

Value for Money

Self-assessment update

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Use of Resources – Value for money self-assessment

Update August 2006

Introduction

In 2005 Worcestershire County Council was the only county council to achieve the maximum score of 4 in the Value for Money Assessment. The Council is not required to make a self-assessment in 2006. This Update seeks to demonstrate that the Council continues to achieve high levels of performance at low cost. The Council achieves this through active management of resources and performance, constantly seeking opportunities to make Value for Money improvements.

This Update focuses on Value for Money activity during the past year and should be considered alongside the 2005 Self-assessment. It seeks to demonstrate continuing progress and that assessment criteria newly introduced to the Key Lines of Enquiry are addressed.

Key line of enquiry	
5.1 The council currently achieves good value for money	
Audit Focus	
Evidence that:	
<ul style="list-style-type: none"> • Costs compare well with others allowing for external factors • Costs are commensurate with service delivery, performance and outcomes achieved • Costs reflect policy decisions 	
	Reference to evidence source
<p>The Comprehensive Performance Assessment in 2005 concluded that Worcestershire “is a council that is improving well and demonstrating a 4 star overall performance”</p> <p>Underpinning this maximum performance score were strong performance scores for each of the Council’s main services.</p> <p>The joint assessment by OFSTED and Commission for Social Care Inspection (CSCI) of Services for Children and Young People assessed the Council to be one of only three local authorities nationally to be awarded top grades across Education and Children’s Social Care. Grade 4’s which describes the capacity to improve as ‘very good’ for ‘a service that delivers well above minimum requirements for users’ were obtained for:</p> <ul style="list-style-type: none"> • the contribution of the local authority’s social care services in maintaining and improving outcomes for children and young people • the contribution of the local authority’s education services in maintaining and improving outcomes for children and young people • the contribution of the local authority’s children’s services in maintaining and improving outcomes for children and young people • the council’s overall capacity to improve its services for children and young people 	<p>Comprehensive Performance Assessment 2005 www.audit-commission.gov.uk</p> <p>Annual Performance Assessment of Worcestershire County Council’s Education and Children’s Social Care Services 2005 www.ofsted.gov.uk</p>

The Annual Review of Performance by CSCI of Adult Social Care awarded Worcestershire 3 stars, the highest rating possible, representing a period of sustained improvement since 2002 (when we were awarded 1 star in our first assessment)

Performance Review Report for Adult Social Care
www.csci.org.uk

The Council's performance in cultural services and environmental services were each assessed by the Audit Commission, through the CPA process at level 3 out of 4

The Council's Best Value Performance Indicators are recorded in the Annual Report 2006. Of the 57 BVPI's for which comparisons can be made between 2004/05 and 2005/06, performance has improved on 35 (61.4%) and remained static (performance change of less than 2.5%) on 17 (29.8%).

Annual Report 2006
Worcestershire County Council

These high standards of performance need to be seen in the context of the Council's funding position.

Worcestershire's revenue spend per head of population is estimated to be the fourth lowest of all 34 counties in England for 2006/07.

A further statistical review has been commissioned from IPF to compare Worcestershire with a number of comparator groups. The report is yet to be finalised but will inform the Corporate Strategy Workshop to be held at the end of September. An initial draft of the report indicates that Worcestershire is spending below or performing above the average of all comparator groups for more than half the indicators included in the analysis. Spending per head of population is lower than average for Children's Services, Adult and Community Services and 'Other' services (which includes Financial Services, Corporate Services and Planning, Economy and Performance).

Worcestershire County Council
Statistical Review 2006

Environmental Services costs remain comparatively high. As reported last year, this relates principally to the high cost of waste disposal. Worcestershire was the first Council to enter a Waste PFI contract, in 1998, which resulted in prices reflecting the lifetime costs of provision of infrastructure for the duration of the contract.

The Council has vigorously pursued a number of initiatives to reduce the amount of waste collected from households. In essence these promote the composting of green waste at home and some change in behaviour, for example through a 'real nappy' campaign. The number of kilograms of household waste collected per head of population reduced by 2.81% in 2005/06 compared with 2004.05. The Council exceeded the Government target of 30% for recycling and composting of waste collected. The proportion of waste going to landfill was reduced by 10%.

