

FINANCE CABINET MEMBER MEETING

Agenda Item 57

Brighton & Hove City Council

Subject:	Implementation of Phase I VfM (Value for Money) Recommendations		
Date of Meeting:	23 February 2009		
Report of:	Director of Strategy & Governance		
Contact Officer:	Name:	Janice Millman	Tel: 29-1080
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Key Decision:	No		
Wards Affected:	None		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1. The paper represents a summary of departmental plans to assure continued improvement on value for money going forward (2009/10).

2. RECOMMENDATIONS:

- 2.1. That the report be noted.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1. The Value for Money (VfM), programme was the council's corporate programme of improvement to achieve better performance in costs of key council services and an improved position on the external auditor's Use of Resources judgement.

4. PURPOSE OF THIS DOCUMENT

- 4.1. This report provides the VfM Steering Group with an overview of the progress made by each directorate in implementing the VfM opportunities identified and prioritised during Phase 1 of the corporate VfM programme.

5. PERIOD COVERED

- 5.1. This report covers the period 2009/10.

6. VALUE FOR MONEY UPDATE REPORT

A. Children & Young People's Trust (CYPT)

Special Educational Needs (SEN) Services

- 6.1. The service has developed a staged approach to restructuring special school budgets. Schools have been set targets for reduction that will see total budgets

reduced over time and the transfer of significant numbers of children and funds to mainstream schools. While savings will not be immediately apparent under regular Section 52 reporting, these targets will represent evidence of improvements and eventually show as reductions in SEN spend.

- 6.2. The aim of the approach is to assure an overall reduction in the cost of SEN placements in the City, while maintaining continuity in the employment status of schools staff during the implementation of single status.
- 6.3. Improvements against targets continue with out of city placements, which have reduced from 116 to 103 in the past 12 months, along with a 15% reduction in special school placements through intervention. The service is on track to reach the target of 70 out of city placements, in line with the national average, by 10. All savings realised are redirected in to early intervention to ensure continuous improvement.
- 6.4. The plans are still in draft and will be taken to TMT on 12 February 09.

Looked After Children (LAC)

- 6.5. Following the death of baby 'P' the service has, along with other authorities, been under significant pressure to assure that safeguarding standards and governance arrangements in the city are robust. At the same time, there has been some evidence of increases in both the number of children in need and the number of looked after children between October 08 and December 08.
- 6.6. The service has responded to these challenges in two ways:

1) Safeguarding work, this will centre on seven areas that include:

- Compliance with Climbie recommendations
- Adequate supervision
- Thresholds
- Case files
- ICT

The approach to safeguarding was validated by the CYPT Board on 19 January 09. A progress report will be made in March 09. All work is being done in partnership with the PCT.

2) The plans set out in last year's Business Plans, particularly around commissioning and procurement, are to be continued. Progress on the LAC Strategy will be taken to the CYPT Board in February 09. The new CYPT structure will place renewed emphasis on commissioning and will bring schools in to the heart of the Trust.

B. Adult Social Care & Housing

Adult Social Care

6.7. The service has a two-year plan to implement the homecare and day care reviews, the areas in which most savings are anticipated to be realised. The reviews include financial savings targets, which were agreed by Members with regular review through CMM.

6.8. A series of service-based VFM projects have additionally been put forward, including:

- Incomes and payments
- Two resource centres
- Telecare
- Integrated Community Equipment Service (ICES)

The division is currently considering bidding for monies from the transformation fund, to take these projects forward.

6.9. The second key area of work is the personalisation programme. While led by national policy drivers, the service is taking the opportunity to include efficiencies wherever possible. This is being planned in several ways:

- Via the self-directed support route, to reduce the cost of assessment and review.
- Through integrated reablement, where a pilot has already been carried out and where modelling is underway around reducing costs of care packages through intensive, pre-placement support.

These projects do not have specific VFM targets but will support the service's plans to achieve a balanced budget.

6.10. Learning Disability Services, a high cost service, has a VFM review of daycare underway. This involves a review of residential provision and will include staffing and accommodation. Also being undertaken is a joint LA/Health review of continuous healthcare, which is looking at thresholds for funding responsibilities for high cost care packages between the PCT and the council. Finally, a review of the new charging policy will consider opportunities for increasing income, where service costs are out of alignment with other authorities.

Housing Services

6.11. Prioritised VFM opportunities are being taken forward via business planning and, for Housing Management, the Service Improvement Plan (SIP) for 09-12. The SIP was launched at January's Staff Conference.

