

APPENDIX 1

Update to Overview and Scrutiny Committee 15th November 2023.

This is to provide an update on the recommendations that were identified by the Budget Scrutiny Working Group in February 2023 following the work undertaken by the Working Group on the draft 2023/24 budget.

The Budget Scrutiny Working Group made 13 recommendations in its report of the 8th February 2023 as follows :-

Leadership Team is recommended to:

1. Further develop the Council's 3 year budget planning framework in order to assist Transformation, adapting to funding variations and to help with more consistent planning and completion of capital investment projects.
2. Benchmark fees and charges.
3. Speed up alignment of Information Management and IT implementation with Council Strategy, prior to realising full potential of Transformations. (IM, CRM, ERP, Service specific, Website, Partners).
4. Establish better corporate project management of Revenue and the Capital Programme.
5. Review lessons from the Grenfell Dedicated Service with respect to cost effectiveness of integrated information and management systems.
6. Urgently complete the review of balance of ways of working, Council central office/base in community/remote from home with implications for buildings use.
7. Manage and report on the pace of the £100m investment in Council netzero2030 and develop a hypothecated RBKC financial provision mechanism for non-performance post 2030.
8. Benchmark financial outcomes from Adult Social Care and Family & Children's Services and other teams investing in reducing the need for service demand.
9. Report on improving the management of the funding risks from Adult Social Care and Family & Children's Services, in particular, funding risks from ambiguity of NHS funding, (eg post Covid shift of patients from NHS funded Home First to Council funded service).
10. Review outcomes from Children's 0-5 Strategy, nursery, child minder and primaries at centre of Ofsted rated Outstanding Service, one of the foundations of community resilience.
11. Implement outcomes of work on reducing complexity of Voluntary Sector Partners application for funding.
12. Implement the integration of street management including CREST, Wardens and Community Service.
13. Urgently do the further work needed to implement the Directive on collection of food waste.

This is an update for the Overview and Scrutiny Committee on the progress of the recommendations made:-

1. Further develop the Council's 3 year budget planning framework in order to assist Transformation, adapting to funding variations and to help with more consistent planning and completion of capital investment projects.

The draft budget for 2024/25 has been developed and will be presented to Leadership Committee on the 8th November 2023, it is also on the 15th November 2023 Overview and Scrutiny Committee agenda and will be presented at all Scrutiny Select Committees in late November and December 2023. The 2024/25 budget gap has been closed by a combination of savings, efficiencies and additional income generation via a traditional department / service led approach, including a 2% reduction on all staffing budgets.

Work is now underway to develop a more systemic and transformational approach to setting the budget for 2025/26 and the Medium Term. This will include a strategic review of all budgets with service directors and the relevant Lead Member, looking at budgets as well as service information and performance data. There will be a focus both on achieving significant savings in key cross-cutting areas and on unlocking the potential of longer-term transformation, enabling the Council to do things more efficiently and in a more targeted way. There will be a focus on shared opportunities and the need be delivering services in alignment with the Council Plan. A paper on the process to be followed is currently being developed for approval by EMT and the JLT in November 2024.

2. Benchmark fees and charges.

Fees and Charges are being reviewed now as part of the 2024/25 budget process and the 6th December 2023 Leadership Budget report will present the draft fees and charges for 2024/25 ahead of the consultation that will commence the day after the December Leadership meeting.

The assumption in the budget is that all fees and charges will increase by 4% where legally allowable.

Consideration needs to be made for services where demand could reduce if fees are increased to a greater amount than competitors and therefore result in a reduction in income to the Council.

3. Speed up alignment of Information Management and IT implementation with Council Strategy, prior to realising full potential of Transformations. (IM, CRM, ERP, Service specific, Website, Partners).

Following the establishment of a sovereign DD&T service, RBKC specific policies and procedures have now been developed to ensure a consistent approach to information security, information governance and design architectures. These are being applied to all new applications of digital need, which continue to influence existing technology usage. This will ensure a governed, efficient approach to all digital or technical transformation.

4. Establish better corporate project management of Revenue and the Capital Programme.

The creation of the new Capital Programme Office has enabled the council to develop a strategic approach for creating and managing the capital programme, with a Capital Programme Board now in place to provide a rigorous review of all projects before they enter the capital programme, including a review of the funding source to ensure alignment with the revenue budget.

5. Review lessons from the Grenfell Dedicated Service with respect to cost effectiveness of integrated information and management systems.

Learning from the Dedicated Service has shown us the potential an effective case management system can have on improving resident experience of service delivery via reduced handovers and live action tracking to ensure commitments are followed through. We have also seen the impact this can have on staffing and back-office efficiencies, allowing more funds to be directly controllable by residents and improving resident value. This learning is being applied in the Customer Access Strategy and broader change and transformation work across the Council through the Grenfell Legacy conversations and Council Plan delivery.

