



Haringey Council

Public

Agenda item:

[No 1]

Overview & Scrutiny

On 21st January 2009

Report Title:

Achieving Excellence Update – Value for Money

Report authorised by :

Report of the Interim Director of Special Projects

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Wards(s) affected: [All / Some (Specify)]

All

Report for:

Information

1. Purpose of the report (That is, the decision required)

1.1 To provide Overview & Scrutiny with an update on the VFM aspect of the Achieving Excellence Programme.

2. Introduction by Cabinet Member (if necessary)

2.1 Not applicable

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 Achieving Excellence and VFM in particular contribute to Priority 5, Delivering excellent, customer focused, cost effective services.

3.2 The VFM programme is an essential component in terms of the Councils 'use of resources' performance.

4. Recommendations

4.1 That the information be noted

5. Reason for recommendation(s)

5.1 Not applicable

6. Other options considered

6.1 Not applicable

7. Summary

7.1 As members will be aware, Achieving Excellence is one of three improvement programmes currently being implemented designed to improve the performance of the Council, the others being Regeneration and Better Haringey.

7.2 Achieving Excellence aims to deliver more efficient, cost-effective, customer-focused services by improving the Council's operating infrastructure: our people, processes and systems. The programme aims to:

- Find new and better ways of doing our work to meet the changing needs of our customers
- Focus our limited resources to areas that makes the greatest difference to improving the life experiences of our residents
- Help us to develop into an organisation that can adapt effectively to change operating with a sustained performance and efficiency

7.3 The programme will deliver efficiencies of £5m over the next three years, many of them coming from the VFM stream of the programme.

7.4 Cabinet on 19 February 2008 agreed a three year Value for Money programme. The Value for Money programme has specific objectives to:

- Identify efficiencies and/or improve services with existing resources
- Embed existing good value for money practice throughout the Council
- Consider whether existing services are efficient and effective
- Take opportunities to reduce costs and improve performance through changing delivery mechanism

7.5 The Stream Board has agreed a target efficiency of 3% of gross budgets based on government targets for efficiency for the public sector. A review methodology has been developed which is based in analysing the service in terms of Performance, Efficiency and Perception. The first round of project reviews has been carried out using this methodology. Each review is carried out over six months, following which an action plan is agreed for implementation. The implementation plan will continue to be monitored by the Board. Five reviews are in the final stages of completion:

Review	Year 1 Target	Full Target
Adult Learning Disabilities	£116k	£440k
Benefits and Local Taxation	£237k	£237k
Legal	£85k	£139k
Communications	£15k	£145k
Building Control	-	£27k

A summary of the key findings and proposals for efficiency savings is as follows:

7.6 Adult Learning Disabilities

7.6.1 The Service has made a number of improvements against key performance targets over the last few years, however there are further improvements that are required in the assessment and review processes for which actions plans will be developed.

7.6.2 In terms of efficiency, the initial findings from the review are:

- The usage of residential care is high; the numbers of new clients entering residential care has reduced significantly. The issue is an historical reliance on residential care. The Service continues to explore opportunities for supported living and/or support in the community to reduce these numbers where possible
- The costs of some individual external residential packages seem high and these are currently subject to individual review and renegotiation with providers
- There are potential savings through the use of the 'fair pricing tool'. This is absolutely dependent upon the pan-London work yielding results.
- The service could further promote independence by exploring further options for supported living.
- The service will also explore options for the effective use of accommodation assets

7.6.3 Recommendations:

- Reduce costs of placements by:

