



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Kerry Nicholls
kerry.nicholls@bromley.gov.uk

DIRECT LINE: 020 8313 4602

FAX: 020 8290 0608

DATE: 5 October 2010

To: Members of the
IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE

Councillor Neil Reddin (Chairman)
Councillor Nicholas Bennett J.P. (Vice-Chairman)
Councillors Graham Arthur, Eric Bosshard, Stephen Carr, Judi Ellis, Robert Evans,
Russell Jackson, Russell Mellor and Tony Owen

A meeting of the Improvement and Efficiency Sub-Committee will be held at Bromley Civic Centre on **WEDNESDAY 13 OCTOBER 2010 AT 7.30 PM**

MARK BOWEN
Director of Legal, Democratic and
Customer Services.

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

A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**
To hear questions received in writing by the Legal, Democratic & Customer Services Department by **5pm on Thursday 7th October** and to respond.
- 4 **MINUTES OF THE MEETING HELD ON 8TH JULY 2010** (Pages 3 - 8)
- 5 **MATTERS ARISING FROM PREVIOUS MEETINGS** (Pages 9 - 14)
- 6 **WEB PRESENTATION**
- 7 **INTERNAL AUDIT AND VALUE FOR MONEY REPORTING** (Pages 15 - 38)
- 8 **ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE** (Pages 39 - 52)

.....

This page is left intentionally blank

IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE

Minutes of the meeting held on 8 July 2010

Present:

Councillor Neil Reddin (Chairman)
Councillor Nicholas Bennett J.P. (Vice-Chairman)
Councillors Graham Arthur, Eric Bosshard, Judi Ellis,
Robert Evans, Russell Jackson, Russell Mellor and Tony Owen

Also Present:

Councillor Peter Fookes

14 APOLOGIES FOR ABSENCE

Apologies were received from Doug Patterson, Chief Executive. Apologies for lateness were also received from Councillor Nicholas Bennett JP.

15 DECLARATIONS OF INTEREST

There were no declarations of interest.

16 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received from members of the public.

17 MINUTES OF THE MEETING HELD ON 1ST JUNE 2010

RESOLVED that the Minutes of the meeting held on 1st June 2010 be agreed.

18 MATTERS ARISING FROM PREVIOUS MEETINGS

Report LDCS10125

The Committee were informed that an update regarding the joint-bid submitted with Bexley Council to secure funding for web development would be provided later in the meeting.

The Chairman advised the Committee that work towards negotiating a reduction of costs with providers of out-of-borough placements for those with learning disabilities was being taken forward by Adult and Community Services and

progress would be reported in due course.

RESOLVED that the report be noted.

19 ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE

Report CEO 1062

The Sub-Committee received a report updating Members on the progress made on the first phase projects within the Organisational Improvement Programme.

With regard to the workstream around Civic Centre Accommodation, the Assistant Director: Organisational Improvement confirmed that work was ongoing to set out a high level options appraisal for Civic Centre office accommodation to Members, and that an externally commissioned report was nearing completion of its final draft. A Member asked whether converting existing office space to open plan had been explored. The Head of Improvement, Efficiency and Effectiveness confirmed that this was being considered as part of the options appraisal but that there were significant cost implications. A work style analysis that had gone forward with a Public Protection and Safety team had identified a range of different ways of working that could reduce use of office space whilst accommodating the work of the team flexibly.

The Customer Access programme was progressing. A project to add capacity for approximately 16 additional customer service agents by utilising office space in the Rochester Building had been commissioned, and the additional capacity would be available by early September 2010. It was expected that some of this additional capacity would accommodate temporary customer services agents to deal with a predicted increase in Environmental Services calls and expansion of Bromley Social Services Direct.

Following completion and testing of the integration between the CRM and Uniform systems, the Street Service calls went 'live' in the Contact Centre on 15th June 2010 as planned. No technical or business change issues had so far been reported and the service was operating successfully. Further service areas that could be handled within the Customer Contact Centre were currently being investigated and migration work would commence subject to an appropriate business case being developed. A Member was concerned that vulnerable callers receive an appropriate level of service when contacting the Council, such as being allocated a named contact. The Assistant Director: Organisational Improvement explained that a higher number of professional staff would be placed in the Customer Contact Centre specifically to support more complex calls. Another Member was concerned that transferring aspects of the Registrars Service to the Customer Contact Centre might subtract from the highly personalised service offered. The Chairman suggested that Members take the opportunity to visit the Customer Contact Centre to see the excellent customer service that was being delivered.

With regard to the joint-bid submitted with Bexley Council to secure funding for

web development, Capital Ambition had confirmed on 21st June that they would be unable to support the match-funded bid for £500,000. The Assistant Director: Organisational Improvement highlighted the need to invest in the Bromley website to offer more transactional services and modernise its look and feel, and noted that the Organisational Improvement Board was still progressing with the investigation into whether web investment and development could be shared with the London Borough of Bexley, and the bid be resubmitted.

