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DATE: 17 January 2011

ADULT AND COMMUNITY POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Meeting to be held on Tuesday 25 January 2011

Please see attached appendices omitted from the agenda in error.

- 9b PORTFOLIO PRIORITIES AND PERFORMANCE FRAMEWORK FOR
2011- 2012 (Pages 3 - 6)**
- 12 RESTRUCTURE -CARE MANAGEMENT AND ASSESSMENT TEAMS
IN ADULT AND COMMUNITY SERVICES (Pages 27 - 28)**
- 16 INTERNAL AUDIT VALUE FOR MONEY REPORTING PILOT (Pages 29
- 48)**

Please see attached reports marked “to follow” on the agenda

- 9e DRAFT 2011/12 BUDGET (Pages 7 - 20)**
- 11 UPDATE ON THE HEALTH WHITE PAPER (Pages 21 - 26)**

**Copies of the documents referred to below can be obtained from
www.bromley.gov.uk/meetings**

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Agenda Item 9b

Appendix 1 – Proposed New Adult Social Care Outcomes Framework

Outcome Domain	Adult social care outcome statements	Equivalent NHS domain
Promoting personalisation and enhancing quality of life for people with care and support needs	<ul style="list-style-type: none"> • People live their own lives to the full and can maintain their independence by accessing and receiving high quality support when they need it. • Carers can balance their caring roles and maintain their desired quality of life. • People have control and manage their own support so that they can design what, how and when support is delivered to match their needs. • People engage socially as much as they wish to avoid loneliness or isolation. 	Enhancing quality of life for people with long-term conditions
Preventing deterioration, delaying dependency and supporting recovery	<ul style="list-style-type: none"> • Everybody has the opportunity to have optimum health throughout their life and proactively manage their health and care needs with support and information. • Earlier diagnosis and intervention means that people are less dependent on intensive services. • When people become ill, recovery takes place in the most appropriate place, and enables people to regain their health and wellbeing and independence. 	Helping people to recover from episodes of ill health or following injury
Ensuring a positive experience of care and support	<ul style="list-style-type: none"> • Social care users and carers are satisfied with their experience of care and support services. • Carers feel that they are respected as equal partners throughout the care process. • People know what choices are available to them locally, what they are entitled to, and who to contact when they need help. • People, including those involved in making decisions on social care, respect the dignity of the individual and ensure support is sensitive to the circumstances of each individual. 	Ensuring people have a positive experience of care
Protecting from avoidable harm and caring in a safe environment	<ul style="list-style-type: none"> • Everyone enjoys physical safety and feels secure. People are free from physical and emotional abuse, harassment, and neglect and self-harm. • People are protected as far as possible 	Treating and caring for people in a safe environment and protecting them

Outcome Domain	Adult social care outcome statements	Equivalent NHS domain
	from avoidable deaths, disease and injuries.	from avoidable harm

New Outcomes Framework – Measures and Data Collection

The data collection sources that are being proposed by the Department of Health as underpinning this approach are as follows:

Measure	Data Source	Frequency
Social care-related quality of life	Adult Social Care Survey (social care data collection), to be published by NHS IC from 2011	Annual
The proportion of people using adult social care services who have control over their daily life.	Adult Social Care Survey (social care data collection), to be published by NHS IC from 2011	Annual
Carer-reported quality of life	Carers Survey (ongoing status to be determined, subject to consultation views)	Biennial (to be confirmed)
People with long term conditions supported to be independent and in control of their condition.	NHS GP Patient Survey	Annual
Proportion of adults with learning disabilities in employment.	Adult Social Care Combined Activity return(AS-CAR)	Annual
Proportion of adults in contact with secondary mental health services in employment	Mental Health Minimum Dataset	Annual
Proportion of people using social care who receive self directed support.	Referrals, Assessment and Packages of Care (RAP)	Annual
Percentage of emergency admissions to any hospital in England occurring within 28 days of the last , previous discharge from hospital	NHS Hospital Episode Statistics	Annual
Admissions to residential care home, 1,000 population	Referrals, Assessment and Packages of Care (RAP)	Annual
Older people discharged from hospital to rehabilitation or intermediate care, who are living at home 91 days after discharge.	Adult Social Care Combined Activity return(AS-CAR)	Annual
Emergency bed days associated with multiple (two or more in a year)	NHS Hospital Episode Statistics	Annual

Measure	Data Source	Frequency
acute hospital admissions for over 75's		
The proportion of people suffering fragility fractures who recover to their previous levels of mobility / walking ability at 120 days	National Hip Fracture Database	Annual
Delayed Transfer of care	NHS hospital database (UNIFY2)	Monthly
Proportion of Council spend on residential care.	PSSEX1	Annual
Overall satisfaction with local adult social care services	Adult Social Care Survey (social care data collection, to be published by NHS IC from 2011)	Annual
The proportion of carers who report that they have been included or consulted in discussions about the person they care for.	Carers Survey (ongoing status to be determined, subject to consultation views)	Biennial
The proportion of social care users and carers who express difficulty in finding information and advice about services.	Adult Social Care Survey (social care data collection, to be published by NHS IC from 2011)	Annual
Percentage of adult social care users who feel safe and secure.	Adult Social Care Survey (social care data collection, to be published by NHS IC from 2011)	Annual
Acute admissions as a result of falls and fall injuries for over 65s	NHS Hospital Episode Statistics	Annual
Proportion of adults in contact with secondary mental health services in settled accommodation.	Mental Health National minimum dataset	Annual

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Report No.
ACS11010

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Adult and Community Policy Development and Scrutiny Committee**

Date: **25th January 2011**

Decision Type: Non-Urgent Executive Non-Key

TITLE: DRAFT 2011/12 BUDGET

Contact Officer: Tracey Pearson, Interim Head of Finance
Tel: 020 8461 7806 E-mail: tracey.pearson@bromley.gov.uk

Chief Officer: Terry Rich, Director of Adult and Community Services

Ward: Borough wide

Reason for report

- 1.1 The prime purpose of this report is to consider the Portfolio Holder's Draft 2011/12 Budget which will incorporate cost pressures and additional saving options reported to Executive on 12th January 2011. Members are requested to consider the savings proposed and also identify any further action to be taken to reduce the cost pressures facing the Council over the next four years.
 - 1.2 Executive are requesting that each PDS Committee considers the proposals arising from the "The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues" report to the Executive on 12th January. Each PDS Committee is requested to provide comments, prior to Executive making recommendations to Council for the 2011/12 Budget. Details of the outcome of the Executive meeting will be circulated separately. Members are requested to consider this report with "The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues" report submitted to the Executive which can be accessed using the following link:
<http://cds.bromley.gov.uk/ieListDocuments.aspx?CId=121&MId=3301&Ver=4>
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2. RECOMMENDATIONS

2.1 The PDS Committee are requested to:

- (a) consider the savings options proposed by the Executive;
- (b) consider the update on the financial forecast and the Draft 2011/12 Budget proposals;
- (c) note the outcome of the Local Government Settlement which results in significant reductions in Government funding to the Council;

- (d) consider the cost pressures from 2011/12 to 2014/15;
- (e) consider how this committee can continue to contribute towards reducing the service pressures and opportunities to contribute towards a more sustainable budget position;
- (f) provide comments for the February meeting of the Executive on the Draft 2011/12 Budget.

Corporate Policy

Existing policy: Sound financial management

Financial

1. N/A
 2. Recurring cost
 3. Budget head: Adult & Community Services Portfolio Budgets
 4. Total budget for this head: £97,235k Draft 2011/12 Budget
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Staff

1. Number of staff (current and additional) – 814 (per Draft 2010/11 Budget). To be updated following finalisation of the Draft 2011/12 Budget
 2. If from existing staff resources, number of staff hours – N/A
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Legal

1. Statutory requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in is applicable
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Customer Impact

Estimated number of users/beneficiaries (current and projected) - The 2011/12 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.