Annual Report 2006
Worcestershire County Council

In respect of services for Children and Families, the net cost per looked after child is comparatively high. This is an effect of the Council's strategy of reducing the number of Looked After Children (LAC): the costs of long-term placements do not alter rapidly. High unit costs of residential placements are being brought down by reducing the volume of external placements and increasing in-house occupancy levels, with a reduced spend on agency staff. As the number of LAC has declined, the Council has taken a conscious decision to protect the budget so that more emphasis can be given to preventative measures.

The Audit Commission VFM profile report indicates that the costs of the Council's central services and other overheads is comparatively high. In fact the accounting treatment of some aspects of pensions costs was not consistent across the country in 2005/06; some costs of accommodation were not apportioned during the process of office rationalisation; and some costs of the Worcestershire Hub are held centrally until a reasonable basis of charge can be established. The analysis provided by the statistical review undertaken by IPF confirms the Council's spend on corporate and democratic costs to be low.

The Council has a track record of committing to investments that will lead to improved outcomes for users and sustainable efficiency gains.

The Worcestershire Hub Programme was introduced in 2002 in partnership with the six local district councils. The aims of the Hub focus on improving access to a wide range of public services – this includes focusing on the needs of customers ensuring efficient and effective operations and dealing with enquiries at the first point of contact ("One Stop Service").

The Hub currently comprises a network of customer centres handling contacts in person dealing with over 80,000 enquiries a month, a network of contact centres dealing with 50,000 telephone contacts a month (enables operation as a "Virtual Contact Centre" in the future), customer service teams, common branding, improved online Self-Service functionality, countywide customer relationship management system, transfer of front-of-house services to the Hub, publicity campaign to promote the Hub and in particular the use of online services.

Since April 2006 the average number of contacts per month has increased further, reflecting the wide range of district and county services being handled. From the Council's perspective the Hub is now the first point of contact for calls relating to Social Care, elements of Trading Standards, Highways, Recruitment, Registration and School Transport.

Audit Commission Value for Money Profile Reports

Implementing Electronic Government Return 2006 (IEG6)

The Worcestershire Hub has been recognised in the recent Treasury Report “Releasing the Resources to meet the challenges ahead” as a good example of innovation in customer service.

http://www.hm-treasury.gov.uk/media/67B/68/csr07_releasingresources1_130706.pdf

The Council undertook a review of office accommodation and took out a lease on a new private development adjacent to County Hall. This has enabled the transfer of most Worcester based staff to the County Hall campus, so allowing the disposal or surrender of offices in Worcester and the surrounding area. This rationalisation has enabled a refurbishment of County Hall to be undertaken in a more efficient and effective manner than would otherwise have been possible. The first tranche of refurbishment was completed within timescale. The second phase is underway and will enable the vacation and disposal of the remaining offices that contribute to revenue savings of £1 million over ten years.

In May 2005 COMB approved a three-year project ‘Making Information Manageable’ (MIM) to provide the Council with an information management infrastructure including a corporate roll out of Electronic Document and Records Management (EDRM). Each directorate has invested resource to secure delivery of the project. The agreed objectives were:

- Guiding all staff in managing information effectively and in line with legal obligations
- Reducing amount of paper used and stored to support accommodation strategy
- Underpinning new Council structure with a corporate fileplan
- Using new technology to simplify ongoing information management processes.

Already, in support of the accommodation programme, MIM has assisted teams in removing over 680 four-drawer filing cabinets worth of paper from the office environment, forecast to rise to 120 cabinets worth by the end of October when MIM will have rolled out to 80% of the Council. There are 37 documented examples of efficiency improvements occurring throughout teams mainly from improved access to information and more electronic working.

“Releasing the Resources to Meet the Challenges ahead: value for money in the 2007 ‘Comprehensive Spending Review’ HM Treasury, July 2006

A social care based project, Better Services – Better Systems, has now been completed and implemented in 2006. The project has focussed on new ways of working, rationalising office accommodation and introducing a new ICT system (framework-I). The Worcestershire Hub Centres handle contacts from the public. these, together with referring organisations act as the gateway to specialist social care teams. The use of ICT systems, mobile computing facilities and ‘Touchpoints’ based in GP surgeries, schools, Provider Units and libraries, for staff use (rather than return to a fixed office base) has facilitated the removal of much bureaucracy and the achievement of a much more responsive service.