Following the recent work with officers at Bexley, an opportunity to discuss the potential for closer working between the two organisations had been identified. A joint board made up of both Borough Chief Executives and key Chief Officers had now been constituted, as had a joint project team supporting the work, and future progress on this work will be reported to Members. The Chairman queried whether the joint project team had identified any service areas where cross-working with Bexley might be taken forward. The Assistant Director: Organisational Improvement explained that a mapping exercise was currently being undertaken to identify the current position of both organisations, but that back office functions might provide initial opportunities for cross-working. Another Member underlined the need for Members representing both Councils to work together to support future cross-working.

The Assistant Director: Organisational Improvement was pleased to note that following successful testing of the Voice Recognition system, the technology went live for staff and Members on 21st June 2010. The accuracy rate of calls was currently 82%, with the remaining 18% of calls connected through to Switchboard. Failed connections and feedback would be evaluated on a planned basis with grammar being added to the system's vocabulary in order to improve its accuracy. Roll out of the system to external customers was planned to take place on 20th September 2010.

A Member asked for an update on progress regarding the planned accommodation of Primary Care Trust (PCT) staff. The Assistant Director: Organisational Improvement confirmed that a strategy had been developed to ensure office space sufficient for 50-60 people would be available within a short time frame without making significant investment in the Civic Centre site, but the PCT had yet to confirm whether the move would go forward. In the event of the PCT not taking up the space, there were alternate plans to accommodate Children and Young People Department teams. Another Member expressed concern at the relocation of teams from satellite offices to the Civic Centre site as there were significant benefits derived from social services teams being based together in a community setting.

RESOLVED that the progress made on the first phase projects within the Organisational Improvement Programme be noted.

20 CUSTOMER INSIGHT PRESENTATION

The Sub-Committee received a presentation on developing customer insight from the Improvement, Efficiency and Effectiveness Team Business Coordinator. The

presentation centred on how customer segmentation could be used to design services and effectively communicate with different segments of the borough's population, and provided some examples of segmentation in Bromley using Experian's Mosaic tool. Other key partners such as the Police, Fire Brigade and Primary Care Trust had also been using customer segmentation to identify 'at risk' areas and help to target services and initiatives.

Members discussed the importance of customer segmentation. Services continued to be increasingly personalised and it was important to find tools to support this. A Member was concerned that by utilising segmentation software there was a danger that the information provided would be out of date and over-generalised, and underlined the need to ensure services were developed to be effective and efficient. The Chairman highlighted the need to consider how customer segmentation could be delivered in Bromley by utilising the information already held.

In terms of communicating with customers, there were a range of different channels that could be utilised such as SMS and social networking sites such as Twitter. Bromley residents had two major contacts with the Council; as service users and as customers. A Member highlighted the value of the information already held by teams across the Council in relation to Bromley residents needs, and underlined the importance of evaluating information coming into the Customer Contact Centre. Another Member agreed it was possible to map the needs of Bromley residents by looking at the services currently accessed.

The Assistant Director: Organisational Improvement confirmed that data analysis would be an integral part of the new Contact Centre Manager's role, and that this had been emphasised during the recruitment process. One-stop shops delivered a range of services directly to local residents and would also take a key role in understanding the needs of our customers. It was important to ensure there was cross-working between Council services and other partners in one-stop shops to maximise efficiencies and ensure a comprehensive offer continued to be delivered.

RESOLVED that

- 1) the presentation be noted;**
- 2) the proposal to purchase a Mosaic Software License not be pursued at this time;**
- 3) further consideration be given to utilising customer information already held within London Borough of Bromley.**

21 THE PHILOSOPHY OF EFFICIENCY (DISCUSSION)

The Sub-Committee conducted a discussion around the philosophy of efficiency. The Head of Improvement and Efficiency and Effectiveness gave a summary of how the improvement and efficiency agenda had developed across the Council. Following initial work to increase efficiency of services across the Council, there was now an increased emphasis on service transformation and cross-working to

support high quality, efficient service delivery into the future.

A Member defined efficiency as producing the same or better service at lower cost. In terms of embedding future efficiencies at Bromley Council, a Member highlighted the need to ensure workflow processes were efficient. A previous analysis of procedures in the Planning Service had identified that qualified planners spent a significant amount of time on phone calls. In response to this a telephone enquiry team had been established to handle routine phone calls which had enabled qualified planners to be more productive.

A culture of change was needed across the organisation to empower both managers and staff to implement service change, although it was acknowledged that much good work was already going on. A Member highlighted the importance of empowering staff to analyse their processes and identify areas where efficiencies could be applied. This should be supported by zero-based budgeting. The Assistant Director: Organisational Improvement underlined the need to facilitate 'invest to save' opportunities where there was a strong business case.

A Member stressed the need to tackle smaller examples of wastage, as the cumulative effect of this wastage could be massive. There should also be a drive to make customers more aware of the costs involved in service delivery, particularly where Bromley residents were being consulted on proposed new investments in local services.