3. COMMENTARY

- 3.1 At its meeting on 12th January 2011, Executive considered the initial Draft 2011/12 Budget, updates on the financial forecast, the delayed Local Government Financial Settlement and savings options for 2011/12 and 2012/13. Executive were also advised that there remain various issues that are outstanding where further information/clarification is awaited which could impact on the final 2011/12 Budget. Details of the outcome of the Executive meeting will be circulated separately.
- 3.2 The Executive previously considered updates on the Council's financial position at their meetings in July 2010 and December 2010. PDS Committees considered individual reports relating to grant funding and exit strategies for their respective Portfolios and the outcome was reported to Executive in July 2010. "The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues" report to the Executive highlighted that the national economic situation would result in significant reductions in Government funding for local authorities. This report referred to various key issues which include, for example:
- (a) Details of the losses in Government funding as part of the provisional finance settlement were summarised in Section 3.11 of the Executive report. The Director of Resources has reported at the meeting of the Executive net losses in Government grant of £14.3m in 2011/12 rising to £22m per annum by 2012/13. Bromley is going to have to continue to plan for reductions in net spending on services over and above any savings that are required to fund growth elsewhere in the budget;
 - (b) There continues to be significant financial pressures in several key service areas which also impact on future years. Examples include children's social care, waste (landfill tax), adults with learning and physical disabilities and the new carbon tax;
 - (c) The final implications of the Local Government Financial settlement are still awaited as some grant notifications are not due until mid January;
 - (d) The projections would be far worse without the savings previously approved by Executive and individual Portfolio Holders during 2010/11;
 - (e) The Council faces further reductions in Government funding from 2013/14, given the national state of public finances;
 - (f) There has been further recent growth identified, since the forecast report to the Executive in December, for adults with physical disabilities, children's social care, SEN transport and the new carbon tax;
 - (g) It is important to note that the budget submission is an initial budget for 2011/12 to enable consideration by Members prior to finalising the 2011/12 Budget but cannot be completed until the outcome of the most up to date impact of various cost pressures are known, including inflation, and further efficiency and other saving options are finalised;
 - (j) Further information relating to the report to the Executive is available in the Members' room in the form of a document titled "London Borough of Bromley - Draft 2011/12 Budget" and on One Bromley, under the section "Draft Budget Documents", using the link below:
http://onebromley/BA/Pub_Res/Pub_FMD/Pages/Budgeting.aspx
 - (k) Members are reminded that the presentation from the Members update session held in December 2010 provides more background information on the national scene and the potential impact on the Council's finances.
- 3.3 Details of the remaining 'budget gap' are included in the Supplementary Information submitted to the January meeting of the Executive (agenda item 8).

3.4 It is critically important that action is taken in future years to eliminate or substantially reduce growth in spending forecast to avoid untenable council tax rises. PDS Committees are requested to consider how they can continue to contribute towards addressing service pressures and identify, for example, opportunities to enable a more sustainable budget position including identification of savings, potential efficiencies, income opportunities and consider any reprioritisation of services.

4. DRAFT 2011/12 BUDGET

- 4.1 Details of the draft level of the 2011/12 Budget for each Portfolio were included in the report titled "The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues". Members of the Executive were advised that there would be further significant changes as part of finalising the 2011/12 Budget and the draft policy sheets excluded the impact of changes in Government funding and the impact of savings submitted separately to the Executive. Further details are provided in section 3.16 of the Executive report.
- 4.2 The scale of funding reductions and the late financial settlement make this an exceptional year for setting the budget with a higher level of uncertainty compared with previous years. These factors have impacted on the reporting arrangements for PDS Committees compared with previous years.
- 4.3 Members are requested to bring "The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues" report to this meeting.

5. CHIEF OFFICER COMMENTS

- 5.1 As reflected in budget monitoring reports throughout the year, expenditure pressures in relation to services for older people and adults with physical disabilities continue and, whilst the impact of re-ablement on the cost of on-going care packages and of robust reviewing of current high cost packages, are delivering some savings, substantial cost pressures from unavoidable demand is leading to significant risk in spend in future years.
- 5.2 Whilst spend on Learning Disabilities remains within or slightly below budget, the projected full year impact of care commitments remains a considerable concern and a number of options are being explored to target activity on high costs placements and on seeking to make efficiencies within supported living packages. At all times a careful balance has to be struck between reducing the costs of packages and risking de-stabilising care arrangements which could result in community based packages breaking down with the resultant additional costs of high cost residential care.
- 5.3 In 2011/12, three specific grants have ended requiring a corresponding reduction in expenditure:

Transforming Social Care £1,145k
Learning Disability Campus Closure £1,436k
Stroke Care Grant £93k
Total £2,674k

Although the grants were time limited and exit strategies are in place to manage these reductions, the continued funding of the Transforming Social Care agenda is heavily reliant on the success of the new re-ablement service in achieving savings to fund ongoing commitments.

5.4 A summary of the savings options relating to the Adult and Community Services Portfolio is shown in the table below:

Summary of Savings Options	2011/12	2012/13
	£'000	£'000
Efficiencies in Processes and Staffing	425	725
Efficiencies through Contracting	350	700
Levying/Increasing Charges	300	450
Service Redesign	720	1,130
Ceasing to Fund or Provide Services	1,150	1,750
Portfolio Total	2,945	4,755

5.5 A more detailed analysis of these savings options is included within Appendix 1.

5.6 The Government has announced that an additional £1bn will be allocated to PCTs to support adult social care. This represents the sum of £3,176k in Bromley. This budget can only be used for the purposes outlined in the Government circular and must be used for social care which benefits health. This will include services which either prevent admission into hospital or speed up discharge. It is anticipated that the funds will transfer to the Council during the course of 2011/12 under a Section 256 agreement with their use subject to agreement between the Council and the NHS.

6. POLICY IMPLICATIONS

6.1 The Council's key priorities are included within the Council's "Building a Better Bromley" statement and include:

- Safer Communities
- A Quality Environment
- Vibrant, thriving town centres
- Supporting independence, especially of older people
- Ensuring all children and young people have opportunities to achieve their potential
- An Excellent Council

6.2 "Building a Better Bromley" refers to aims/outcomes that include "remaining amongst the lowest council tax levels in Outer London" and achieving "sustainable council tax and sound financial strategy".

7. FINANCIAL IMPLICATIONS

7.1 The financial implications are contained within the overall report

8. LEGAL IMPLICATIONS

8.1 The delivery of some budget options will be dependant on consultation and formal decisions outside of the budget setting process. The Council has to set a lawful balanced budget before 11th March which will include contingencies to cover such items.

9. PERSONNEL IMPLICATIONS

- 9.1 The Corporate Trade Union and Departmental Representatives' Forum receives regular updates on the Council's finances and the associated policy implications and challenges. Staff and their trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the budget options. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues – Executive 12 th January 2011; Base Budget level 2011/12 and Update on Council's Financial Position 2011/12 to 2014/15 – Executive 8 th December 2010; Update on Council's Financial Position 2011/12 to 2014/15 – Executive 21 st July 2010.

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REF	Department	Budget 2010/11 £'000	Budget Option Identified	Savings 2011/12 £'000	Savings 2012/13 £'000	Impact on other services /Notes
	Adult & Community Services Portfolio					
1	Strategy Division	1,675	Back office efficiencies - strategy division	150	175	Will provide reduced back office support within the ACS department and requires a review of structures and streamlining of functions.
2	Housing & Residential Services	511	Reduce spend Private Sector Renewals Grant	350	350	Will impact on assistance available to support older people to remain in their own homes with greater reliance on loans and self funding.
3	Housing & Residential Services	798	Housing Division Rationalisation	100	150	May impact on agency fee income and revenue contribution to capital.
4	Strategy Division	561	Learning & Development Savings	75	100	Learning & Development expenditure covers the entire Social Care workforce, including external providers (eg. domiciliary care providers, care homes, etc.)
5	Strategy Division	277	Discontinue/reduce social care front counter & imprest service	50	150	Change only affects ACS front counters, alternative arrangements are being made for reception to CYP services.
6	Care Services	4,485	Cease In-house homecare provision	400	600	Timescale dependant on capacity of external providers to take on individually tailored packages of care.
7	Care Services	3,718	Charging	200	300	Subject to consultation and Member approval. Income increases are phased over years 1 - 3. Ability to generate additional income dependent on retaining critical and substantial eligibility criteria.
8	Care Services	-106	Increased savings from Extra Care	90	543	Dependency on schemes being delivered within planned timescales
9	Care Services	-106 0	<i>Less amount already included in the Financial Forecast</i> Reablement	-70 300	-513 500	New service currently being developed. Projected savings dependent on roll-out and consequent reduction in demand for longer term domiciliary care services.
10	Care Services	3,864	Staff savings - Care Services	50	150	Restructuring of assessment & care management in line with roll-out of personalisation and reablement.
11	Commissioning & Partnerships	3,000	Reduce commissioning of supporting people services	300	600	Will affect levels of service delivered and relies upon successful commissioning activity.
12	Commissioning & Partnerships	1,150	Reduce funding to Sheltered Housing	500	800	Relatively low service risk but widespread and popular service. Subject to consultation with RSL partners and their tenants.
13	Care Services	342	Reduction in funding to below eligibility services	100	100	Subject to consultation and Member approval.

REF	Department	Budget 2010/11 £'000	Budget Option Identified	Savings 2011/12 £'000	Savings 2012/13 £'000	Impact on other services /Notes
14	Commissioning & Partnerships	54,760	Efficiency targets for all suppliers	350	700	Other reductions to services that are commissioned from external contractors will reduce capacity for savings in this area. Will involve negotiations with contractors of below inflation increases, no increases or reductions in annual costs.
15	Care Services	0	None eligible day care users paying full cost	0	50	Subject to consultation and Member approval. Will impact on service users who may choose not to attend day care if charges are levied or increased. This will then impact on day centres if attendance reduces.
TOTAL				2,945	4,755	

Adult and Community Services - Savings Options	2011/12 £'000	2012/13 £'000
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1. Efficiencies in Processes and Staffing

Strategic Support Services	Back office efficiencies	150	175
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Comment:

Reductions in staffing levels within the Strategy & Performance division, reduced spend on staff recruitment and departmental running costs generally.