The BSBS Programme has been nationally recognised for delivering improved outcomes for Service Users and Carers whilst delivering efficiency gains. Continued investment has supported the innovative programme which has provided measurable benefits against established benchmarks. The use of PRINCE2 project management techniques ensures that there are clear timescales and targets for delivery

A comprehensive business process review of all critical Social Care functions has underpinned the programme and has ensured that the focus has been on changes that deliver significant service improvements and value for money.

In December 2005 the Council finalised and entered a contract to replace seven schools in the Bromsgrove area through a Private Finance Initiative.

In partnership with the University of Worcester, the Council is in the final stages of completing an Outline Business Case to secure PFI credits for a joint Worcester Library and History Centre.

PFI projects are required to satisfy a value for money test

The Council has a ‘spend to save’ strategy that commits funds upfront to secure future savings. An example in the past year has been an investment of £66K in a small central recruitment team in March 2006. The operational and strategic management of recruitment has been significantly improved, with a consequent improvement in results. Already an initial targeted saving of £300K per annum in advertising is forecast to be exceeded by £100K in 2006/07 with no loss of effectiveness.

Within Children’s social care a Marketing Officer has been appointed to try to reverse the trend of an increasing proportion of fostering placements being with the independent sector, at higher costs, as in house resources have reduced. Investment in Children’s homes has resulted in proportionally more children being placed in county.

LGC Awards Commended for Efficiency and Modernisation – Department of Health Case Study (CSED) for Delivery of Blue Badge Service.
KPMG Benchmarking Report for WCC Social Services 2004

Key line of enquiry	
5.2 The council manages and improves value for money	
Audit Focus	
Evidence that:	
<ul style="list-style-type: none"> • The council monitors and reviews value for money • The council has improved value for money and achieved efficiency gains (limited to the last three years) • Procurement and other spending decisions take account of full long term costs 	
	Reference to evidence source
<p>The Cabinet has continued its practice of holding an Annual Corporate Strategy Workshop in late Summer. The weeklong event gives the opportunity to consider informally the issues faced by each directorate. In 2005 discussions included consideration of the strategic direction of the new administration, implications of government policy, demographic forecasts, inspection and CPA considerations, progress with corporate reorganisation and partnership working. All this was done in a framework that sought to match resources to priorities, that developed the Medium Term Financial and Efficiency Strategy, in the context of anticipated financial scenarios and risks.</p> <p>Issues arising from the workshops were considered by the Overview and Scrutiny Committee through its scrutiny of the budget setting process.</p> <p>The Medium Term Financial Plan anticipated the need to secure further budget savings in 2007/08 and 2008/09.</p> <p>Budget consultation meetings raised this issue with stakeholders in February 2006. The Chief Officers' Management Board (COMB) has been developing proposals to achieve these savings through efficiency measures and options will be considered by this year's Corporate Strategy Workshop.</p> <p>Achieving and improving value for money is integral to the Council's performance management arrangements. Of necessity, given a low funding base and a desire to achieve high levels of performance, VFM must be secured at every opportunity.</p>	

In 2006 a series of Improvement Briefings has been introduced. These bring together officers and members from across the organisation to consider issues around performance and finance in the context of the pressures and priorities faced by the Council. In July an analysis of Performance Indicator data was considered, together with discussion of the Council's role in Community Leadership and the challenges faced in respect of the management of waste reduction.

The Council has a long established practice of Management Conferences. These engage middle and senior managers from across the organisation in consideration of topical issues, including issues around finance, performance and efficiency.

In December 2005 the Management Conference considered the issues around Flexible and Mobile working. In addition to more formal contractual arrangements, the Council has relaxed its flexi-time arrangements to enable informal nine-day fortnights and encourages and supports working at home or from home when it is appropriate. These initiatives support the management of peaks and troughs of workload, reduce work travel time and costs, enable a more efficient use of accommodation and support staff in achieving a successful work like balance.

As reported last year, the budget setting process has required directorates to identify efficiencies year on year. In the eight years to March 2006, Worcestershire's cumulative efficiency gain is over £95 million.

