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THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

CABINET – 23 NOVEMBER 2006

REPORT BY THE DIRECTOR OF
STRATEGY AND SERVICE IMPROVEMENT

BEST VALUE REVIEWS 2000/01 - 2004/05 ANNUAL PROFILE OF ACHIEVEMENTS

PURPOSE

Following on from reports compiled between February 2003 and November 2005, this continuation report aims to provide Members with an indication of the achievements of Best Value reviews since their inception in 2000/01. It is based on information obtained from Outcome Reports, and demonstrates progress made by reviews spanning the first five years of the programme.

FOR INFORMATION

INTRODUCTION

1. Following on from the last Summary Report to Cabinet on 10 November 2005, this update draws upon the findings of Outcome Reports submitted by Years 1, 2, 3, 4 and (most recently) Year 5 review lead officers since November 2005. In addition to outlining continued progress against targets contained in reviews' Service Improvement Plans (SIPs), it also updates the profile of cost and efficiency savings reviews have either achieved or to which they are committed. Data is presented in a format similar to previous reports. A dual process of reference to Outcome Reports and consultation with lead officers has been employed to check the validity of data.
2. It should be noted that data contained in this report, dependent on the year in question, is a mix of actual, concrete achievements and savings made to date, combined with forecasts to which those reviews that have yet to be fully realised aspire in their SIPs. Such forecasts tend to compound cumulative year-on-year savings of various types in their totals. Total savings cover a five-year period following completion of each year's review programme.

3. All Outcome Reports are considered by the Cabinet Member for Service Improvement (CM(SI), who monitors progress against SIPs and decides when reviews can be deemed completed. This is when all associated actions have been taken and targets achieved, or when any outstanding actions and targets that do not merit further separate reports have been demonstrably incorporated into business plans.

YEAR 1 (2000-01) BEST VALUE REVIEWS

4. All Year 1 reviews have now been signed off as completed by CM(SI). Copies of all Outcome Reports have been retained by the Service Improvement Team. **Appendix A** provides a tabular breakdown of each review's achievements against SIP targets, as well as an indication of savings over a 5-year period up to the end of FY 2005/06.

Review savings

5. Total cost savings for all Year 1 Best Value reviews (calculated over a five year period between 2001/02 and 2005/06) amounted to **£5,752,000**. Thirty-five per cent of this total, or **£1,990,000**, represented savings that were re-invested in the services concerned. Of this, £1.5m comprised savings re-invested in response repairs attributable to the Housing Repairs and Major Works review.

YEAR 2 (2001-02) BEST VALUE REVIEWS

6. At the time of the November 2005 Cabinet report, all but one of the Year 2 reviews had been signed off as completed by CM(SI). The review of Property Management remains active and will be subject to annual monitoring until its planned conclusion at the end of FY 2006/07.
7. **Appendix B** provides a tabular breakdown of review achievements against SIP targets up to October 2006.

Service improvements achieved

8. Property Management: Three of the review's six remaining targets have been completed since November 2005. Continuation of the SIP work programme has resulted in the following achievements and changes:-

- ◆ The principle of re-investing capital receipts was incorporated in the 2006-09 Capital Strategy
- ◆ The flexible working study focussed on improving arrangements in the Council's key administrative buildings.
- ◆ An accommodation review identified that office space usage had reduced by 13% over the past 3 years (i.e. 9.8 to 8.5 m² per person), thereby meeting review targets of 10% over 5 years
- ◆ A feasibility study was completed of the potential to develop office space at Pembroke Road
- ◆ Energy consumption reduced over the previous year by 2%, thereby meeting the target set out in the review
- ◆ A framework for future property requirements for the Council has been formulated and included in the Capital Strategy 2006 to coincide with and inform the LDF
- ◆ Area reviews of existing commercial and operational land holdings have been in operation since late 2004, and it is planned to cover the whole Borough over 3 years.

Review Savings

9. **Appendix B** provides a breakdown of savings achieved and projected between Financial Years 2002/03 and 2007/08 by all nine Year 2 reviews. In common with previous reports, the table combines actual savings with projected figures (for the Property Management review) up to FY 2006/07. The table will be modified again at the time of the next report to Cabinet to reflect a final update from the one remaining review that remains in progress.
10. Total cost and efficiency savings attributable to reviews between FYs 2002/03 and 2005/06 amount to **£2,490,178** (measured against a revised original target savings figure of **£5,066,900**). The shortfall against the target figure is attributable to the Property Management review, which has been adversely affected since 2002/03 by an unanticipated growth in running costs. A little more than 16 per cent of the total (**£407,034**) was re-invested directly in services, while the balance has enabled the Council to maintain services combined with low Council tax. Combined with projected totals, the grand total of cost and efficiency savings, calculated over a five-year period between 2002/03 and 2006/07 (marking the culmination of the Property Management review), has been adjusted to **£4,434,178**. This estimate will be re-assessed prior to the next report to Cabinet in 2007.