Strategy Division	Learning & Development Savings	75	100
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Comment:

Reducing the spend on professional social care training through reducing staffing and increasing amount of commissioned in training and through reducing overall training offer to essentials.

Strategy Division	Front Counter Services	50	150
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Comment:

Discontinuing a front counter/reception service at area offices at Penge & Orpington. Majority of traffic/referrals come through BSSD/telephone/web/3rd parties (e.g. GPs, hospital team, relatives). Children's teams generated the majority of personal callers and have moved out – savings are net of resources passed to CYP to manage their front counter needs in central Bromley.

Housing Division	Rationalisation	100	150
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Comment:

Reductions in staffing levels within the Housing Division. Consequential to reduced expenditure on Private Sector Renewal Grants.

Care Services	Staff Savings	50	150
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Comment:

Reducing staff numbers in care management teams in light of personalisation changes with expectation of less time on assessment and care management as service users take on more responsibility for managing their own care. First year savings are reduced management costs.

Efficiencies in Processes and Staffing	425	725
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2. Efficiencies through Contracting

Commissioning & Partnerships	Efficiency targets for all suppliers	350	700
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Comment:

Negotiations with external contractors on 2 levels:

- 1) annually to achieve efficiency target to (partly) offset inflation uplifts
- 2) at relet/retender stage by revising specification and setting reduction targets

Efficiencies through Contracting	350	700
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3. Levying/Increasing Charges

Care Services (charging income)	Increasing Charging - Various	200	300
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Comment:

This includes:

- a) increasing charge for current "charged for" services – home care, carelink, supported living and
- b) including other services within "charged for" services for eligible service users (e.g. day care)

N.B. Scope for substantial increases in income from charges is limited as a) all users are means tested and many already pay the maximum assessed charge under statutory guidance, and rates already reflect actual costs of provision for full-cost payers.

Care Services	Reduction in funding to below eligibility services	100	100
<p>Comment: Reducing or removing the subsidy for non-eligible service users who use council funded voluntary sector care services – e.g. day care, domestic support, housework, shopping service. (dependent on agreeing with voluntary sector that they charge service users for services thus reducing Council grant).</p>			
Care Services	None eligible day care users paying full cost	0	50
<p>Comment: This will have a negative impact on service users who may choose not to attend day care if charges are levied or increased. Potential knock on effect on day centres if attendance reduces.</p>			
Levying/Increasing Charges		300	450

4. Service Redesign

Care Services	Cease in house home care provision	400	600
<p>Comment: Concluding the shift in provision from in-house to external providers. This has been examined via PDS and has been subject to 90 day consultation with staff. Proposal agreed by Executive on 8th December 2010. Results in no reduction in volume of services.</p>			
Care Services	Increased saving from Extra Care Housing	20	30
<p>Comment: Financial forecast already assumes savings from diverting older people from residential care into Extra Care housing schemes. Additional savings arise from impact of reduced average costs for extra care arising from tendering care services from new schemes as they come on stream.</p>			
Care Services	Reablement	300	500
<p>Comment: Projected benefits from roll-out of reablement to all future referrals and consequential reductions in requirements for domiciliary care support to a proportion of those “re-abled”</p>			
Service Redesign		720	1,130

5. Ceasing to Fund or Provide Services

Housing Division	Reduce spend Private Sector Renewals Grant	350	350
<p>Comment: Discretionary grants provided to “vulnerable” home owners to assist with repairs and maintenance issues which could impact on their continued ability to live in their own homes. Aim is to develop alternatives to grant support through loans, equity release and redirecting to other agencies (e.g. credit union). N.B. does not impact on Disabled Facilities Grant which is a statutory duty.</p>			

Commissioning & Partnerships	Reduced commissioning of Supporting People Services	300	600
<p>Comment:</p> <p>Most contracts for Housing related support are let for 3 years. This proposal is to seek up to £300k of services that would not be recommissioned annually or delivered in a substantially reduced cost manner.</p> <p>This proposal is likely to have an impact on a range of supported housing schemes affecting vulnerable residents across the borough.</p>			

Commissioning & Partnerships	Reduce funding to Sheltered Housing	500	800
<p>Comment:</p> <p>Currently £1.1m spent on enabling Housing Associations across the borough to provide a Sheltered Housing Service.</p> <p>There are 56 schemes provided by 17 RSLs to 1,350 tenants.</p> <p>Many tenants have few or no care needs and those that do have eligible care needs receive these separately and in addition to sheltered housing support.</p> <p>Intention to consult on and negotiate reduction of Council funding and for RSLs to either charge for service or reduce service offered.</p> <p>Aim to retain some funding for a more targeted service to more vulnerable older people within Sheltered Housing who also have care needs and where a "housing related support" service is central to the delivery of their care or where a risk to the persons tenancy could result from a loss of support.</p>			

Ceasing to Fund or Provide Services	1,150	1,750
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TOTAL SAVINGS OPTIONS	2,945	4,755
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Report No.
LDCS

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Adult and Community PDS Committee

Date: 25th January 2011

Decision Type: Non-Urgent Non-Executive Non-Key

Title: EQUITY AND EXCELLENCE - LIBERATING THE NHS

Contact Officer: Angela Bhan, Jt Director of Public Health, Terry Rich, Director of Adult and Community Services
Tel: 020 8313 4612 E-mail: terry.rich@bromley.gov.uk

Chief Officer: Terry Rich, Director of Adult and Community Services

Ward: N/A

1. Reason for report

1.1 This brief summary of the recent White Paper - '*Equity and Excellence- Liberating the NHS,*' further guidance and where Bromley is in relation to the proposed changes.

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2. **RECOMMENDATION(S)**

2.1 This report is for discussion and further consideration

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: N/A.
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Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: £N/A
 5. Source of funding: N/A
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Health White Paper will impact all residents of the Borough.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

EQUITY AND EXCELLENCE – LIBERATING THE NHS

In July 2010 the Government set out its long term vision for the future of the NHS and the White Paper "*Equity and Excellence - Liberating the NHS*" proposed a radical range of changes to health services and the role of local authorities in health provision.

The White Paper sets out a vision, strategy and proposals for the NHS where patients are at the heart of everything and health outcomes are amongst the best in the world, with clinicians empowered to deliver results.

The vision for the NHS is:

- That it is genuinely patient centred
- We achieve world class quality and outcomes
- Not tolerance of unsafe care
- Discrimination is eliminated and inequalities tackled
- Clinicians are in the driving seat
- It is more transparent with greater accountability for results
- Gives citizens more say in how the NHS is run
- It works better across boundaries eg with Local Authorities
- Is more efficient and dynamic with less bureaucracy
- Is free from frequent and arbitrary political meddling

The White Paper and subsequent guidance covers six broad areas:

- i) GP commissioning
This is the centrepiece of the reforms which place most of the responsibility for managing NHS resources and improving outcomes on GPs working as part of commissioning consortia. Consortia will have to develop the competency and capability and powers necessary to take on these functions. This will however, be in the context of a significantly reduced management resource.
- ii) NHS Commissioning Board
This national commissioning board will be created to hold GP consortia to account and also undertake some direct commissioning (eg of specialist services). It will also hold independent providers' contracts (GPs, dentists, etc)
- iii) Providers of health services
The intention is to build on the existing plural provider market. It is envisaged that all NHS providers will be social enterprises or become Foundations trusts. The intention is to remove 'state' control from the running of these organisations whilst ensuring appropriate regulation.
- iv) Economic regulation
Significant efficiency savings will be necessary and will be re-invested to improve quality and outcomes. Administrative costs in the NHS will be cut, primary care trusts will cease to exist and the DH will be reduced in size. As most people are aware, a number of health quangos will be abolished.

The intention is to develop a new economic regulator – Monitor. Monitor will have extensive powers to decide on the broad shape of the NHS, what are essential services and price and competition practice. It will also safeguard patients and taxpayer interests.

v) Democratic Legitimacy

There is to be an enhanced role for local authorities with in developing joint strategic needs assessment to support commissioning, supporting local engagement and patients choice, promoting joined up commissioning and leading local health and prevention activity.

This will be partly achieved through the creation of Health and Well-Being Boards in every upper tier local authority, and through changes to patients and public engagement. These arrangements are expected to replace some existing partnership arrangements and work with LSPs. HWBs will agree joint NHS and social care commissioning and the allocation of such budgets. HWB will also have powers to refer decisions to the NHS Commissioning Board and SoS.

Local authorities will have statutory responsibilities to support joint working on health and well-being and also have a role in the overarching approach to improving health.