- Carrying out further investigation to understand costs breakdown in the service – in particular, reasons for variations in assessment and care management costs with other London authorities and whether there is any potential for efficiencies
- Reviewing the input from the work undertaken by OLM on placement costs and put additional controls in place to improve the value for money of placements.
- Ensuring that the Fair Pricing tool is applied to all the remaining residential care placements, and to new placements as they are being made
- Increasing assistance from the Brokerage team in Commissioning and Strategy to the HLDP to better support Social Workers
- Improve management controls and processes in assessment and care management, transition and review to establish a sustainable approach to value for money by:
 - developing and providing a comprehensive training programme on the financial aspects of the assessment and review processes
 - Provide refresher training on Framework I and financial processes for all managers and officers.
 - Develop robust additional local performance measures to monitor outcomes from key work processes – assessment and review – and reinforce existing assessment targets
- Potentially reduce the cost of external residential care through better commissioning and market development and through the possible implementation of a pan London fair pricing tool.
- Reduce the overall costs of the service by considering re-locating the HLDP to release funds from rent paid on St George's in conjunction with Property Services

7.7 Benefits and Local Taxation

7.7.1 In terms of performance, Haringey Benefits and Local Taxation has been classed by the Audit Commission as a 'medium performance' authority in comparison with its nearest neighbours group. The benefits administration service received a Comprehensive Performance Assessment (CPA) score of 3 in 2007. In terms of cost, the latest Audit Commission profiles places the service 7th highest within its comparator group, which would place it in the upper medium quartile.

7.7.2 The key findings are summarised as:

- The review indicated that a high level of standards is being achieved in benefits processing. However in comparison to a benchmark the service undertake a high number of activities to achieve this standard leading to higher costs.
- Productivity within the benefits processing teams should be improved through a reduction in divisions of labour, target setting and follow through and an investment in twin screens.
- The Local Taxation service is also undertaking a high number of activities in comparison to the best performing authorities. Although activity costs are low the number of activities lead to a high cost of collection per property.

- The cost of customer services is high but reflects a high volume of calls and personal visits. Specialist BLT staff should be located within the front facing offices to avoid a high number of enquiries being referred to the processing teams.
- A streamlining of correspondence including content and format of bills, letters and information leaflets needs to be undertaken to improve the customer interface and reduce the level of customer contact at the call centres.

7.7.3 The review findings indicate efficiencies can be achieved through process improvement and use of technology. The review proposes a process of de-layering of staff and process changes leading to increased productivity resulting in expected staff reductions. The Value for Money target of £237k will be achieved in this way.

7.7.4 The potential to achieve more savings through implementing initiatives to increase productivity will be explored through the improvement plan for the service.

7.7.5 Key Recommendations:

- A new organisational structure should be developed that eliminates unnecessary divisions of labour.
- Identify and align workload to reduce self inflicted and duplicated work.
- Explore opportunities to work in partnership with internal and external organisations.
- The I-World database should be cleansed.
- Undertake a correspondence review including content and format of bills, letters, forms and leaflets.
- Review the overall strategy for BLT/Customer Services working practices. The review to include all aspects, including strategy for frontline service delivery, training, process and cost.
- Investigate feasibility of investment into twin screens. A cost vs. productivity gain study should be undertaken.
- Encourage and promote the use of telephone to contact customers
- Improve the information flows between Council Tax and Benefit staff
- Review the process to ensure new Council Tax liability is established at the earliest point

7.8 Legal Services

7.8.1 The Legal service is generally perceived to provide a good service by both Members and client services. The amount the Council spends on legal services is, however, high compared to other authorities, particularly in respect of children's social care. Expenditure on counsel is also high. Proposed measures to reduce costs are:

- Restructuring of the legal service to provide a flatter management structure and to provide for senior advocates to reduce reliance on external counsel.
- Guidance and training to client services and lawyers to improve risk management across the council
- Targets for reduction in expenditure with external counsel
- Providing for specialist contracts project advice to achieve savings on external

legal expenditure

These measures will achieve the value for money target of £139k and the savings targets agreed in the Council's financial plans.