There was an opportunity to utilise Customer Service Week in Autumn 2010 to promote improvement and efficiency. The Assistant Director: Organisational Improvement explained that the Improvement, Efficiency and Effectiveness Team would be offering managers and front line staff the opportunity to work through their processes and identify any waste with a view to becoming more efficient. There was also potential to facilitate a more general efficiency debate across the organisation during this week by delivering a staff engagement event.

Improvement and Efficiency Sub committee had a major role as a 'critical friend' in supporting teams across the council to transform their services. A Member noted the importance of identifying which services needed to be delivered, considering if they needed to be delivered directly by the Council and ensuring they were being delivered effectively, with an emphasis on innovation. The Assistant Director: Organisational Improvement highlighted a range of work already being undertaken with teams across the Council towards greater improvement, efficiency and effectiveness. The London Efficiency Challenge had also shown the benefits that could be derived from external challenge to our processes.

RESOLVED that the issues raised in the discussion be noted.

The Meeting ended at 10.10 pm

Chairman

This page is left intentionally blank

Agenda Item 5

Report No.
LDCS10169

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Improvement & Efficiency Sub Committee

Date: 13th October 2010

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

Title: **MATTERS ARISING FROM PREVIOUS MEETINGS**

Contact Officer: Kerry Nicholls, Democratic Services Officer
Tel: 020 8313 4602 E-mail: kerry.nicholls@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Legal and Democratic Services

Ward: N/A

1. Reason for report

Appendix A updates Members on matters arising from previous meetings.

2. **RECOMMENDATION(S)**

The Committee is asked to consider progress on matters arising from previous meetings.

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 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
-

Staff

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

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable. This report does not involve an executive decision
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

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

3. COMMENTARY

The Committee is asked to consider progress on matters arising from previous meetings.

Non-Applicable Sections:	Policy Implications; Financial Implications; Legal Implications; Personnel Implications
Background Documents: (Access via Contact Officer)	Strategies and plans for each corporate area

This page is left intentionally blank

MATTERS ARISING FROM PREVIOUS MEETINGS

Minute Number/Title	Decision/ Agreement	Update	Action by	Completion Date
7 London Efficiency Challenge Feedback and Action Plan (from the minutes of I&E Sub Committee on 1 st June 2009)	A representative of Capital Ambition provided a presentation around the outcomes of the London Efficiency Challenge	Progress on the actions proposed by Chief Officers and the Organisational Improvement Team be reported to Improvement and Efficiency Sub Committee.	IE&E Team	October 2010
5 Matters Arising from Previous Meetings: Report LDCS09074 (from the minutes of I&E Sub Committee on 21 st October 2009)	A Member requested that a future discussion be held on the Aligning Policy and Finance Workstream.	Members had considered an initial report at the meeting of Improvement and Efficiency Sub Committee on 1 st June 2010. A further update would be provided when more detailed guidance was available.	IE&E Team	October 2010
19 Organisational Improvement Programme Update (from the minutes of I&E Sub Committee on 8 th July 2010)	Committee Members requested that an update be provided to Members around the progress of the joint project team with Bexley Council.	Progress on the work of the joint-project team to be reported to Improvement and Efficiency Sub Committee.	IE&E Team	October 2010

This page is left intentionally blank

Report No.
LDCS10180

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Improvement and Efficiency Sub-Committee

Date: 13 October 2010

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

Title: INTERNAL AUDIT AND VALUE FOR MONEY REPORTING

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 020 8461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Legal, Democratic and Customer Services

Ward: N/A

1. Reason for report

- 1.1 The Audit Sub-Committee has approved an approach to Value for Money (VfM) reporting by Internal Audit, which is referred to this Sub-Committee for consideration. The approach includes a referral process to the Organisational Improvement Team.
-

2. **RECOMMENDATION(S)**

The Sub-Committee is requested to consider the approach to Value for Money reporting endorsed by the Audit Sub-Committee, and note in particular the role of the Organisational Improvement Team in supporting this work.

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.
 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 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 and Head teachers.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Audit Sub-Committee has received a series of reports at its meetings on 23rd March, 10th June and 16th September 2010 setting out an approach being developed by Internal Audit to Value for Money (VfM) reporting. The concluding report to the September meeting is attached as Appendix 1. This report includes information about options for benchmarking and an update on pilot work carried out in two areas – Building Control and Homecare. The Sub-Committee referred these pilots to the relevant Committees – Development Control and Renewal and Recreation PDS for Building Control, and Adult and Community PDS for Homecare.
- 3.2 The VfM methodology includes a scoring matrix to be used by Internal Audit in the course of their audit work for reviewing VfM risks and controls, with a rating of 1-4. This is set out in detail in section 3 of the 16th September report – the Sub-Committee approved this with the addition of a row in the matrix for the name or source of the benchmark. Where lower scores are recorded the matter is referred to the Organisational Improvement Team who will assist the service concerned. It should be noted that a low score does not necessarily indicate a service offering poor VfM, but it may indicate that there are not robust systems in place to substantiate good VfM.
- 3.3 The draft minute of the Audit Sub-Committee's meeting on 16th September is set out below -