New arrangements for engagement include the creation of a national body – HealthWatch England – to sit within the Care Quality Commission. There will also be local HealthWatch.

vi) Outcomes

There is a change of emphasis from process measures to outcomes. A new framework for outcomes is being developed and consulted on. The focus is on:

- Preventing people from dying prematurely
- Enhancing the quality of life for people with long term conditions
- Helping people recover from episodes of injury or ill health (effective treatments)
- Ensuring people have a positive experience of care
- Treating and caring for people in a safe environment and protecting them from harm

4 New Public health responsibilities of Local Government

- 4.1** A later document, the White Paper “Healthy Lives : Our Strategy for Public Health in England” provided more detail on how local communities and local government will be placed at the heart of public health in England.

The White Paper uses the Faculty of Public Health definition of public health:

‘The science and art of preventing disease, prolonging life, and promoting health through the organized efforts of society’.

4.2 There are three key domains of public health practice that the PH Team in LBB would be expected to deliver, both in the transition period and the long term:

- 1) Health Improvement
- 2) Health Protection
- 3) Improving health services

4.3 The location of Public Health within local government brings a number of key benefits:

- Local authorities deliver a number of services, or have considerable influence over services, that are important for the promotion of good health and the prevention of illness, disease and trauma. It is well recognised that a decent home, clean water, good nutrition, a proper education, sufficient income, healthy behaviours and habits, a safe neighbourhood, a sense of community and citizenship are fundamental determinants of health and well-being, and are critical to the reduction of health inequalities.
- Given the new NHS-related responsibilities placed on local government, a public health team becomes a potentially important source of clinical and professional expertise and capacity to enable the effective integration of health and social care, and facilitate effective engagement with GPs and other NHS providers.
- Local authorities have the resources to facilitate effective patient and community engagement both of which are vital for health improvement
- The analytical and health intelligence expertise and experience of public health specialists will help local authorities fulfil their roles with regard to establishing and supporting effective local health watches, as well as engaging in a more effective process for conducting Joint Strategic Needs Assessments (JSNAs).

4.4 Key changes proposed include:

- the transfer of the role of Director of Public Health currently within PCTs to local authorities where they will be the strategic lead in public health;
- ring fencing public health budgets allocated to local authorities;
- A dedicated public health service – Public Health England – within the Department of Health;
- An evidence based approach to public health initiatives –
 - Public Institute for Health Research;

- School for Public Health Research; and
- A Research Unit on Behaviour and health;
- Central role for Chief Medical Officer and planned NHS commissioning in Public Health;
- Stronger incentives for GPs to play a role in public health.

4.5 The timetable for changes is as follows:

- December 2010 – March 2011 – consultation on the Public Health outcomes framework funding and commissioning within the White Paper.
- Early 2011 – establishment of Shadow Public Health England at the DH and arrangements initiated with local authorities, including matching of PCT DPH's.
- Late 2011 - public health professional work force strategy to be developed;
- April 2012 – Public Health England to assume full responsibilities. Shadow ring fenced public health financial allocations to local authorities published;
- April 2013 – full transfer of public health functions and budget to local authorities

The transfer of the public health functions ties in with the proposal to abolish PCTs after April 2013.

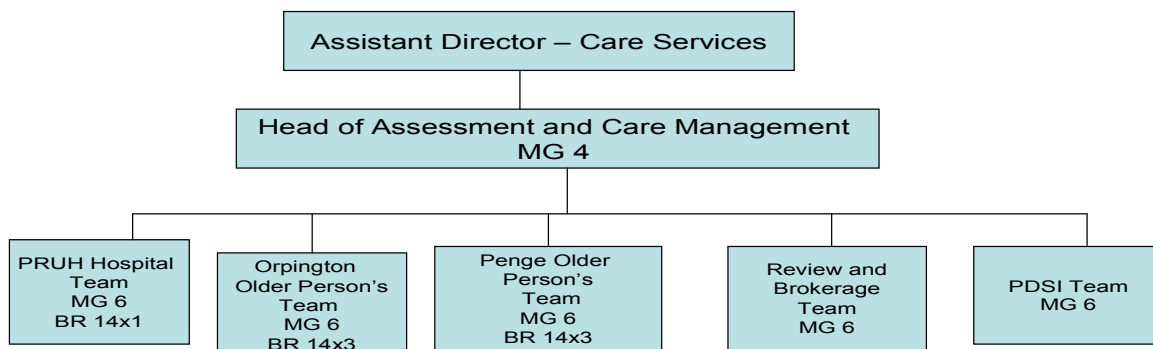
5 PROGRESS SO FAR IN BROMLEY

Within Bromley, London Borough of Bromley and NHS Bromley are seizing these opportunities to improve the health and wellbeing of those who work and live in Bromley, and maximising use of resources across the borough. The following steps have been taken:

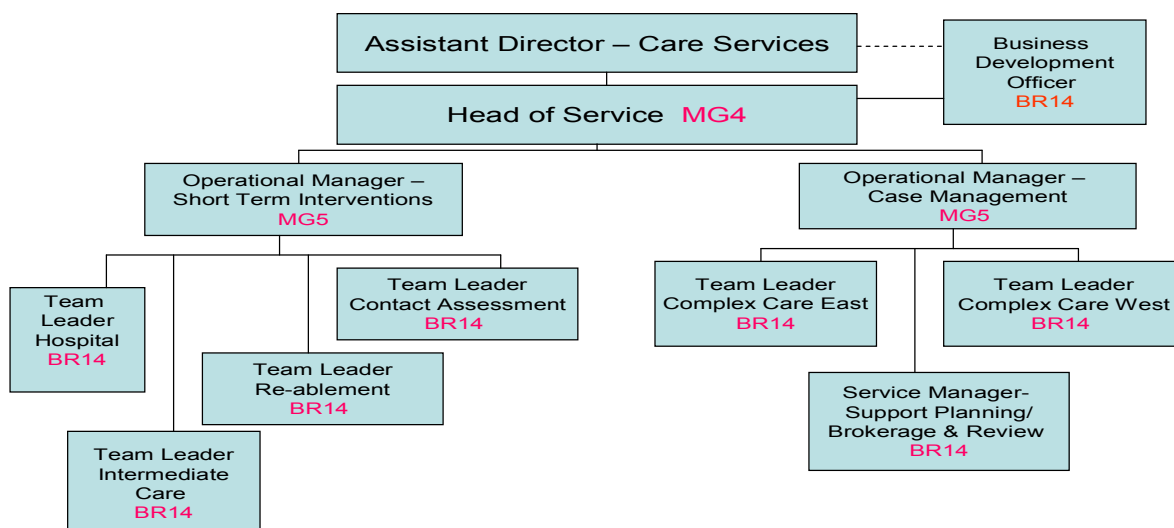
- a. The establishment of a shadow health and well-being board that includes Council members, officers of LBB, officers and non-executive directors of Bromley PCT and GP leads from the shadow consortium
 - b. Proposals being developed for an early transfer of the Public Health team and functions to LBB under a section 75 agreement
 - c. The functions of the six PCTs in SE sector will be amalgamated and some functions will be undertaken at sector level with some being undertaken by a local remaining business support unit that will work closely with LBB
 - d. Progress in further developing joint commissioning arrangements
- 3.**