The process currently underway to prepare the budget for 2007/08 has set a target to identify savings across the Council that exceed the anticipated funding gap. Indicative targets have been set for each directorate. Directors are seeking to identify savings through efficiency measures rather than by reductions in service. The target gives some headroom to consider service delivery impacts, to fund potential growth items or to contribute to additional savings anticipated to be required in 2008/09. Funds have been made available to support spend to save initiatives.

At a more detailed level, individual directorates make effective use of targets to drive improvements in services and value for money.

Efficiency Gains to March 2006
(spreadsheet)

In Children's Services for example the key drivers for improvement inherent in the Children and Young People's Plan (CYPP), Education Development Plan (EDP) and business plan priorities show our ambition in service delivery for all children and young people to embed a real culture of continuous improvement. These issues include raising achievement for all, integrating more children with SEN into mainstream (where appropriate), improving the attainment of Looked After Children (LAC), extending the curriculum in post 14 and improving teaching and learning. Safeguarding arrangements remain the highest priority for all services. We are moving from a service led to an outcome led approach and have made the management of change, both cultural and structural, our top priority in order to deliver improved outcomes.

A culture of performance management and review is strongly embedded within the County Council. This process includes the key areas of monitoring and evaluation which are used to contribute to further service improvements and to enhance outcomes and value for money. There are regular performance management seminars involving senior managers, front line managers and some front line staff. Analysis of data to inform future planning and improvement is a priority.

For example, the Performance Management Task Group of the Children and Young People's Strategic Partnership (CYPSP) has established a rigorous process for collation and analysis of data which is embedded in the CYPP. This is supported by the local authority corporate services with links to wider community partnership arrangements.

In Children's Social Care Services children looked after again reduced in numbers above the target figure set. This is a year on year reduction (down from 630 in 2001 to 451 in 2004/05 to 434 in 2005/06) in line with strategy. This brings us in line with other shire counties. The Council is reviewing the balance of children looked after long term as this element is seen as higher than other comparable authorities.

Efficiency review has long been integrated into Worcestershire's performance management. Since the introduction of the Gershon Efficiency Programme, Worcestershire has reported efficiency gains of £3.122 million in respect of 2004/05 (planned and secured before the introduction of the Gershon programme) and £5.111 million in respect of 2005/06 (slightly exceeding the plan for the year). After adjusting for inflation, this is a total of £8.289 million against a target of £6.583 million. Worcestershire's approach to measuring efficiency gains has been cautious, in particular gains for quality improvement have not been included where there is not a clear, simple and consistent rationale for measurement. The Council's focus has been on achieving cashable efficiency gains, releasing resources for application elsewhere, whether within service, or to contribute to budget savings.

AES backward look 2004/05
AES backward look 2005/06

The Council has successfully used joint procurement to improve value for money and service standards across a range of key services. Fifteen per cent of Worcestershire's procurement expenditure, £37.5 million, is channelled through joint contracts with other public sector organisations. These include contracts in respect of energy, foodstuffs, commercial vehicles, traffic signals maintenance, library books, videos and DVDs, mobile phones, laptop PC's and waste disposal. Worcestershire is an owning authority of a joint purchasing consortium, West Mercia Supplies. This brings benefits to the Council not only through combined purchasing power, but also through distribution of surplus on trading to the owning authorities (worth £0.449 million to the Council in 2005/06).

Within Children's services a work stream of the Integration Project has focused on developing a model for joint commissioning. Work has been actioned to manage the external market more effectively eg with other West Midlands authorities to commission services jointly. This approach is seen as an essential building block to future inter-agency arrangements in order to deliver services that are appropriate and effective in meeting local identified gaps and needs. The Council is working with Shropshire County Council and the respective Primary Care Trusts (PCTs) to develop a resource for twelve placements that could be used by each county. There would also be a school offering education provision for these twelve young people with complex emotional problems and challenging behaviour. This is being developed as an alternative to out of county provision which is with a range of providers of varying quality and cost. The project is therefore designed to address both cost and quality issues and would enable us to develop a close partnership with a single provider. The project is being taken forward with a formal bid for PFI funds.