6. Urgently complete the review of balance of ways of working, Council central office/base in community/remote from home with implications for buildings use.

The need for office space is under active review as part of the current strategic property review. We have already released some space in Kensington Town Hall which we expect to let for commercial income in the coming months, and we are using precise real-time data on desk usage in KTH and other sites, and projections of service needs from across the Council, to inform our wider, longer-term view about what space will be required.

7. Manage and report on the pace of the £100m investment in Council netzero2030 and develop a hypothecated RBKC financial provision mechanism for non-performance post 2030.

An update report on the progress of delivery for Net Zero by 2030 is being presented at the Environment Select Committee (ESC) in December 2023. The report will include a breakdown of the budget spent to date on delivering Net Zero and a forecast of future spend required to achieve this target.

The report will also provide updated on the recommendations made by the ESC Net Zero Working Group, including the position on offsetting.

8. Benchmark financial outcomes from Adult Social Care and Family & Children's Services and other teams investing in reducing the need for service demand.

Social Care services across the Council continue to review costs and take part in regular benchmarking exercises.

Adult Social Care

Financial outcomes: - The table at appendix 1 shows financial outcome indicators for RBKC compared to the London average using the most recent data (2021/22).

Across most indicators, expenditure and average weekly cost figures are lower than the London average for RBKC.

Further, Independent analysis from Impower rates RBKC ASC highly for value for money.

Compared to other London boroughs, we are ranked (for outcomes per pound invested):
Fifth for all age disability (behind Wandsworth, Kingston, Richmond, Merton)
Second for older people (behind Richmond)

Children's Social Care

Demand for social care remains low in RBKC in comparison with London and National averages of referrals per 10,000 population, Children in Need per 10,000 population and Looked After Children per 10,000 population.

9. Report on improving the management of the funding risks from Adult Social Care and Family & Children's Services, in particular, funding risks from ambiguity of NHS funding, (eg post Covid shift of patients from NHS funded Home First to Council funded service).

Council Officers continue to work closely with health colleagues to ensure funding is correctly apportioned across the sector.

Robust monitoring is in place for continuing health care costs with escalation panels and a hospital discharge challenge panel.

Over the coming months there is to be a review of The Better Care Fund (BCF) to ensure funding is correctly aligned.

The ICB is conducting a Out of Hospital spend review including all community, mental health and primary NHS spend. The impact of any reductions to this spend could result in a transfer of costs and/ or demand to ASC. The Council will be working closely with health colleagues to ensure any reductions are carefully planned and include an impact analysis.

We are in consultation with the NWL ICB regarding health's financial contribution in supporting children with complex needs. There is a risk that the financial contribution will be lower than previous years – with current contributions 50% less than last year.

10. Review outcomes from Children's 0-5 Strategy, nursery, child minder and primaries at centre of Ofsted rated Outstanding Service, one of the foundations of community resilience.

We have just updated our annual early years sufficiency strategy to ensure sufficient and affordable childcare places. Our two-year-old and three and four year old uptake of funded placements continues to be above national averages.

11. Implement outcomes of work on reducing complexity of Voluntary Sector Partners application for funding.

The review of the City Living Local Life funding was undertaken from May to September. Views were gathered from ward Councillors, previous recipients of the funding and officers. Recommendations for simplifying and improving the application and decision making process have been shared with the Lead Member for Communities & Community Safety. The final decision on the improved approach will be made in November, with the new process being rolled out from the end of November.

12. Implement the integration of street management including CREST, Wardens and Community Service.

The new Street Enforcement Team will commence before Christmas with an official launch in early 2024.

13. Urgently do the further work needed to implement the Directive on collection of food waste.

The Directive on Food Waste comes into effect in 2026. The Lead Member is currently reviewing the practicalities of extending the scheme within an inner London setting.

Appendix 1 :- Adult Social Care Costs compared to London Average

Indicator	RBKC	London Average
Adult social care Gross total expenditure per 100,000 adults	£60,211.00	£95,053.00
Gross current expenditure on long term care per 100,000 adults	£39,011.00	£32,315.00
Gross current expenditure on short term care per 100,000 adults	£149.00	£1,367.00
Average weekly cost of nursing care	£831.30	£858.01
Average weekly cost of nursing care for a person aged 18-64	£1,007.39	£1,073.08
Average weekly cost of nursing care for a person aged 65 and over	£807.68	£855.14
Average weekly cost of residential care	£911.12	£1,129.07
Average weekly cost of residential care for a person aged 18-64	£1,086.44	£1,462.06
Average weekly cost of residential care for a person aged 65 and over	£815.55	£891.22

Lower than London average

Higher than London Average

Source – LG Inform