Appendix 1 Structure Charts

Current Structure

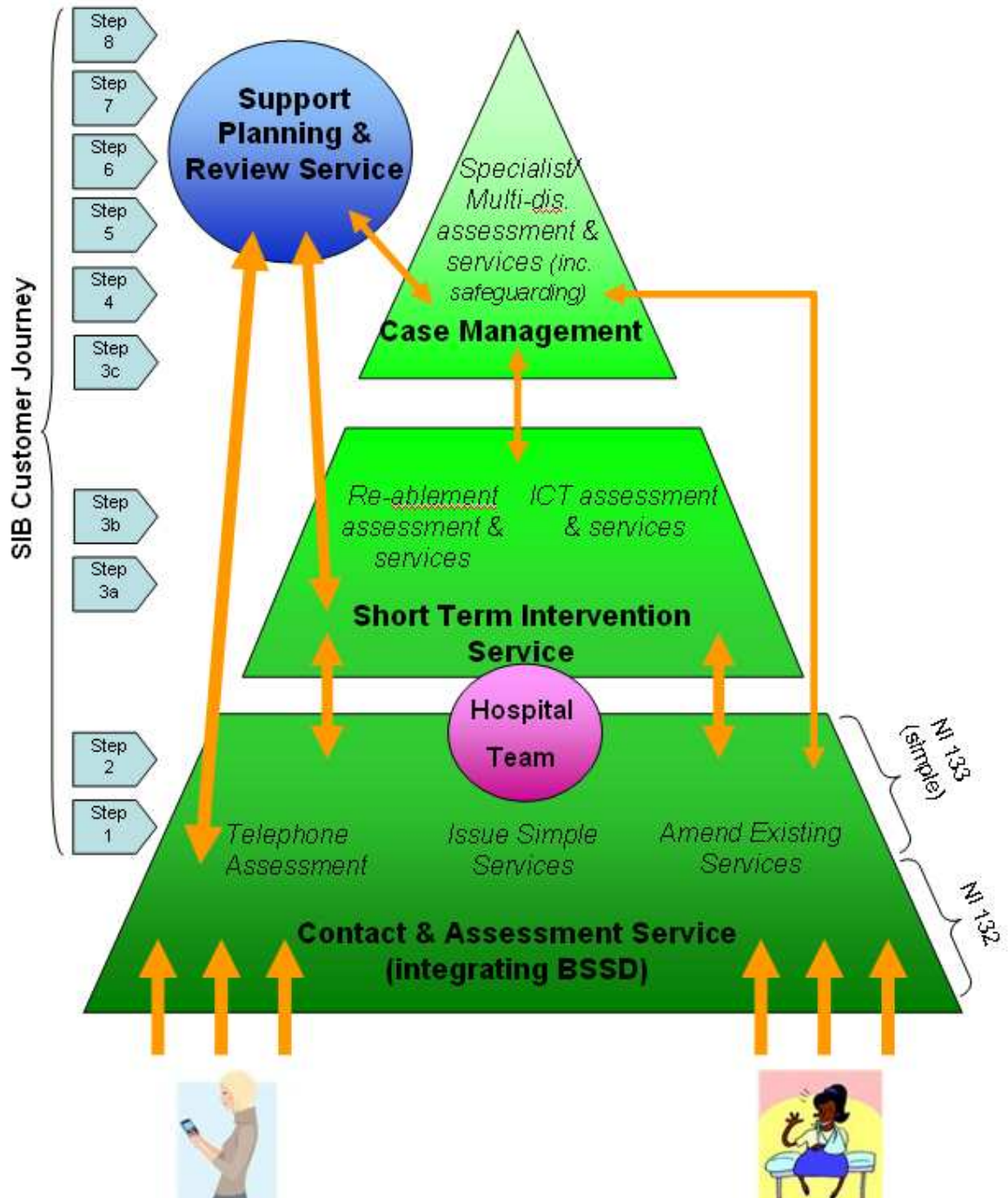


New Structure



Appendix 2

Social Care Business Operating Model



Report No.
DR 10076

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: **Audit Sub Committee**

Date: **16th September 2010**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT AND VALUE FOR MONEY REPORTING**

Contact Officer: Mark Gibson, Assistant Director Resources (Audit and Technical)
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

Chief Officer: Paul Dale, Director of Resources and Deputy Chief Executive

Ward: All

1. Reason for report

This is a follow up report requested by Members of the Audit Sub Committee to update them on our practical approach on Value for Money work carried out in two areas i.e. Building Control, Renewal and Recreation, Adult and Community Services including the VfM scoring for these areas. The report also explores benchmarking sites, elaborates on the practicality of using this data and the referral process to the Organisational Improvement Team under the Chief Executive's Office.

2. **RECOMMENDATION(S)**

- (a) Members are asked to note the report and comment on Internal Audit's VfM approach to the case studies and agree the suggested methodology to be adopted, including the scoring rating and a referral process to the Organisational Improvement Team.**
- (b) Members to note that Internal Audit are currently reviewing the wider remit issues around VFM work and will report back as appropriate.**
- (c) Members to agree the reporting requirements to this committee on VfM work undertaken for audits completed.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £587,520 excluding the benefit fraud partnership costs.
 5. Source of funding: N/A
-

Staff

1. Number of staff (current and additional): 10 FTE
 2. If from existing staff resources, number of staff hours: 380 days per quarter
-

Legal

1. Legal Requirement: Statutory requirement. Accounts and Audit Regs 2006
 2. Call-in: Call-in is not applicable.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 180 including Chief Officers, Head Teachers/Governors
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

3. COMMENTARY

- 3.1** We had previously submitted two reports on VfM to this committee – March 2010 and June 2010. Given the increase in scrutiny over Council budgets and therefore the need to achieve further efficiency savings the need to demonstrate VfM is seen as crucial. There is a need to ensure that all areas in this authority are making maximum use of their resources to provide maximum benefit in services.
- 3.2** Audit coverage of VfM is seen as the best way of ascertaining if an organisation is providing a high standard of service at low cost that ultimately benefits the Council tax payers and residents of Bromley.
- 3.3** Members expressed at the last Audit Sub meeting for a methodology to be adopted that could be used by auditors to assess and report on the VfM arrangements and in particular commenting on benchmark data that was available. The availability of potential benchmarking data and its use is expanded upon later on in this report.
- 3.4** Although VfM has traditionally covered the Es' i.e. economy (minimising cost of resources); efficiency (performing tasks well); and effectiveness (the extent to which objectives are met), it is primarily focussed on economy.
- 3.5** Economy tends to be the easiest area to tackle. In general reviews tend to be either input-based or output-based or a combination of the two depending on whether the review is concentrating on, respectively, economy, effectiveness or efficiency.

Input-based review

This involves a review of the inputs relating to a particular activity and is largely comprised of statistical analysis and comparisons including the use of performance measures to evaluate economy and efficiency.

Output-based review

This looks at what the function actually produces as an output. A review of policy objectives, the activities required to achieve the objectives and the use of output or performance indicators to measure the effectiveness of the policies

- 3.6** As previously reported VfM can be achieved in a number of ways, for example:
- through benchmarking an activity against similar activities in other organisations
 - by using performance indicators
 - through conducting VfM studies (possibly in conjunction with other institutions)
 - by seeking out and then adopting recognised good practice where this can be adapted to the institution's circumstances
 - through internal audit work. Although internal audit has a primary responsibility for assessing the internal control system, the auditor is frequently well placed to assess and comment on VfM in the areas reviewed. This should be reported in individual audit reports and in the internal audit annual report
 - through retaining both documents that show how an activity has been planned to build in VfM, and evidence of the good practices adopted

- by examining the results or outcomes of an activity.
- by management leading a culture which puts VfM at its core and which rewards efficient, value based behaviours.

3.7 On discussions with other Boroughs it has transpired that there is not much progress made by individual audit sections on VfM – they indicated that they were not sufficiently skilled or had resources to undertake this type of work. Some Boroughs tended to rely on work performed by our External Auditors. We therefore had to design a simple but effective way of measuring VfM in addition to our normal audit role of testing systems of internal control.

3.8 We concluded that the audit methodology adopted would need to take into account the service sections' own benchmarking arrangements, customer/client satisfaction surveys, complaints, any external assessments, budgetary control and any VfM benchmarking that has already been conducted by the Organisational Improvement Team.

3.9 At the last meeting of this cycle Members suggested key questions that auditors could ask. These were:

- Has the service used evidence such as the IPF Statistical Review to identify those Councils which have either -
(a) Cheaper unit cost; or
(b) Reported a better outcome?
- If not, what other sources of comparison has the service used?
- Which Councils with a “better” performance has the service contacted?
- Has the service made (or is proposing to make) any changes from what it has learnt from other Councils?
- Which private sector entities have been identified as possible comparators?
- Has the service applied steps in the third and fourth points above?

3.10 A simplified scoring matrix for reviewing VfM risks and controls has been drawn up and scored on a scale of 1 – 4. Members were keen to pilot this in a service that was due to be audited. We have therefore looked at a couple of areas – Building Control that falls under the Planning Section in Renewal and Recreation and Homecare that falls under Adult and Community Services.

The overriding principle is the requirement that it is the section's responsibility to ensure VfM studies are being actioned.

- 1- would equate to not met in any areas of VfM arrangements (although this no way indicates that a poor service is being provided or that customers are dissatisfied at the quality level of service – it just reflects that there are no VfM arrangements in place); where there is a score of 1, the audit will attempt to research availability of benchmarking data, highlight such shortcomings in the audit report to management and refer the matter to the Organisational Improvement Team of the Chief Executive who would pick it up in a review of the service.
- 2 -would equate to VfM arrangements partially met where there are some aspects of VfM in place but these are not robust enough to reach an informed decision that the service is achieving VfM. (e.g. data submitted for benchmarking is not accurate enough or cannot be substantiated or customer satisfaction surveys have not taken place, although there may be a benchmarking exercise that was completed; or that the service is operating at high unit costs in comparison with other Boroughs costs although providing a satisfactory service). The matter would then be referred to the Organisational Improvement Team who would pick it up in a review of the service.

- 3-would equate to VfM arrangements being substantially met (e.g. benchmarking is complete with figures substantiated; benchmarking shows that the section is generally performing well in comparison with other Authorities; however the mark down could for instance relate to customer surveys not being carried out to ascertain quality of service)
- 4 would equate to VfM arrangements being fully met (e.g. the service is benchmarked; benchmarking figures are substantiated; benchmarking shows good performance; areas of good practice in other Authorities have been adopted; good customer satisfaction returns; the service operates within budget).