13 INTERNAL AUDIT AND VALUE FOR MONEY REPORTING Report DR10076

The Sub-Committee had received reports on Value for Money (VfM) reporting at its previous meetings on 23rd March and 10th June 2010, and had called for these to be referred to the Improvement and Efficiency Sub-Committee. The Sub-Committee received a further update covering the work carried out in two pilot areas (Building Control and Homecare), benchmarking sites, the practicality of using this data and referral to the Organisational Improvement Team.

The report suggested a number of ways that VfM could be achieved; these were listed at paragraph 3.6, and Members proposed that a further point could be added to this list – asking fundamental questions, and seeking radically different ways of providing services. The Sub-Committee emphasised the importance of enabling managers to review their services; Internal Audit would be working with the Organisational Improvement Team to ensure that guidance would be available for this.

RESOLVED that

- (1) The report on Internal Audit's VfM approach to the case studies be noted and the suggested methodology to be adopted be agreed, including the scoring rating and the referral process to the Organisational Improvement Team.
- (2) It is noted that Internal Audit are currently reviewing the wider remit issues around VFM work and will report back as appropriate.
- (3) The reporting requirements to this Sub-Committee on VfM work undertaken for audits completed be agreed.
- (4) The VfM control matrix be amended with the addition of a row for the name or source of the benchmark.
- (5) The pilot VfM work on Building Control be referred to the Development Control Committee and the Renewal and Recreation Committee for consideration.
- (6) The pilot VfM work on Home Care be referred to the Adult and Community PDS Committee for consideration.

4. FINANCIAL IMPLICATIONS

- 4.1 The additional work involved in undertaking VfM assessments will be contained within the existing Audit budget. All VfM studies may result in efficiency and economy savings.

Non-Applicable Sections:	Policy, Legal, Personnel – see attached reports.
Background Documents: (Access via Contact Officer)	See attached reports. Reports to Audit Sub-Committee on 23 rd March and 10 th June 2010 – “Internal Audit and Value for Money Reporting”