A range of services is delivered by aligning budget streams eg Child Adolescent and Mental Health Services (CAHMS), Looked After Children (LAC), Youth Offending Services (YOS), Substance Misuse Services, healthy lifestyles, teenage pregnancy and parenting strategy. These continue to support effective joint prioritisation for service development and involve the use of local providers including the voluntary sector commissioned via the Voluntary and Community Sector Unit. Work is now in progress to consider where pooled budgets might bring additional benefits.

Joint working on s31 arrangements has been undertaken but decisions are awaited on major reconfiguration in the Health Service. Young people have been involved in decision making for commissioned projects for services to young people. The LAC commissioning strategy has remained an effective tool and review of the strategy now underway will inform future commissioning plans.

There is a continued focus on the use of Direct Payments with a support agency commissioned to assist families in making use of this facility.

Children's Services PFI Credits –
Formal Bid

The Council has played the lead role in supporting the Worcestershire Partnership in its development of the Local Area Agreement (LAA), including the determination of objectives and desired outcomes and the introduction of a comprehensive performance management approach. Pre-existing arrangements in respect of 'communities that are safe and feel safe', and 'stronger communities' have been incorporated in the LAA.

The Safety Camera Partnership has met past casualty reduction targets. A further reduction of 4% in the number of people killed or seriously injured in road traffic accidents in the county was achieved in 2005/06, with the number of people slightly injured also falling by 12%.

Working with a range of partners, through the Worcestershire Neighbourhood Network (WINN), two year's of funding has been secured to develop a comprehensive network of support and preventative services for older people in three target sites within the county.

Opportunity was taken to develop the site of a failing school. A new Health Centre was opened in 2005 with the School following in June 2006. Part of the site was sold for housing (70% Social Housing and 30% Market Housing). This part of the development together with new playing fields for the School and a Multi Activity Play Area are still awaiting completion. All of the works are likely to be completed by January 2007. The area has been transformed and the development is now being put forward for one of the LGC Awards for Regeneration.

The proposed Worcester Library and History Centre will also regenerate a run-down area of the city, as well as providing a new world-class facility.

The success of the Worcestershire Hub, developed with partners, has already been referred to. The Council is also taking a lead in co-ordinating and promoting the development of Shared Services, in particular in respect of Revenues and Benefits. The Worcestershire Shared Services Partnership (the county and district councils) has recently made a successful funding bid to West Midlands Regional Centre of Excellence to progress work on a Shared Revenues and Benefits Service in Worcestershire. This builds on the work currently underway to produce a full business case, and will enable decision making, further analysis and pre-implementation preparation. Information will be shared with the Centre of Excellence to enable regional and sub-regional collaboration and understanding.

The Council has been working with the six district councils and the Department for Work and Pensions (DWP), and have set up a Joint Financial Assessment Team, co-located in County Hall with access to DWP and WCC IT systems. The aim of this Third Age Project is to ensure service users can receive one person, undertaking one visit, with an immediate appraisal of their financial assessment and benefit entitlements. This assessment covers Housing Benefit and Council Tax, currently provided by the district councils, Fairer Charging provided by WCC Adult Services and Pension Credits provided by the DWP. The project's targets are to reduce process times by 47% and increase benefit take up among 'hard to reach' clients working to standards benchmarked by the DCLG (www.projectnomad.org.uk). We are working with the WMCoE and London Borough of Sutton to ensure that learning is shared with other local authorities.

The CYPSP has undertaken comprehensive joint planning and needs analysis to agree objectives and targets for the draft CYPP. Mapping against existing provision resulted in defining potential gaps and areas for improvement. This approach led to local services sharing common agreed objectives and priorities for improving the outcomes for all children and young people. The resulting draft CYPP priorities agreed by all partners have been subject to wide-ranging consultation and discussion with a wide range of stakeholders. Effective stakeholder engagement is crucial.

The strategy for actions and improvement is the responsibility of the CYPSP and is included in the CYPP, as well as in business plans. Priorities for the improvement of outcomes for all children and young people are being targeted through a range of shared initiatives and actions involving contributions from all agencies, parents, carers and the children and young people themselves. This includes areas such as LAC integrated provision, the extended schools programme, the fostering service development, the completion of the in-house children's residential strategy, children's centres, common anti-bullying strategies, child protection policies/procedures, preventative services and multi-agency working with police and health. Joint planning and delivery continues to take place between agencies including Child Adolescent and Mental Health Service (CAMHS), YOS and Substance Misuse.

