

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Corporate & Efficient Governance Committee : 27 January 2010

Subject: A Competitiveness Framework

1. Purpose of Report

- 1.1** This report presents a draft competitiveness framework for discussion and approval

2. Background

- 2.1** Improving our approach to demonstrating competitiveness is one of the key priorities of the Best Value Improvement Plan. Progress of this plan is being overseen by the Improvement & Efficiency Executive Working Group and subsequently the full Council.
- 2.2** A working group has been set-up to oversee the work required to improve our approach – this is meeting approximately monthly and – following the Council decision on 16th December – also includes Elected Members.
- 2.3** One key task that the group has undertaken was to liaise with the four main Departments to each nominate 5 services which could be prioritised for further analysis of costs, benchmarking activities, competitiveness position and option appraisal. Subsequently the Chief Executives Department nominated one service area.
- 2.4** Another key task was to formulate a Competitiveness Framework document that sets out the Councils approach, rationale and policy towards competitiveness and any potential externalisation of service provision. This also sets out a rationale for initial selection of services for further study.
- 2.5** A further initial task was to respond to the KPMG report (issued in September 2009) on the Council's approach to competitiveness. This report proposed an Action Plan and required a management response.
- 2.6** Each of the Departments has prepared an initial competitiveness position statement on the key services they have prioritised; it is intended that the main service committees receive more detailed reports on their relevant service areas in the May 2010 Committee cycle – with updates annually thereafter.
- 2.7** The Corporate and Efficient Governance Committee last received a report¹ on competitiveness in September 2007 following the SOLACE consultants review. No further reports dealing exclusively with this issue have been presented to Elected Members since that date.

3. Main Issues

3.1 The draft Competitiveness Framework (Appendix 1) comprises 5 sections:

- The first part is an introduction which gives some background, discusses the concept of 'quality services at an acceptable cost' and outlines how 'quality' and 'acceptable cost' can be demonstrated in a more quantitative and evidenced manner.
- The second section outlines an overall methodology involving benchmarking, market analysis, outcome evaluation and option appraisal – leading to a decision on service configuration.
- The third section comprises 11 draft policy statements which would form the Council's agreed policy once agreed.
- The fourth section discusses the competitiveness process in more detail.
- The fifth section is aimed at providing a logic for the choice of services for initial consideration.

3.2 The KPMG report (Appendix 2) notes the following:

- The Council has two significant trading accounts (STOs) in 2008-09, these being housing maintenance and grounds maintenance and street cleaning. Other services provided by the Council which are not officially maintained and reported under the Local Government in Scotland Act 2003, however, are still required to demonstrate Best Value.
- KPMG annually review the trading account activity to ascertain the level to which the actions identified as necessary to demonstrate Best Value has been implemented. This confirms Audit Scotland's conclusions in their July 2009 report on Best Value and Community Planning which challenged the Council to do more to demonstrate competitiveness and Best Value in commercial activities.
- The review has identified that while the Council has identified the need for improved and revised arrangements for performance monitoring and reporting, there are a number of steps still required to fully implement competitiveness and ensure that the Council can demonstrate competitiveness for services provided.
- KPMG have made seven recommendations aimed at enhancing the quality of reporting to Elected Members. This in turn will enable improved scrutiny of performance.

3.3 The Action Plan and management response is shown as Appendix 3. The main features include:

- Improving the annual reporting of STO performance. This is reported annually to Corporate & Efficient Governance – and last reported² in June 2009)
- Improving leadership and strategic direction. This is being addressed by the setting up of the new competitiveness workstream group (with Elected Member participation) reporting to a refreshed Improvement & Efficiency Executive
- Improving the quality and progress reporting of the Best Value Improvement Plan
- Refreshing guidance and implementing training
- Improving performance and benchmarking data quality

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 There are no financial implications.

6. Risk Analysis

6.1 Strategic Risk SR013 (Lack of Competitiveness) currently has a very high score of 12 (impact-critical, likelihood-very likely). The current target is to reduce the overall score to 4 by 31/3/10. The work of the new competitiveness workstream is a key component of meeting this risk reduction target.

7. Conclusions and Officer's Recommendations

7.1 A Competitiveness Framework has been prepared which includes relevant Policy Statements which will provide a background and clarification for on-going competitiveness studies.

7.2 Elected Members are asked to review and comment on the proposed Competitiveness Framework.

7.3 Elected Members are asked to agree the Competitiveness Framework following incorporation of any agreed modifications

.....
David McMillan
Chief Executive
Date: 13 January 2010

Person to Contact: David Webster, Manager, Improvement & Performance. Telephone 01389 737143

Appendices

Appendix 1: Competitiveness Framework
Appendix 2: KPMG report on Competitiveness
Appendix 3: Management response to KPMG
Report & Action Plan

Background Reports:

¹ [Report on Competitiveness to Corporate and Efficient Governance Committee 26 Sept 2007](#)

² [Report on Trading Accounts to Corporate and Efficient Governance Committee 26 June 2009](#)

Wards Affected: All