3.11 VfM control matrix has been designed to reflect benchmarking, customer focus, budgetary control. We have therefore come up with a matrix that reflects these key elements:

Key VfM Requirements	Not Met-1	Partially Met-2	Substantially Met-3	Fully Met	Comments	Action
Benchmarking						
1. Has a benchmarking exercise carried out recently?						
2. Methodology Correct-verified by audit						
3. Benchmarking figures supplied by service are correct?						
4. How does the service compare?						
5. Is there liaison with authorities who are performing well?						
6. Any improvements made to the service?						
External Assessment						
7. Recent external assessments?						
Customer Satisfaction						
8. Have customer views been sought?						
9. Feedback – satisfaction with service?						
Budget						
10. Is the service within budget?						
11. If not are there any variances - e.g. income not being maximised?						

3.12 As indicated in paragraph 3.10 above, we have discussed our approach with the Organisational Improvement Team, Chief Executives. We have agreed that where a section has come up short in the VfM scoring say 1 or 2, we refer this to the Organisational Improvement Team who may then take this forward with the section concerned.

3.13 Research of Benchmarking Sites

3.14 Improvement and Efficiency (I&E) plans are available internally and should cover all services – the exceptions and guidance do require benchmarking of cost and performance, as well as the ‘value’ based look at whether the functions are statutory, high local priority or even necessary.

3.15 Local Government Improvement and Development (formerly IDeA) is also used as a benchmarking tool by the Organisational Improvement Team.

3.16 There are a number of benchmarking sites that are available to us for comparative benchmarking data and these are detailed below. Bromley’s Internal Audit service is part of a benchmarking group. Our peers are the London Borough of Bexley and Brighton & Hove City Council.

3.17 VfM Audit Commission Profile Tool 2008/09

The comparator group chosen for the profile is made up of the IPF statistical neighbours which compares Authorities with similar demographic and deprivation profiles.

The authorities in the group with London Borough of Bromley are :

- London Borough of Redbridge
- London Borough of Ealing
- London Borough of Kingston Upon Thames
- London Borough of Harrow
- London Borough of Bexley
- London Borough of Sutton
- London Borough of Richmond Upon Thames
- London Borough of Hounslow
- London Borough of Enfield
- London Borough of Merton
- London Borough of Croydon
- London Borough of Wandsworth
- London Borough of Havering
- London Borough of Enfield
- London Borough of Barnet
- London Borough of Hillingdon

The data is compared across the following areas with various sub sets within these categories.

- Adult Social Care
- Children & Young People
- Cultural Services
- Environmental Services
- Housing & Benefits Services
- Sustainable Economy

Following the recent announcement that the Audit Commission has been disbanded this site may no longer be a viable option

3.18 CIPFA VfM Toolkit Audit Commission Profile Toolkit 2009/10

CIPFA has launched this new tool that ‘will enable Councils to track costs and performance of their services, compare that to their peers and provide access to data

early enough to be useful in planning budgets and identifying efficiencies for the coming year’.

‘The Value for Money (VfM) Toolkit was originally developed by Somerset County Council on behalf of the Society of County Treasurers, but has now been expanded to include District and Unitary functions as well as becoming fully interactive online service’.

This tool will be free to all Authorities and Bromley has already provided this data within the timescale and are now waiting for the launch in September 2010.

This site can be accessed via the link <http://www.cipfastats.net>. It should be noted that there are comparisons up to 2008-9 and reports can be published across a number of areas/comparator groups.

3.19 Cipfa statistical information 2008/09 and some 2009/10 data

Within the CIPFA, it is possible to produce Interactive Statistical Reports and it is here that you can refine the criteria and build your benchmarking data by selecting between comparator groups, grouping or creating your own sets. This could be all neighbouring Boroughs to Bromley for example.

There are various reports that can be produced for comparative data. An example of one appears elsewhere within this report. Appendix A shows Social Care actual statistics for 2008/09 (last available data). Whilst this is a useful tool, it may not give up to date information and may not be comparing like with like. The appendix shows that Homecare in-house provision for Bromley was one of the highest in London 2008/09 for income collectible of £3.628 million and one of the lowest in terms of gross cost per client per week at £112.53. This information is however based on August 2008 data. Similarly the website may not necessarily give information at a given service level e.g. for building control we would not be able to drill down further than planning costs.

3.20 National Audit Office – Value for Money Handbook – Guidance

The National Audit office published a Value for Money Handbook which is ‘a guide for building quality into VfM examinations’. This provides a far more strategic approach to VfM compared to the other models detailed within this report. This is a guide to undertaking VfM reviews from start to finish.

3.21 LAPS(Local Area Performance Solution)

This provides comparative performance and expenditure data from London Boroughs across a range of service areas. This is a pan London and expenditure data from London Boroughs across a range of services indicators. It centres on the collection of quarterly performance data and cross –correlation with expenditure data to perform a Value for Money analysis.

Performance and expenditure data from each London Borough is indexed against the mean for London which produces an indicative score. Average performance or level of expenditure becomes 100, so any score above 100 indicates above average performance/expenditure and anything below 100 indicates below average performance/expenditure.

Examples of data that can be extracted are shown as Appendices B Social Care Adults, C- Social Care Children and D- Planning and Economic Development. Here again as with Cipfa statistical information benchmarking is shown at departmental level rather than at service level.

3.22 Building Control- review of VfM arrangements.

3.23 Benchmarking

3.24 Building Control is a section that operates under Planning within Renewal and Recreation. The 2010/11 budget shows a net surplus of £167,340 before recharges, with expected expenditure of £1,089,380 and expected income of £1,256,720.

3.25 Benchmarking is undertaken by the Building Control department, in comparison with all other London Authorities, as undertaken by the LDSA (London District Surveyors Association), who represent similar comparators in terms of size, location and who carry out a similar type and volume of work. Benchmarking is undertaken against 14 key performance indicators including the following areas: cost of service, customer service, work level of staff and time taken to respond. In addition information is collected against a total of 64 indicators.

3.26 Through this benchmarking it was highlighted that performance for Bromley overall has dropped for the Service from 3rd in April 2007 to 10th in 2009. Figures for after this for 2009/10 have yet to be compiled and published. Several reasons were attributable to this drop in performance, but mainly they included the loss of key staff, with the result that staff left in post, have an increased workload, with a resultant affect on quality of work completed.

3.27 It is worth pointing out from the benchmarking exercise (see appendix E) that the only areas Bromley really falls down in (i.e. are in the bottom 20 performing Councils) are for % plans vetted & response in 15 days (22nd), net cost of charge earning service per head of population (21st) and charge income per application (24). Bromley is however 1st in the percentage of decisions responded to in statutory time and the response time for all amendments. Bromley is also in the top 25% for the following indicators: 3rd for the 'Quality' of service, 4th for the number of site visits per technical officer and 7th for the completion of certificates and % of live sites visited in last 3 months. The overall cost of Building Control for Bromley is also considerably under the mean cost for London (£1.309million against a mean of £1.585million).

3.28 Additional Benchmarking is undertaken by the Audit Commission, for Sustainable economy. This includes the whole of Planning, of which Building Control is a part. It is worth pointing out that by comparison to other similar London Authorities, Bromley spends the 6th (of 16) highest amount per person on sustainable economy.

3.29 From undertaking the Benchmarking Bromley has improved various aspects, such as increased use of partnerships with LAPC services and making applications forms more efficient.

3.30 Customer Satisfaction Questionnaires

3.31 Customer satisfaction questionnaires are issued to customers. Of the 1893 issued in 2009 27.52% were returned. The results of this were mainly positive 86.86% of all completed surveys resulting in either a satisfied or very satisfied overall opinion of the

service, with 2.61% opinion unknown or 3.01% were either unsatisfied or very unsatisfied. 96% of completed surveys said they would consider using the service again. Management have indicated that this process could be improved by reaching a wider audience to include home owners as well as the builders, architects and other professional people.

3.32 External Assessment

3.33 A recent audit of this service resulted in a substantial assurance opinion. The service is not subject to external assessment.

3.34 Budget

3.35 During the course of the audit it was recognised that the predicted budget and actual budget for 2009-10 were massively varied. This was as a result of the poor state of the economy which resulted in a significant deficit in the amount of income expected, than what was actually obtained (£832,148.36 collected against a predicted £1,228,500). This was offset by vacancies held in the team, which saved £229,528.11, other savings in expenditure £33,644.91 and savings within planning overall which resulted in an overall neutral budget for Planning.

3.36 This year so far, as per last year, Building Control has received less income than expected. The figure of £348,928.21 has been received against an expected amount of £523,620.00 that was not considered to be realistic due to the economic downturn, (thus a deficit of £174,691.79). This has again been countered by saving in expenditure of £162,715 so far. A report is going to the Executive committee on 1st September 2010, explaining why there was a deficit and also why the predicted budget was inaccurate.

3.37 According to the *CIPFA guidance* on setting the charges, which regulates how charges are set, they can only be set to cover costs. Bromley's charges will be benchmarked against the neighbouring authority's charges, to ensure they are not set inappropriately (see appendix F). It should also be noted from this benchmarking that, the other authorities also increased their charges for 2009/10.