The final priority objectives based upon the needs analysis and supporting key equality and diversity issues will be underpinned with a range of preventative strategies and performance indicators, jointly agreed with all partners so that improved outcomes can be monitored and measured effectively. They are also supported by specific resource requirements and are subject to value for money considerations. Business plans, targets and relevant action plans to support the delivery of services will also underpin the objectives. Baseline data will aid analysis and inform future planning, eg for children affected by domestic violence.

Further capacity will be built in through the evolving CYPP process, interagency processes for planning and review and our extended services strategy, which includes the development of 23 new children's centres. These issues will all be underpinned in the new structures in the CSA and our partners, in particular the joining together of integrated services with universal providers in early years and schools.

Integrated front line services to support children and young people are being developed. This will include joint accommodation for a range of staff in order to deliver efficiencies and improved working processes, especially joint assessment and lead professional arrangements. The Access Centre opened in 2005 as a single referral point for all social care referrals and also offers more appropriate signposting. Flexible and mobile working is being gradually rolled out across the Authority, releasing resources for front line services.

Systematic reviews of services are carried out. Services are reviewed in preparation for and as a result of the Corporate Strategy Workshop, where there is evidence that performance requires further improvement, and as a consequence of the process for budget preparation.

During 2005/06 an initial proposal to rationalise the structure of the Highways Partnership Units, to produce a more sustainable staffing structure, promoted reviews by the Overview and Scrutiny Steering Committee.

Plans have subsequently been developed to centralise the service in Worcester, using the Worcestershire Hub Centres as a range of contact points for the service. The approach enables significant improvements to the development of the development control service, enabling a consistent approach across all districts, balancing peaks and troughs across districts and enabling a significantly better service on traffic impact assessments for major development. Council staff have been co-located with the road maintenance contractor's staff, enabling a more responsive, consistent, flexible innovative and efficient maintenance service. The initiative has enabled budget savings of £422K, partly used to appoint additional staff to carry out carriageway inspection work.

A Best Value Review of the Design and Print Unit has been implemented. All design and print work must now be commissioned through the central unit. Targets have been set to achieve efficiency savings of £150K.

A communications review identified a need to strengthen the central communications team to give it a sufficient critical mass to be effective. Scope has been identified to improve the efficiency and effectiveness of communications activity undertaken outside the central team. Work is ongoing to firm up this potential, and to ensure that efficiencies are secured.

The Council addresses areas of underperformance. The Annual Performance Assessment for Education and Children's Social Care commented that the Authority is good at identifying trends, analysing problems and developing action plans that deliver results.

Poor performance in respect of the proportion of major planning applications determined within the statutory time limit has been addressed by altering the scheme of delegation to officers, greatly increasing the speed of determination. The BVPI 109a result for 2005/06 for major applications determined within 13 weeks was 80.4% compared with a target of 68% and a performance of 65.63% for 2004/05.

Greater benefits have been derived from the expansion of Home Care Block contracts. This resulted in a unit cost of £15.30 in 2005/06 compared with £15.74 in 2004/05. Continued expansion of Home Care Independent Sector Provision resulted in the sector providing 15,324.50 hours per week supporting 2,925 clients in 2005/06 compared with 13,525.15 hours per week supporting 2,569 clients in 2004/05. There was also an increase in the number of people receiving intensive home care from 550 in 2004/05 to 658 in 2005/06, a 20% increase.

Summary

Worcestershire County Council continues to achieve good value for money. Costs compare well with others, typically being below average. High levels of service delivery, performance and outcome are achieved, typically being above average.

The Council actively manages and improves value for money. It has monitored and reviewed value for money since its inception. Value for money has been improved and efficiency gains achieved with a cumulative value in excess of £95 million in the eight years to March 2006. Procurement and other spending decisions take account of full long term costs and the Council has a track record of committing to investments that will lead to improved outcomes for users and sustainable efficiency gains.

Worcestershire County Council's Corporate Plan 2006-2009 sets out the direction the Authority is taking and details our priorities and aims for the coming years. To achieve our ambitious goals, our methods must be innovative, efficient or cost effective.