6.12. The SIP programme, which was agreed in December 08, consists of 4 work streams:

- Housing Investment, including: the Local Delivery Vehicle (LDV); the long-term Procurement Strategy for the repairs, refurbishments and maintenance of council housing stock and; asset management.
- Access & Customer Care, comprising: customer access points and service standards; the Resident Involvement Strategy and; a review of the Housing Officer role.
- Diversity, Equality & Sustainability, encompassing: the Sustainability Strategy; financial inclusion; the improvement of income collections and; 'Turning the Tide' on worklessness.
- Business Improvement, incorporating: ICT; VfM; performance management and; inspection.

The newly formed SIP Programme Board is responsible for overseeing development and implementation.

6.13. Phase 1 VfM opportunities allocated a high priority are:

- A housing-wide review of customer access, aiming to improve links between Housing Management & Housing Strategy to reduce duplication and increase usage of access channels and improve customer satisfaction. The review is due for completion by April 09 but timescales are dependent upon the corporate Access Vision project.
- Reducing spend on agency staff. A cost/benefit analysis of agency staff usage is currently being undertaken. The service remains on schedule to set clear spend reduction targets, estimated to be in the region of 25%, by April 09. Reductions in spend on agency staff are already being achieved in Housing Management, falling from £622,427.29 in 07/08 to £321,675.29 in 08/09.
- Reducing housing management unit costs by £4. The Procurement Strategy is anticipated to generate a large proportion of these savings, the remainder of which will be achieved by a service reconfiguration. Staffing structures are to be redesigned and implemented throughout 09.
- Decreasing levels of sickness absence, to a target of an average of 9 days per employee. Both Housing Management and Housing Strategy are currently participating in a HR-led sickness absence pilot. The impact of the pilot, which commenced in June 08, is due for evaluation in March 09. Based upon existing figures, however, a decrease is predicted for both divisions. At the start of the pilot, Housing Strategy lost an average of 18.04 days per employee and Housing Management 19.32 and these are forecasted to fall to 17.78 and 12.76 for 09/10 respectively. Improvements are also due to improved recording and reporting mechanisms.
- Reducing homelessness cost per head. The recommendations from both the in-house VfM review and subsequent VfM review of the Homelessness Service, carried out by Acclaim Consulting, are being embedded in the 09/10 business plans. A cost/benefit analysis is scheduled for completion by April 09, as is separate report (for statutory homelessness and all other types of homelessness).

- Identifying the potential VfM benefits of changing policies and spend on adaptations, including 'spend to save' opportunities.

- 6.14. Income collection rates have improved, from 97.7% in 07/08 to 97.9% in December 08. This places the authority in the upper median quartile BVPI66a.
- 6.15. The ITT for Housing Management Repairs, Refurbishment & Maintenance Long-Term Strategic Partnership Procurement has been released. The contract is due to be awarded in July 09, for go-live in April 10.

C. Environment

CityServices

- 6.16. The CityClean VfM report validated the planned changes to the refuse and recycling service. Refuse round changes, which were launched in October 08, resulted in reductions in the numbers of crews from 19 to 16 and the recycling round changes that are to be launched in February 09 will reduce numbers of crews from 19 to 15. As has been experienced with refuse, the new rounds are anticipated to take 3-months to embed. In addition, the roll-out of communal bins in the city centre has commenced.
- 6.17. Combined, these changes are anticipated to generate savings of just under £1 million per annum. Savings will be reflected in both BVPI86 cost of waste per household and BVPI87 cost per tonne of municipal waste, which are both reported on annually (figures are due to be issued to Defra for validation in April 09).
- 6.18. A 'crew of the month' award scheme and publishing of performance data by crew, to drive up performance and create healthy competition, will be implemented once the recycling round changes have settled-in.
- 6.19. Additional VfM opportunities to be taken forward are the installation of a vehicle tracking system and the implementation of single status to reduce overall service costs, encompassing the possible adoption of shift pattern changes to reduce the number of freighters required and improve job complexity. The service does not intend to implement further large-scale changes during 09/10, to allow the recent round changes to fully settle-in for both staff and residents. In addition, the latter is dependent upon the corporate Single Status project.
- 6.20. The CityParks review judged the service to be providing good VfM. However, scope for improving both the performance management arrangements and the levels of innovation, by learning from national models of best practice, was identified. Models of best practice are now being identified and site-visits scheduled and performance management systems are being implemented.