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

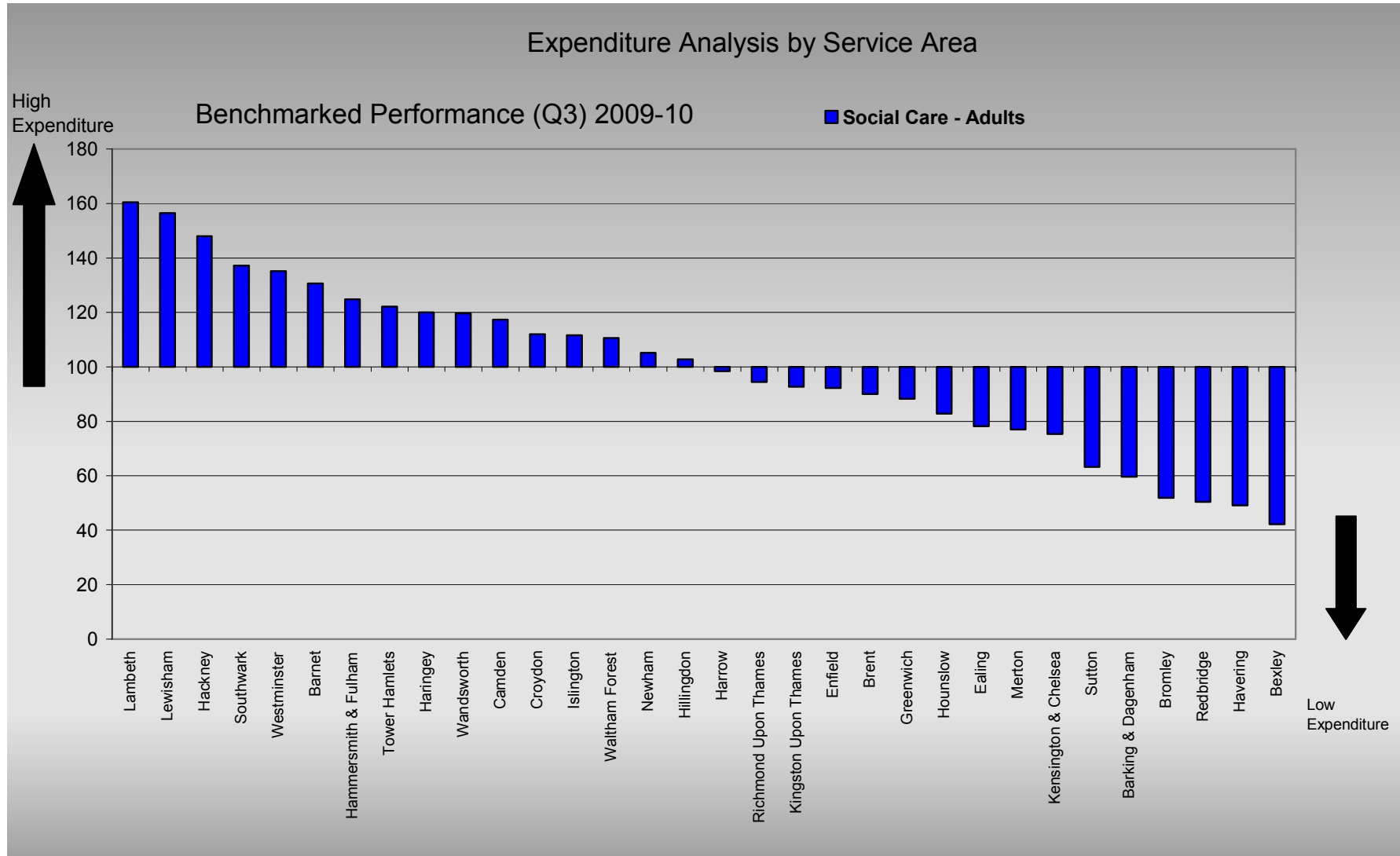
This page is left intentionally blank

Appendix A - Example of extract from Cipfa stats

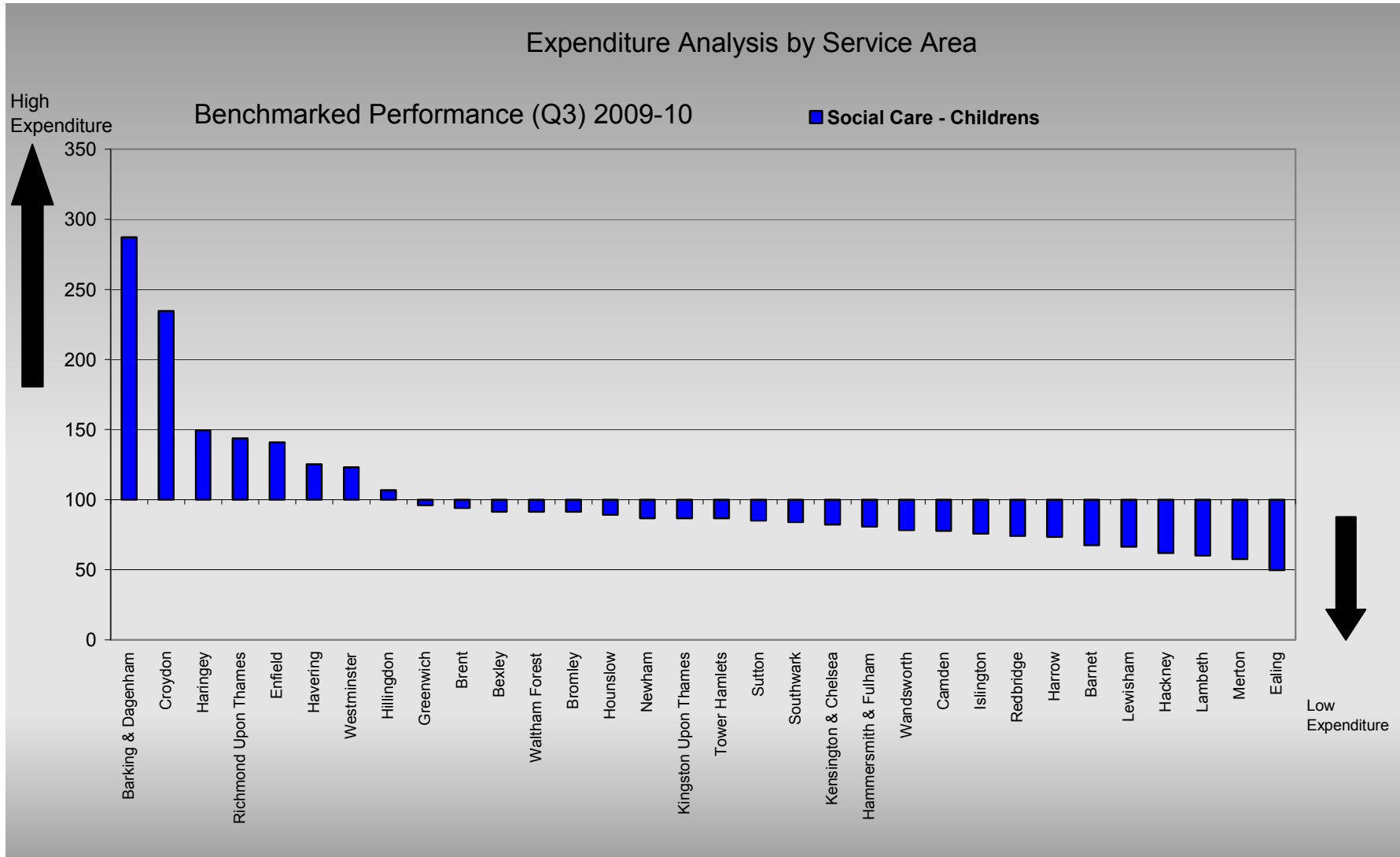
Source: CIPFA Social Care Actuals Statistics 2008-