7.8.2 Recommendations

Encourage openness and promote a culture of continuous improvement that would better manage client expectations in developing strong client-provider relationships by:

- Improving liaison meetings with clients to better clarify clients expectations of the way in which they prefer to work with LS, including provision of client information,
- Extending and offering regular training to clients to strengthen their understanding of both the legal issues relating to their service and the capabilities and responsibilities of LS.
- Working with clients to mitigate the seeking of unnecessary advice by clients when issues could be resolved within the client department
- Developing a communication strategy which includes keeping clients informed of progress on individual matters, newsletters and briefings on emerging issues.
- Reduce the dependence on outsourced legal services (by employing two in-house advocacy lawyers in the Social care team) in order to improve the service to client departments by increased availability to in-house advice and to reduce expenditure by the Council.
- Build on current workforce development initiatives – ensuring that there is cross-learning activity within legal services – support staff are developed and that there is a recruitment programme that will attract top lawyers.
- Maximise the use of Visualfiles to improve the efficiency and quality, through development of electronic court bundling, scanning, automated workflows, unit cost pricing and reporting software. Also procure a digital dictation system
- Develop a marketing strategy to maximise commercial and income generation activities, raise the profile of the service and place the benefits it delivers more effectively in the minds of the stakeholders and the general public.
- Reorganise the structure of LS to support enhanced client focus, to develop cross cutting projects and communications, improve the ability to anticipate legal and other changes and to provide a more responsive, proactive and therefore more effective LS

7.9 Communications

7.9.1 The new CAA framework for assessing how well the Council and its partners are performing and improving services comes into effect from 2009. The communications function has an important role to play in keeping residents and other stakeholders informed.

7.9.2 The review was a cross council review of the communications function. Some of the key findings were that there is good communications performance, against measures for the central service and that there is recognition of the work of the unit from a number of recent awards achieved. These include:

- The Communications and Consultation Unit was highly commended in the PR

Week Awards 2008 as public sector team of the year

- In 2008 Haringey Council's website came joint first for web usability in a survey by Webcredible.
- In the residents' surveys for the last two years, the external website has been cited the best customer contact channel.
- The Better Haringey Campaign was commended in the Strategic Communications Campaign category.

7.9.3 Measures for directorate performance are less clear. In addition, the review found a requirement for improvements in central planning of communications to better manage the work and resources throughout the Council. A communications network will be set up in line with the Communications Strategy. This should allow efficiencies to be realised through improved co-ordination and planning by:

- Reducing the quantity of individual service publications, adverts and campaigns by co-ordinating communication by target audience rather than individual directorates. Publications will be part of the new planning framework.
- Re-enforcing the consideration of a web-only option for communicating when a publication is requested
- Better control of the design and print budgets

These measures will be further developed through implementation of the Communication Strategy. Pre-agreed savings on design and print are already built in to the business plan for the central communications unit.

7.9.4 The target saving from the Value for Money review will be met as follows:

- Recruitment – Haringey People

The Council was spending over £60k per year on producing and distributing 3000 copies of a printed vacancy bulletin each fortnight. A new approach from November will see a one page advert in Haringey People with a small selection of current vacancies, encouraging people to visit the Council website for the full range of opportunities and to apply.

- Attendance at the LGA Conference

It is proposed not to have an exhibition stand at the conference.

- Staffing restructure across the Central and Service Departments

There are potential efficiencies in bringing together some of the central and service functions, however this will need to be further worked through in line with the recommendations of the Communications strategy.

7.9.5 Recommendations

- Establish the Communications Network
- Improve communications planning
- Review communications staff across the council
- Review Council wide publications
- Implement proposals to achieve efficiency savings and develop options for revenue generation

7.10 Building Control

7.10.1 This is a small service located within the Planning Service in Urban Environment and is responsible for enforcing the authority's statutory responsibilities for building regulations. Apart from assessing submitted plans and inspecting work on site the service is also responsible for the enforcement of building regulations, the supervision of demolitions, providing a 24/7 dangerous structures callout service and enforcing safety at sports grounds.

7.10.2 The Building Regulations part of the service is self-financing in accordance with CIPFA Building Control accountancy guidelines and this has been achieved within the required accounting periods. Part of the statutory service provided is non-chargeable under regulation. This is approximately 34% of the service, which is broadly in line with our comparator authorities.