Development Control

- 6.21. The Development Control VfM review report is due to be presented to the VfM Steering Group and TMT on 11 February 09 and 25 February 09 respectively.

- 6.22. VfM work is being taken forward as part of a wider Service Improvement Project, which encompasses: customer focus; efficiency and VfM; ICT; Member and staff training; tackling stress and; accommodation improvements.

Additional VfM initiatives for 09/10

- 6.23. The directorate is leading on two VfM initiatives for 09/10 – a review of opportunities for sponsorship and advertising and an analysis of the management options for the city's two golf courses, for which a report is to be presented to TMT in April 09.

D. Cultural Services

- 6.24. Prioritised VfM opportunities are being taken forward via business planning. These are as follows:

- Libraries Review. This will examine the viability and explore the funding opportunities to develop broader campus sites around Whitehawk, Woodingdean and Moulsecoomb libraries and assess options for the Hollingbury Library site. A feasibility report is due for completion in March 09. A pilot to extend the opening hours at Hove Library to 6 days per week is also being launched in April 09, to improve both service access and take-up. The results of the pilot are to be evaluated in March 10.
- Shared directorate functions, including marketing, web services and cross-selling in tourism and venues. Quarterly marketing and sales meetings are to be established in February 09.
- Income maximisation. Various activities are being progressed, including: the introduction of recommended donations levels at the Royal Pavilion and museums in April 09; rearrangement of the Hove Town Hall front of house box office services by April 09 and; visitbrighton relaunched to deliver accommodation bookings.
- Foredown Tower Review. This will examine the future management solutions for Foredown Tower, specifically assessing the feasibility of establishing a Community Trust with Adur Sea Cadets. A feasibility report is to be produced by November 09.

E. Corporate Services

- 6.25. Discussion on how to take forward the VfM opportunities identified have been held at Strategy & Governance and Finance & Resources joint DMT meetings. The areas of work prioritised are:

- Roll-out of Service Compacts
- Drafting of a new Procurement strategy
- Implementation of the new HR IT system

7. INVESTMENT FUND TO HELP DELIVER VFM INITIATIVES (FORMALLY TRANSFORMATION FUND)

7.1. In 08/09, £100,000 of the Transformation Fund was allocated as follows:

- £35,000 towards the wholesale review SEN funding, to refocus support on early intervention. The monies were used to acquire consultancy advice on remodelling budgets for special schools and to cost SEN placements in the city. Comparisons were made with 12 other authorities to develop an approach and funding formula for a range of needs and these will be used as placement package thresholds for all new children entering the service from April 2009. On this basis it is anticipated the new formula will be fully embedded over a 3 year period.
- £20,000 to support a corporate review of debt collection, to improve collection rates, reduce unit costs and optimise use of resources (including recovery enforcement, data sharing, case conferencing failure demand analysis). Due to HR issues, the review is to commence in 09/10 and the monies carried-over to 'free up' a manager to undertake project for 6-9 months. Aspects of this work have, in the interim, been mainstreamed via the Corporate Debt Management Group.
- £15,000 towards the Libraries Review, which has enabled the service to 'free up' internal resources on a short-term basis to focus on the project management and development of the feasibility study, which is due for completion in March 09.
- £30,000 to provide implementation support for the Development Control Improvement Programme. Monies have been used to directly fund a project manager to bring the programme forward.

7.2. A total of £150,000 is being carried-over from the 08/09 Transformation Fund. An additional £150,000 has been allocated to the 09/10 Investment Fund to Help Deliver Vfm Initiatives.

8. FINANCIAL & OTHER IMPLICATIONS

Financial Implications

8.1 None have been identified at this stage.

Finance Officer consulted: Nigel Manvell

Date: 12/02/2009

Legal Implications:

8.2 None have been identified at this stage.

Lawyer consulted: Abraham Ghebre-Ghiorghis

Date: 12/02/2009

Equalities Implications:

8.3 None have been identified at this stage.

Sustainability Implications:

8.4 None have been identified at this stage.

Risk and Opportunity Management Implications:

8.5 None have been identified at this stage.

Crime and Disorder Implications:

8.6 None have been identified at this stage.

Corporate / Citywide Implications:

8.7 None have been identified at this stage.

9. EVALUATION OF ANY ALTERNATIVE OPTION(S)

The report is for noting.

10. REASONS FOR REPORT RECOMMENDATIONS

The report is for information only.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. None