3.38 Management have benefitted from the benchmarking exercise in respect of information flow resulting in improving application forms. They are also currently seeking to increase partnership working arrangements with architects, builders etc that would benefit both parties.

3.39 Having discussed our findings with management and based on the control matrix above, a score rating of 3 i.e. substantially met was appropriate for the VfM arrangements for this service. This score of 3 is based on:

- benchmarking marked as an overall 3 given comparison with other Boroughs and that the section still perceives that improvements can be made;
- customer surveys a rating of 3 as management have indicated that these surveys need a wider audience;
- external assessment- in the absence of an external assessment we would rate this area as a 3 based on our substantial assurance opinion;
- budget as 3 given the volatility of income generated and pressures of running a deficit.

3.40 Homecare

3.41 Benchmarking

3.42 Homecare is the in-house service that provides care to vulnerable clients enabling them to live independently within their own homes. It operates through a trading account. The service operates a 24 hour/365 days service. The original controllable budget was set at £482,000 credit (an excess of income over expenditure). The latest outcome suggests that this will be considerably less.

3.43 A recent internal benchmarking exercise by management compared the unit costs of the in-house service to other private sector providers. The average hourly cost for an hour of private sector care was calculated at £13 and the chargeable unit cost for the in-house care team was calculated at £22.23. To calculate unit costs for the in-house service a basic hourly rate of £8.86 was used to which on costs, direct and indirect overheads were added as well as an allowance for Saturday and Sunday rates.

3.44 To calculate an hourly cost of care from private providers, eleven block providers were selected and hourly costs were calculated using rates for half hour, three quarter hour and a full hour's care resulting in figures of £17.80, £14.82 and £13.

3.45 The basis for the calculations appears to be reasonable. Direct overheads for the service includes officers pay, indirect employee costs, premises, transport, supplies and services, third party payments and insurance. Indirect costs are internal and external recharges.

3.46 There is no evidence that the cost of the in-house service provision was compared with other Local Authority costs. Internal audit accessed the Institute of Public Finance (IPF) Statistical Review and compared statistics for 2008-09. (see Appendix G). Figures for 2009/10 are not available.

3.47 This suggests that the overall cost of provision by Bromley was the lowest; further interrogation of these statistics would have to be done to establish that like for like information was being compared and all relevant factors were taken into consideration especially around recharging costs. It appears that LB Bexley and LB Merton are considerably more expensive.

3.48 Management are currently reviewing the service including VfM and have made a proposal which is going to Members and consultation with staff on closure of the service.

3.49 Customer Satisfaction Questionnaires

3.50 The last report dated April 2010 titled 'Quality Monitoring of Domiciliary Services' to ASC PDS mentioned that there were 96 complaints from clients. About 36% related to the Home Care in-house provision. In addition 200 clients (70%) were canvassed about the quality of care. The issues raised in both were addressed.

3.51 External assessment

3.52 The in-house team has a current Care Quality Commission star rating of 2 (good) after the last inspection visit in June 2009.

3.53 Budget

3.54 There are monthly monitoring reports. There are financial pressures in the service as indicated in the latest projections for July 2010. There is a projected drop in income estimated to be £1.254 million as it is unable to deliver on the hours that it was contracted to do. This is partly offset by a drop in expenditure of £0.835 million. The service is projecting a £0.419million deficit that will partly be offset by using agency staff at a lower rate.

3.55 Based on the findings above we would score the VfM arrangements as a 3 i.e. substantially met and is based on:

- Benchmarking exercise carried out by management is rated at 3. The internal comparison is probably the best method available given the difficulty in extracting up to date and like for like data from other Authorities. As a result of the unit costs management are reviewing the service.
- Customer service satisfaction would rate a 3 given that complaints are recorded, a detailed survey was carried out and issues raised by clients have been addressed as reported to ACS PDS.
- External assessment - there was an inspection visit last year that rated the service as good and therefore would score a 3 rating in our assessment.
- Budget - owing to the volatility of the budget and the potential deficit arising due to a shortfall in meeting the contracted hours we would give this area a rating of 2 – i.e. partially met.

FINANCIAL IMPLICATIONS

4.1 The additional work involved in undertaking the assessments will be contained within the existing Audit budget.

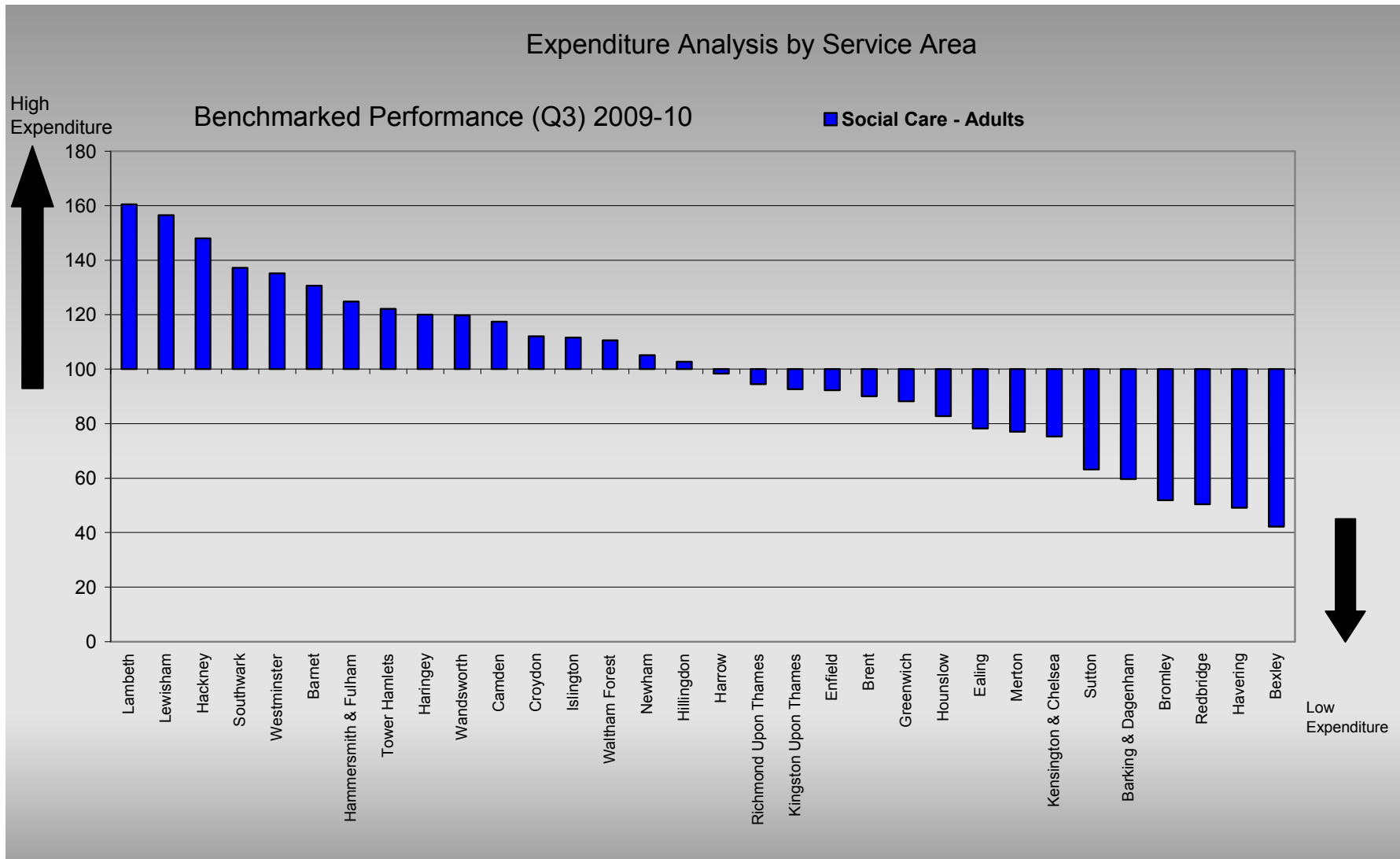
4.2 All value for money studies may result in efficiency and economy savings.