Future monitoring arrangements

11. Further Year 2 Outcome Reports are expected as follows:-

YEAR 3 (2002-03) BEST VALUE REVIEWS

12. All of the year's twelve reviews have now been signed off as completed by CM(SI), namely:
- Benefits and Local Taxation
 - (Early Years) Services for Children Under Five
 - Economic Development and Regeneration
 - Governance Services
 - Highways and Construction
 - Housing Commissioning and Enforcement
 - Leisure and Culture Services
 - Mental Health Services
 - Risk Management
 - Staff Development and Training
 - Substance Use Services
 - Waste Management
13. Initial Outcome Reports were produced by the Mental Health and Substance Use Services reviews in December 2005 and May 2006 respectively. The Mental Health Services review provided a further update in August 2006. The achievements of both reviews, which have been signed off as completed by CM(SI), are summarised below.
14. **Appendix C** provides a tabular breakdown of review progress against SIP targets up to October 2006.

Service improvements achieved

15. Economic Development and Regeneration: Completion of 9 of the 14 outstanding review recommendations resulted in the following achievements by January 2006 –
- ◆ The Council's internet recruitment site was re-designed, and an on-line application form included to ease the recruitment process
 - ◆ A web-based recruitment site was introduced to encourage applications via the internet
 - ◆ The Council's Procurement Strategy includes objectives to help ensure that local small- and medium-sized enterprises are not excluded, and that the Council will support the development of social enterprises within the borough

- ◆ A "Users' Forum" was established as a means to measure user satisfaction with the North Kensington Opportunities Centre
- ◆ A JobCentre Plus office on Kensal Road opened in July 2006
- ◆ Modernisation of mental health day services will encompass employment and training services and, subject to consultation and agreement, will effect greater coherence between mental health employment and training services and other mental health services
- ◆ Anomalies affecting one of the mental health posts and management arrangements in Kensington Recruitment were addressed without a reduction in service provision
- ◆ All mental health day services were tasked with developing links with BME communities, and both SMART and MIND have been working on this
- ◆ The exchange of information and expertise between staff in social services and the economic development team has improved significantly
- ◆ The Corporate Equalities Group has developed guidance and standards for monitoring ethnic minority use of services and guidelines on the translation of information into ethnic minority languages. These are now in use across the Council
- ◆ A corporate interpreting and translating policy was published on the intranet.

16. Mental Health Services: Outcome Reports were produced for this review in December 2005 and August 2006, and the following achievements were recorded -

- ◆ The CMHT service has been re-organised under single management, ensuring better service and geographic skill mix
- ◆ More effective mainstream services to users were identified through the Vulnerable Adults project
- ◆ A vision has been developed for modernised Day Services, and a specific proposal for a reconfigured service within existing resources
- ◆ Access and referral criteria have been re-defined to facilitate support to users supported by primary care
- ◆ A quarterly multi-agency Women and Mental Health forum was established
- ◆ The use of spot-purchased day care has increased since the review, and has been managed within existing budget provision
- ◆ Areas for possible externalisation of day care services were identified
- ◆ Denbigh and St Mark's centres and their staff teams were merged
- ◆ The e-mail link between the Council and the mental health trust has been secured

- ◆ A new Royal Borough client index was introduced, and an upgrade of the ePEX system to deliver performance information was completed
- ◆ Interim management information systems to meet reporting requirements have been implemented
- ◆ A clear strategic waste reduction policy was developed for the service
- ◆ Eighty per cent of sites now recycle a variety of materials
- ◆ Plans are in place to enable efficient land use and energy conservation in operational mental health properties, and to protect the environment
- ◆ Healthy living workshops provide benefit for staff and service users
- ◆ Eighty per cent of services have addressed the issue of 'green travel'
- ◆ New support services to BME community groups were established, and a new translation and interpreting service was commissioned by the Mental Health Trust
- ◆ There has been increased involvement of BME communities in consultation and service development via a programme of "Acting for Change" theatre projects
- ◆ All Council staff completed equality awareness training, including courses provided jointly by the Council and the PCT
- ◆ A specific post was developed to support Arabic speaking users
- ◆ The accuracy and completeness of ethnic monitoring has been improved.