			[10]	[29]	[320]	[321]	[322]	[323]	
								Memorandum: Home Care - All Adult Ages - Number of Clients receiving Home Care at 31/03/2009	Memorandum: Home Care - All Adult Ages: Gross Cost per Client per week
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	number	£	
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	

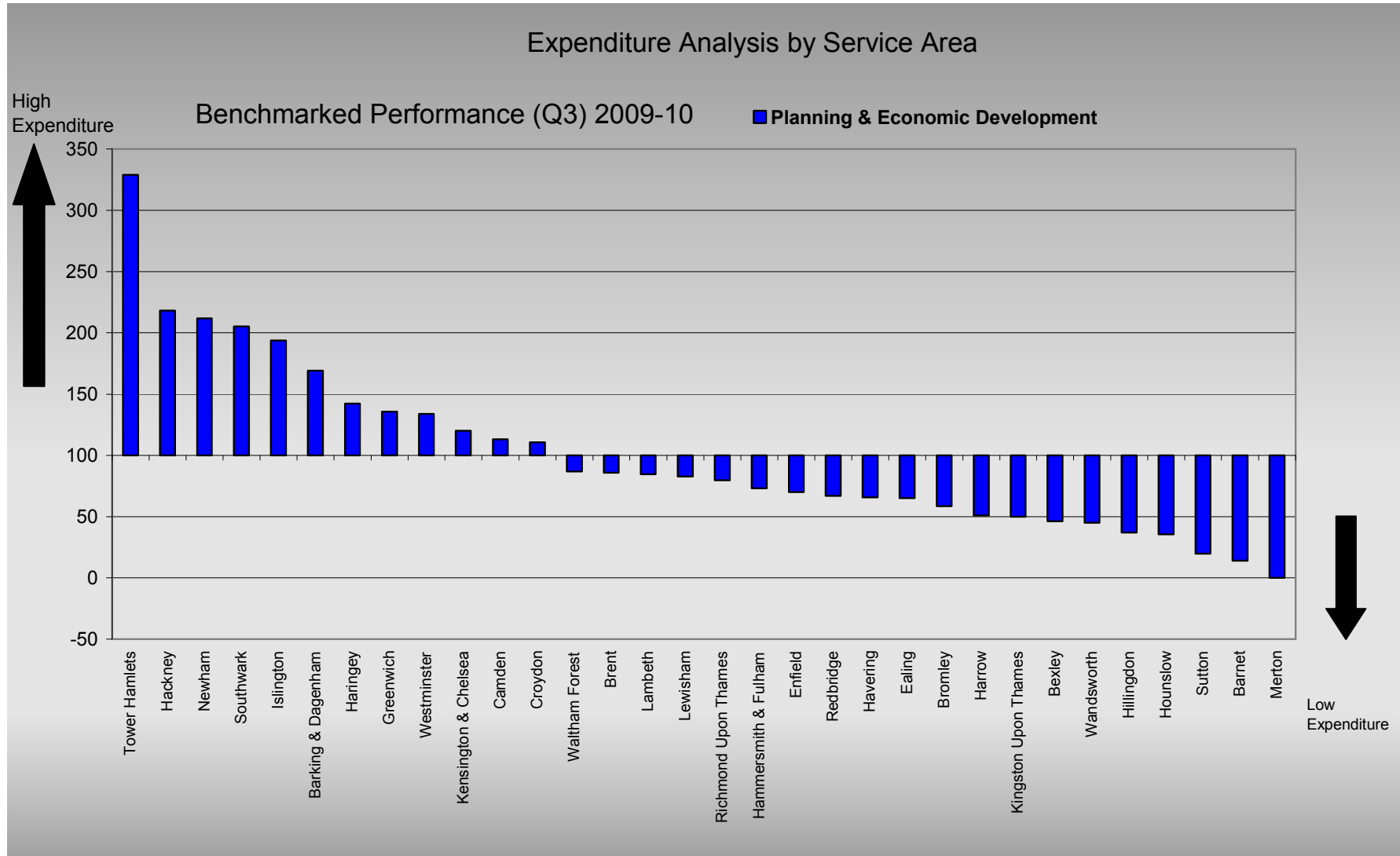
Appendix B-VfM benchmarking Social Care



Appendix C VfM Benchmarking Social Care



Appendix D VfM Planning and Economic Development



Appendix E – LDSA Benchmarking Results 2008 to 2009

Question No.	3	6	8	19	20	21	28	39	41	42	45	48	50	51	65		
	% apps ack in 3 days	% plans vetted & response in 15 days	% decisions in statutory time limits	Phone answering	Completion certificates	Corp complaint response time- no. Complaints	15 day response time for post incl amendments	Net cost of charge earning service per head of population (36)-	No of apps per fee earning tech staff	Charge income per application (38)/(30)	Cost(x£1000) of bc per staff member	% live sites visited in last 3 months	No of site visits per application{(32)/(30)}	No of site visits per tech off 32/((33+33a)*37)	Quality score	TOTAL SCORE	OVERALL RANKING
Authority name																	
Bar & Dag	24	15	18	7	16	18	10	19	3	20	24	13	19	15	16	493	21
Barnet	22	17	23	22	25	20	21	7	8	16	18	21	25	25	23	610	25
Belfast	13	21	20	22	18	11	21	25	16	12	2	15	11	20	17	533	22
Bexley	1	1	1	11	8	20	1	22	1	22	25	4	13	7	5	263	6
Brent	1	1	1	18	19	18	1	10	14	10	5	11	10	16	1	236	5
Bromley	15	22	1	11	7	11	1	21	9	24	11	7	9	4	3	297	10
Camden	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
City of London	16	23	1	11	19	1	10	1	25	1	15	1	1	17	5	281	8
Croydon	10	14	1	9	16	14	10	17	7	21	17	13	21	10	17	405	17
Ealing	14	5	1	1	14	20	14	18	13	13	19	17	12	9	12	370	15
Enfield	11	9	18	1	1	1	1	16	11	15	9	21	14	12	5	321	11
Greenwich	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Hackney	25	24	24	22	23	25	21	24	20	11	6	1	15	21	24	587	24
