy is upper quartile as is customer satisfaction
- Customer satisfaction on Housing Benefit is upper quartile.

Full details are shown in appendix 1 Table -5

6. **APPENDICES**

Appendix 1 - Value for Money Comparison

7. **BACKGROUND PAPERS REFERRED TO:**

None

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**VFM cost and performance comparisons**

Service Area	BDC £/ Head	Highest £/ Head	Lowest £/ Head	Position 04/05	Position 03/04
Environment, Planning & Transport	51	77	39	12	12
Housing (excl. Council Housing)	5	13	4	11	11
Cultural Services	19	44	11	7	12
Central Services	35	53	19	12	4
<b>Total expenditure</b>	<b>111</b>	<b>151</b>	<b>96</b>	<b>13</b>	<b>9</b>

Table 1 – cost per head and ranking comparisons

Environment Analysis	Measure				Current Position 1/16	Previous Year Position 1/16
		BDC %	Lowest %	Highest %		
BV199	Local street & Env Cleanliness	15	3	41	7	6
BV89	Satisfaction with stds of cleanliness	68	52	72	5	5
BV82a/82b	Household waste recycled & composted	35	14	48	3	3
BV90a	Satisfaction with waste collection	80	74	93	14	14
BV90b	Satisfaction with recycling facilities	73	67	80	10	10
BV166a	Env. Health checklist of best practice	80	63	96	9	2
	Planning applications: Applications decided in target time	70	52	86	14	6
	% of major applications in 13 weeks	57	25	71	5	1
	% of minor applications in 8 weeks	58	43	78	14	5

Table 2–EPT

<b>Housing</b>	Measure	<b>BDC</b>	<b>Lowest</b>	<b>Highest</b>	<b>Rank / 7</b>
BV183b	Avg length of stay in hostel accom (days).	35	0	35	1
	Avg weekly rent £/dwelling	55	46	?	2
BV183a	Avg length of stay in B&B Accom	5	0	8	4
	Avg time to re-let vacant property	19	19	80	7
	Avg time to complete non-urgent repairs	20	12	35	4
	Avg weekly mgmt cost per dwelling	9	8	17	6
	Avg weekly maint cost per dwelling	3.81	3.81	15.55	7

Table 3 –Housing

<b>Culture</b>	Measure	<b>BDC %</b>	<b>Lowest %</b>	<b>Highest %</b>	<b>Rank /16</b>
BV119a	Satisfaction with sports/leisure facilities	44	44	69	15
BV119e	Satisfaction with parks & open spaces	65	26	82	12

Table 4–Culture

<b>Central Services</b>	Measure	<b>BDC</b>	<b>Lowest</b>	<b>Highest</b>	<b>Rank /16</b>
	HB Admin costs £/head	8.61	2.18	9.55	2
	Local tax collection £/head	7.05	2.13	13.32	13
		<b>15.66</b>			
BV80g	% Satisfaction with HB services overall	86	77	88	4
BV9	% of CT collected	98.65	97	99.28	5
BV10	% of NNDR collected	98.87	97.54	99.72	10

Table 5–Central Services