17. Substance Use Services: An Outcome Report in May 2006 provided evidence to indicate greater effectiveness of services as a result of the review, including improved annual external assessment ratings. All actions relating to the National Service Framework for substance misuse have been successfully implemented. In terms of aftercare service, progress has been made with the development of supported accommodation and housing options for service users, and education, employment and training initiatives have been successful to the point of one project achieving award recognition. Further success in the criminal justice field has been marked by significant changes to and integration of treatment services and criminal justice teams, thereby enabling better partnership working, ensuring clearer pathways into treatment and improving inter-agency communication. An assertive outreach service targeting BME communities has been successfully initiated to address specific group needs, a deeper understanding of which has been facilitated by improved collection and analysis of data, leading to more effective SLAs, targets and standards of service. Finally, new systems and structures have been implemented in relation to substance use services for young people, continuation of which now rests with the Family and Children's Services Business Group.

Review Savings

18. **Appendix C** provides a breakdown of savings achieved and projected between Financial Years 2003/04 and 2007/08 by all Year 3 reviews. Actual savings are combined with projected figures, extracted from SIPs to provide a five-year perspective on reviews' achievements and further aspirations.
19. Total cost and efficiency savings attributable to Year 3 reviews between FYs 2003/04 and 2005/06 amounted to **£3,940,500**, of which approximately one per cent of the total (**£46,000**) was re-invested in services. Combined with projected totals, the grand total of cost and efficiency savings, calculated over a five-year period between 2003/04 and 2007/08, has been adjusted to **£6,483,500**.

YEAR 4 (2003-04) ROYAL BOROUGH REVIEWS

20. Two Year 4 reviews (Charging Policy and Communications) have been signed off to date.
21. The two other reviews, Commercial Property Management and Parking Operations, produced initial Outcome Reports in December 2005 and January 2006 respectively. The achievements of these reviews are summarised below.
22. **Appendix D** provides a tabular breakdown of review progress against SIP targets up to October 2006. Paragraph 28 provides details of future review monitoring arrangements.

Service improvements achieved

23. Commercial Property Management: The review has resulted in the following specific achievements:
 - ◆ An update of the property management computer system, allowing improvements to rent and arrears systems and a new interface with OneWorld
 - ◆ Performance targets have been reviewed and updated
 - ◆ Void property statistics have been updated
 - ◆ Health and safety procedures have been improved
 - ◆ A review of the approach to charging rent to voluntary organisations has been undertaken
 - ◆ The Property Department and TMO have established a working group to pursue development opportunities and increase commercial income

- ◆ An update of the Capital Strategy established that capital receipts from the sale of non-HRA surplus property should be held for re-investment
- ◆ Feasibility studies into specific developmental opportunities have begun

24. Communications: Since the Final Report went to Cabinet in January 2005, the review has resulted in the following achievements:-

- ◆ The finalisation and delivery of a communications strategy
- ◆ The formation of a Communications Strategy Board and a Communications Improvement Group
- ◆ New communication products, including
 - an A-Z of services delivered to every household
 - new e-mail and staff bulletins
 - a new report to taxpayers
 - a Residents' Pack
 - a handbook for councillors for the 2006 elections
 - a video describing the Council's overall vision
- ◆ New local performance indicators
- ◆ The establishment of a number of successful communications partnerships with external agencies, facilitated by the development of a Framework Contract
- ◆ A refreshed corporate identity applied to the full range of communications products, complemented and fortified by guidance and a proposed regulatory framework
- ◆ An audit of publications and their standards, forming part of an on-line database.

25. Parking Operations: The following achievements have been reported:

- ◆ New management and system contracts affecting the Town Hall Car Park have been put into effect
- ◆ Recommendations for a new on-street enforcement contract were approved by Cabinet in February 2006
- ◆ A new multi-application IT system went live in April 2006 following contract award in November 2005
- ◆ Substantial revenue gains were achieved at the end of the FY following action to protect Pay and Display machines
- ◆ System changes in the Call Centre have allowed customer service improvements
- ◆ New flexible working arrangements have resulted in increased productivity.

Review Savings

26. **Appendix D** provides a five-year breakdown of actual and projected savings and income growth for the Commercial Property Management and Parking Operations reviews. Total cost and efficiency savings attributable to these reviews in FY 2004/05 amounted to **£4,458,820**. Combined with projected totals, the grand total of cost and efficiency savings, calculated over a five-year period between 2004/05 and 2008/9, has been adjusted to **£8,059,820**. This estimate will be re-assessed prior to the next report to Cabinet in 2007.
27. The nature of the Charging Policy and Communications reviews precluded setting fixed savings or income targets. However, in the case of the former, positive action has succeeded in increasing the contribution of existing charges to overall council expenditure.