Ham & Fulham	11	8	1	11	9	14	16	9	19	7	21	4	16	22	12	348	13
Haringey	20	10	1	1	1	9	20	12	2	25	16	21	22	3	17	384	16
Harrow	1	6	1	20	9	14	10	4	12	14	3	11	6	2	12	233	4
Havering	21	15	1	10	22	1	1	23	6	23	13	6	17	5	17	364	14
Hillingdon	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Hounslow	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Islington	1	12	20	16	14	1	17	2	17	6	4	10	4	8	1	287	9
Kensington	1	1	1	19	12	1	1	20	18	8	10	1	7	18	5	228	3
Kingston	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Lambeth	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Lewisham	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Merton	1	1	1	16	1	1	1	3	23	4	1	21	3	14	5	179	1
Newham	18	17	25	7	1	1	19	13	21	5	14	19	8	19	25	490	20
Redbridge	1	7	1	21	1	11	1	11	4	19	8	19	5	1	5	218	2
Richmond	1	13	1	1	1	9	1	5	10	18	7	18	20	11	12	267	7
Southwark	19	25	22	1	21	1	21	8	15	9	12	21	24	23	17	547	23
Sutton	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Tower Hamlets	17	19	17	22	24	20	18	6	24	2	20	16	2	13	17	482	19
Wal Forest	1	19	1	1	13	20	15	14	5	17	22	8	18	6	3	342	12
Wandsworth	26	25	26	22	25	26	21	26	26	26	26	21	25	25	26	763	26
Westminster	23	11	1	15	11	14	21	15	22	3	23	9	23	24	5	425	18
Weighting	1	3	3	1	2	1	3	3	1	1	2	3	2	2	3		
Sort order	0	0	0	0	0	1	0	1	0	0	1	0	0	0	0		

Appendix F

BUILDING CHARGE NOTICES

Charges comparison of neighbouring boroughs Feb 2009 excluding VAT

	sch1	sch2<10	10 to 40	40 to 60	sch3<2000
Bexley	425	280	430	580	224
Dartford	612.92	347.37	525.46	703.68	169.44
Lewisham	391	255	400	530	130
Greenwich	450	232.63	341.77	446.78	110.25
Sevenoaks	492.26	261.09	414.53	534.76	121.55
Croydon				527.66	158.3
Sutton	565	340	490	640	202
Average	489	286	434	566	159
Avg plus 10%	538.3	314.62	476.99	622.74	175.3
Bromley	527	272.34	408.51	536.17	170
Bromley Proposed 09/10	610	315	455	595	195
Actual 09/10 Charges	610	315	455	595	195

All charges are for full building charge notices.