7.10.3 The key findings from the review are as follows:

- Haringey's gross spend per 000 population is comparable with most authorities in our comparator group with the exception of Tower Hamlets and Islington, who have significantly larger teams and is reflective of the structural developments in those areas.
- Income per head is again average compared with most authorities, again with the exception of Tower Hamlets and Islington
- The service is comparable on most of the key indicators used to measure the service for cost and efficiency.
- The charges set are discretionary, provided these are within 10% of the recommended level agreed by the Local Government Association. Haringey Building Control set charges in accordance with these rules.
- Charges for Haringey were last agreed in 2006 and are lower than some of our neighbours

7.10.4 The target for efficiency savings in respect of the Value for Money review is £27k which will be met by increasing charges to be more in line with other local authorities. It is proposed to increase the charges for Schedule 2 Building Notices by on average £40, this will generate an estimated £17,000 pa and changes to Schedules 1 and 3 will generate a further estimated £10,000 pa. It is proposed that charges are increased in line with the Council's general review of fees and charges.

7.10.5 There is a further potential to achieve efficiencies through developing the use of mobile working and by marketing the service which will be further explored as part of the improvement plan.

7.10.6 Key Recommendations

- The service should review its performance indicators to ensure that they strike a balance between what matters to customers, the Council and the emerging sustainability agenda.
- Members should get a regular report on the performance of the service at

Planning Committee

- Members should be given a list of all properties within their ward that have been given approval to proceed with building plans.
- The management of staff performance in Building Control should be improved. Meaningful targets should be set for all staff and performance against these targets reviewed as part of regular one to ones with their line manager. Underperformance should be addressed as part of this process.
- The review recommends that the role of Customer Services in providing the frontline service for Building Control is urgently reviewed.
- The service should collate and aggregate all perception data, using positive feedback as part of their marketing and addressing issues of concern through the business planning process.
- Haringey Building Control should recruit a part-time marketing officer to:
 - Implement the strategy
 - Manage the branding of the service
 - Promote and market the Building Control service
 - Regularly review the success of the marketing strategy
- The Council needs a clear vision for the future of Haringey Building Control. If this vision is about shared services, this needs to be set out in a business case which can then be used to initiate discussions with potential shared services partners.
- The proposals recommended to achieve the target efficiency savings are as follows:
 - An increase in the fees from 1st April 2009, generating an estimated £26,000.
 - The transfer of the invoicing and banking function to the local Service Finance team. It is estimated that this will generate estimated savings of £10,000 to Building Control but the overall effect to the council will be neutral.
 - Recharging Licensing for checking all of the technical aspects of licence requests submitted to the authority. This is estimated to generate a further £10,000 per year for the service.
- Further efficiencies will be met from developing the use of mobile working and by marketing the service. This is estimated to be £20,000 from 2009-10.

8. Chief Financial Officer Comments

8.1 As indicated in the Council's financial strategy, the Achieving Excellence programme will realise additional savings of £5m over three years.

9. Head of Legal Services Comments

9.1 Legal advice will be sought on particular projects on the programme at various stages as necessary.

<p>10. Head of Procurement Comments –[Required for Procurement Committee] 10.1 Not applicable</p>
<p>11. Equalities and Community Cohesion Comments 11.1 Equality considerations, Access to Services etc are integral to the Value For Money review methodology, as is a requirement to examine service contribution to the community strategy and Council Plan.</p>
<p>12. Consultation 12.1 The Value For Money review methodology requires that consultation with internal and external customers is undertaken and benchmarking data is used within the analysis.</p>
<p>13. Service Financial Comments 13.1 Not applicable</p>
<p>14. Use of appendices /Tables and photographs 14.1 Not applicable</p>
<p>15. Local Government (Access to Information) Act 1985 15.1 Not applicable</p>

Please note - if a section of the report is not applicable for completion (i.e. there are no appendices to attach) then please type "not applicable"