Future monitoring arrangements

28. Two Year 4 reviews remain active (not including the Support to Schools review, which began later in the year and was carried forward to the Year 5 programme, see Year 5 below). Future outcome reporting arrangements are as follows:
- Commercial Property Management 30 Nov 06 (Update 1)
 - Parking Operations 30 Nov 06 (Update 1)

YEAR 5 (2004-05) ROYAL BOROUGH REVIEWS

29. The Year 5 programme comprised three reviews, two of which (Benefits Take-up and Support to Schools) are not due to report back until 2007. An Outcome Report was produced for the third review on procurement in March 2006, and the achievements of this review are summarised below.

Service improvements achieved

30. Procurement: The review has produced the following outcomes to date:
- ◆ The creation of a Strategic Procurement Unit (SPU) and a Corporate Procurement Strategy
 - ◆ The dissemination of procurement best practice, including the publication of a guide and toolkit on the intranet
 - ◆ Achieved savings through the use of consortia contracts, such as the London Contract and Supplies Group, and the consolidation of

Council wide contracts, of which there are currently eighteen, together with one framework agreement for use by all Business Groups

- ◆ A review of the Council's purchase to pay systems, and an identified need to move to e-purchasing and on-line catalogues.

Review Savings

31. **Appendix E** details the savings achieved by the Procurement Review in Financial Year 2005/06. The nature of the Support to Schools and Benefits Take-up reviews precluded setting fixed savings or income targets. However, in the case of the former, positive action is in hand to improve the efficiency of SLA charging arrangements. The table will be modified again in the next report to Cabinet to reflect any additional savings achieved by the Procurement Review.
32. Total cost and efficiency savings attributable to the procurement review in FY 2005/06 amounted to **£1,105,000**. This estimate will be re-assessed prior to the next report to Cabinet in 2007.

Future monitoring arrangements

33. All three Year 5 reviews remain active. Future outcome reporting arrangements are, in chronological order, as follows:
 - Support to Schools 31 January 2007 (Initial)
 - Benefits Take-up 28 February 2007 (Initial)
 - Procurement 31 March 2007(Update 1)

SUMMARY

34. All **12** reviews comprising the **Year 1** Best Value programme have been completed and signed off by CM(SI), following satisfactory implementation of SIP change programmes. The total savings figure for all Year 1 reviews (comprising actual and projected savings measured between 2001/02 and 2005/06) is **£5,752,000**, with £1,990,000 of this total representing savings re-invested in the services concerned.
35. Of the **9** reviews comprising the **Year 2** Best Value programme, **8** have been completed and signed off by CM(SI). In conjunction with projected figures up to and including FY2006/07, total estimated savings are **£4,434,178**. These figures will be re-calculated at the time of the next report to Cabinet in 2007.

36. All **12** reviews in the **Year 3** programme have been signed off. Cost and efficiency savings data indicate a consolidated total of **£3,940,500** attributable to reviews between FYs 2003/04 and 2005/06, with £46,000 of this total representing savings re-invested in services. In conjunction with projected figures up to and including FY2007/08, total savings can be expected to rise to **£6,483,500**.
37. Of the **4** reviews in the **Year 4** programme, the Charging Policy and Communications reviews (the nature of which precluded the identification of substantive savings) have been completed to date. The two remaining reviews aspire to combined cost savings and income growth targets of **£4,402,000** over five years between 2004/05 and 2008/09. However, both reviews have exceeded that projected total in their first year alone, achieving aggregate savings of **£4,458,820** in 2004/05.
38. The **Year 5** programme comprises **3** reviews, of which only the Procurement Review has reported back to date. The latter achieved total savings of **£1,105,000** in FY 2005/06.

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Background Papers:

- a. Summary Report (Year 1 and 2 Best Value Reviews) - Cabinet, 25 February 2003
- b. Year 1 and 2 Best Value Reviews (Re-invested Savings) - Cabinet Business Overview and Scrutiny Committee, 14 April 2003
- c. Summary Report (Year 1 and 2 Best Value Reviews) Update - Cabinet, 2 October 2003
- d. Best Value Reviews 2000/01 – 2002/03: Annual Profile of Achievements - Cabinet, 11 November 2004

- e. Best Value Reviews 2000/01 – 2003/04: Annual Profile of Achievements – Cabinet, 10 November 2005