Non-Applicable Sections:	<p>POLICY IMPLICATIONS</p> <p>LEGAL IMPLICATIONS</p> <p>PERSONNEL IMPLICATIONS</p>
Background Documents: (Access via Contact Officer)	CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom Various websites such as Cipfa stats, LAPS and NAO

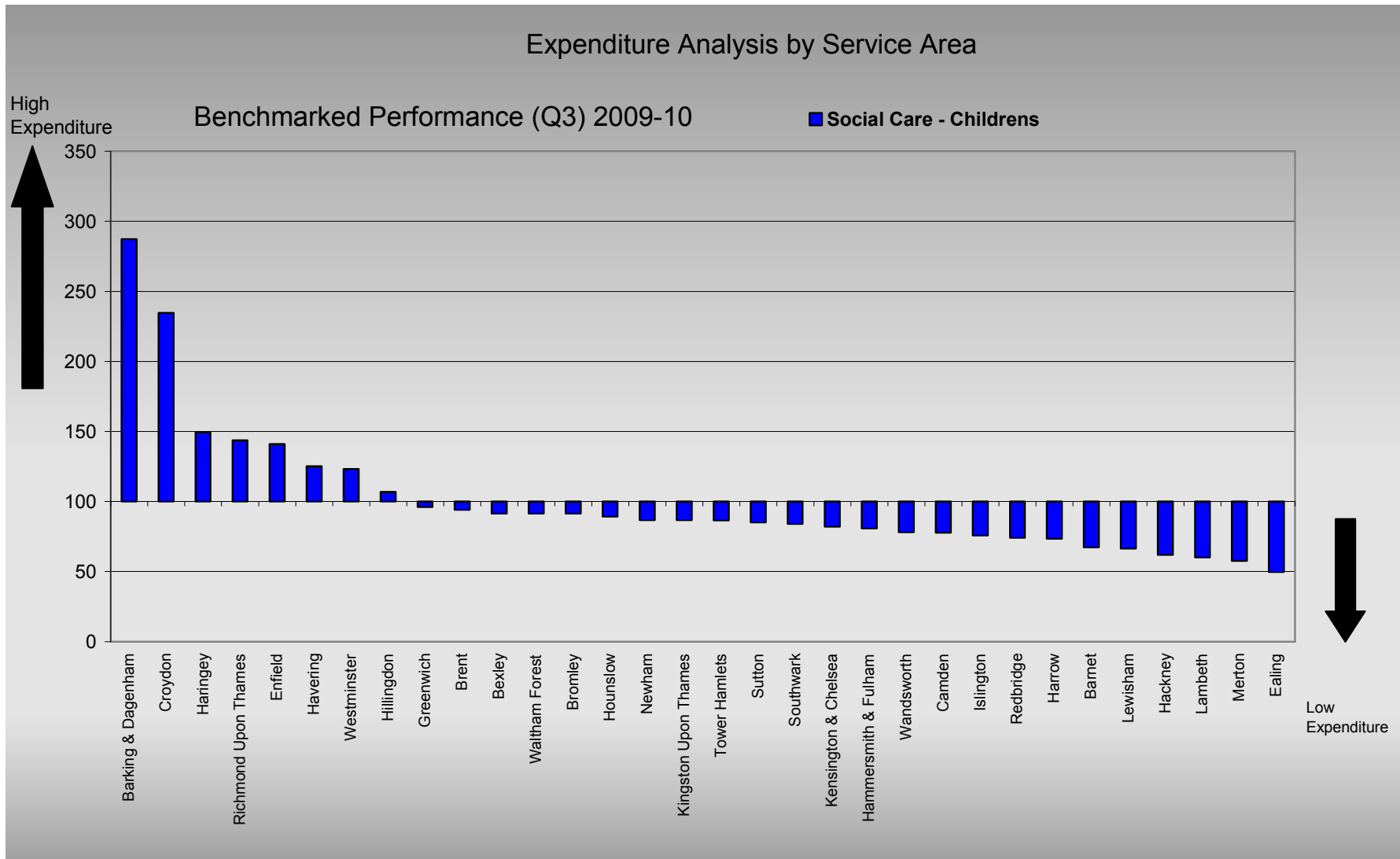
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Source: CIPFA Social Care Actuals Statistics 2008-09			[10]	[29]	[320]	[321]	[322]	[323]
Code	Authority Name	Authority Class	Analysis of Gross Total Cost - Adults' Services - Older People (Aged 65 or over) %	Summary of Adults' Social Care Income and Expenditure - Net Total Cost £'000	Memorandum: Home Care - All Adult Ages - Income £'000	Memorandum: Home Care - All Adult Ages - Net Total Cost £'000	Memorandum: Home Care - All Adult Ages - Number of Clients receiving Home Care at 31/03/2009 number	Memorandum: Home Care - All Adult Ages: Gross Cost per Client per week £
E5030	Barking and Dagenham	OL	59.13274254	48552	-891	10127	1065	195.0704225
E5031	Barnet	OL	48.31397231	94381.7112	-1689.622	15161.253	1819	178.150241
E5032	Bexley	OL	56.59504455	50753	-2291	6639	1062	161.7050558
E5033	Brent	OL	46.25479182	87187	-2113	10350	1902	126.0110815
E5034	Bromley	OL	56.00871662	72517	-3628	10255	2346	112.5319693
E5010	City of London	CL	40.73707167	5427.54539	-69.32011	951.6776	99	198.3290035
E5036	Ealing	OL	51.46225633	70399	-1045	13655	2897	97.58105202
E5037	Enfield	OL	50.56608921	82013	-3911	20367	1760	265.2753497
E5013	Hackney	IL	47.35863366	78179.074	-1697	14565	1413	221.3239697
E5014	Hammersmith and Fulham	IL	50.74522781	52971	-1137	11675	1454	169.4529679
E5039	Haringey	OL	38.13123027	61505	-1548	9959	1034	214.0120518
E0701	Harrow	OL	47.41034445	**	-1516	5830	1126	125.4611286
E1801	Havering	OL	54.30717173	54669.888	-1796.052	10423.848	1548	151.8075432
E5042	Hillingdon	OL	48.90765231	66781.14615	-1580.455	10059.86261	1151	194.4850232
E2101	Hounslow	OL	43.12511981	54930	-1063	8848	1063	179.3002388
E5016	Islington	IL	51.65254533	67883.373	-1648.908	13904.245	1751	170.0975157
E2221	Kensington and Chelsea	IL	52.04272152	52788.87395	-1689.0262	8433.438438	1540	126.4044036
E4301	Kingston upon Thames	EC	55.18635699	327404	-10935	54524	11535	109.1310727
E2321	Lambeth	OL	52.71860039	41008	-1566	4394	821	139.6046098
E2520	Lewisham	EU	46.66000754	77768.25246	-2197	10808	2313	107.0038911
E0702	Merton	MD	41.39722622	140799	-9817	32660	3397	238.0324268
E2620	Newham	EU	55.83198478	45156	-1762	7527	1246	143.366465
E0703	Redbridge	EU	47.69814936	53816.20151	-2280.45257	9757.41053	1571	147.147127
E4205	Richmond upon Thames	OL	54.04707669	62767	-2387	11159	1492	174.5978552
E4303	Southwark	EU	57.2522307	41881	-1407	10184	2475	89.75912976
E3901	Sutton	MD	56.34028407	67711	-3652	12056	1942	155.549394
E4209	Tower Hamlets	EU	56.05666862	35282	-917	5485	691	178.1698764
E5021	Waltham Forest	MD	50.94250097	54613	-1572	9593	996	215.5738338
E0602	Wandsworth	MD	50.69787114	72372	-3152	9612	2059	119.2139575
E4210	Westminster	EU	50.09111834	**	-3783	8561	1045	218.5866765

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Source: CIPFA Social Care Actuals Statistics 2008-09			[321]	[322]	[327]	[328]
Code	Authority Name	Authority Class	Memorandum: Home Care - All Adult Ages - Net Total Cost £'000	Memorandum: Home Care - All Adult Ages - Number of Clients receiving Home Care at 31/03/2009 number	Memorandum: Home Care - All Adult Ages: Autumn 2008 sample week - Gross Cost per Hour - Own Provision £ p	Memorandum: Home Care - All Adult Ages: Autumn 2008 sample week - Gross Cost per Hour - Provision by Others £ p
E5030	Barking and Dagenham	OL	10127	1065	42.96785304	17.86286153
E5031	Barnet	OL	15161.253	1819	21.59502028	16.10993697
E5032	Bexley	OL	6639	1062	25.08361204	12.35885546
E5033	Brent	OL	10350	1902	0	14.94407513
E5034	Bromley	OL	10255	2346	13.74851217	14.10938352
E5035	Croydon	OL	9245	1814	14.27702947	10.96655074
E5036	Ealing	OL	13655	2897	62.17948718	11.38370369
E5037	Enfield	OL	20367	1760	38.89557839	14.89855423
E5038	Haringey	OL	9959	1034	43.58125318	13.37008937
E5039	Harrow	OL	5830	1126	..	16.89634399
E5040	Havering	OL	10423.848	1548	45.07373092	14.81927821
E5041	Hillingdon	OL	10059.86261	1151	32.61674652	15.47635224
E5042	Hounslow	OL	8848	1063	30.64725166	12.32883271
E5043	Kingston upon Thames	OL	4394	821	32.29561918	13.35400152
E5044	Merton	OL	7998	816	39.58078958	10.30000593
E5045	Newham	OL	12359.38811	1776	33.391986	10.32240789
E5046	Redbridge	OL	11159	1492	48.16121926	12.55170582
E5047	Richmond upon Thames	OL	6046.428152	888	0	..
E5048	Sutton	OL	8040	1073	48.8410596	17.79178135
E5049	Waltham Forest	OL	6549	1095	26.11498175	8.941812789

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