Sch 1 charges are for new dwellings, where estimated cost is unknown

Schl 2 charges are for extensions and small buildings, the figures representing the size in m2 of the extention

Schl 3 are for new dwellings over 300m2, where the estimated cost of the work is known. i.e. 2000 =£2000

Appendix G - Comparison with outer London Boroughs 2008/09

Source: CIPFA Social Care Actuals Statistics 2008-09

Source: CIPFA Social Care Actuals Statistics 2008-09			[321]	[322]	[327]	[328]
Code	Authority Name	Authority Class	Memorandum: Home Care - All Adult Ages - 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

This page is left intentionally blank

Report No.
CEO 1063

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Improvement and Efficiency Sub-Committee

Date: 13th October 2010

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

Title: **ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE**

Contact Officer: Chris Spellman, Assistant Director, Organisational Improvement
Tel: 020 8 461 7942 E-mail: chris.spellman@bromley.gov.uk

Chief Officer: Doug Patterson, Chief Executive

Ward: Borough wide

1. Reason for report

To update Members on the progress of the Organisational Improvement Programme

2. RECOMMENDATIONS

The Committee is asked to:

- Note the progress made on the first phase projects within the Organisational Improvement Programme

Corporate Policy

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

Financial

1. Cost of proposal: N/A No additional costs at this stage.
 2. Ongoing costs: N/A. Opportunity cost of Organisational Improvement Team. No additional ongoing costs at this stage. Any business cases for future projects will include ongoing costs.
 3. Budget head/performance centre: Organisational Improvement Team
 4. Total current budget for this head: £
 5. Source of funding: Existing revenue budgets
-

Staff

1. Number of staff (current and additional): 5 FTE
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Beneficiaries will be identified as part of business cases developed through the programme. Potentially all customers and staff are beneficiaries of this improvement programme.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Since last reporting to I&E Sub Committee several projects within the programme have been successfully delivered and closed and others have made significant progress.
- 3.2 More detail on the precise progress, risks, issues and planned work is shown in the Programme Highlight report in Appendix 1. A very brief summary of the major workstreams progress is given below for convenience.

Civic Centre Accommodation

- 3.3 Consultants presented Members with a high level options appraisal for our Civic Centre office accommodation including short term actions as well as longer term options which should be incorporated into Bromley's overall town centre development as part of the Area Action Plan implementation.
- 3.4 Subject to final decisions to be made by Members officers are working on practical short term actions to improve the efficiency of the civic centre site by accommodating more staff in fewer buildings and also improving the structural/energy efficiency of the existing buildings for at least the next 5 years.
- 3.5 The Programme Board in partnership with the Director of Environmental Services has established a mobile and flexible working group within the Environmental Services Department with the objective of reducing the space used by the department in the St Blaise building by 50%.
- 3.6 The group also made a major contribution towards space saving by disposing of unwanted paper storage and redundant or unsafe furniture and equipment. Together with other department's teams on the civic centre campus a 'Clutter Free Friday' was organised which resulted in a total of 31 tonnes being removed, 10 of which was paper.
- 3.7 Managers and staff from the division have undertaken a facilitated work style analysis to explore, from a business perspective, the opportunities to introduce new ways of working whilst rationalising office space. Use of existing ICT systems has been reviewed and future ICT equipment needs identified to help support these changes.
- 3.8 This work provides officers with a methodology through which similar work can be replicated with other teams to deliver similar improvements in working methods and use of accommodation.

Customer Contact Centre Expansion

- 3.9 Further service migrations, consistent with the strategic direction of the organisation (COP) and developments within the Supporting Independence Programme and Environmental Services Department, require additional capacity within the Customer Contact Centre.
- 3.10 A project to add capacity for 16 additional agents by utilising redundant office space in the Rochester Building was commissioned and has now been delivered. The additional capacity came on stream in early September 2010 and has led to a more logical configuration of the CCC space and offers greater opportunity for future service expansion.

Customer Contact Centre Service Migrations

- 3.11 The Street Service calls have now successfully settled in the contact centre and all outstanding deliverables from this and the EHTS migration projects have been completed.
- 3.12 Further service areas which are appropriate to be handled within the CCC are currently being investigated although it appears that few 'high volume/low complexity' call types remain outside the contact centre.
- 3.13 Therefore future attention is likely to shift to making the handling of existing CCC calls more efficient, by way of Voice Recognition Technology or reengineering the process, or by reducing customer demand for telephony as customer contact channel by offering self service alternatives online.

Website Upgrade & Self Service

- 3.14 The following recommendations in relation to the website upgrade were agreed by E&R PDS and the Executive in September:
- To release the Capital funds required to upgrade and deliver a modern, flexible and user friendly website to our residents (£142k)
 - To replace our current web support which will produce revenue savings of £20k per annum
 - That the contract be awarded to Jadu Limited (£75k capital, £10k ongoing annual support)
 - That I.S tender for the replacement of the current web infrastructure and hosting through Office of Government Commerce (OGC)
- 3.15 The project can now be initiated and over the next month the Bromley Knowledge Team will star to review the content of the existing website in preparation for the migration to the new platform. This will entail a direct consultation with each content owner to work with them to update and remove outdated and unused information on the site. There are currently 4,000 pages to be migrated and three additional sub sites.
- 3.16 Two contracts need to be cleared through legal and signed with Jadu – one for initial software and upgrade (capital) and one for ongoing annual support (revenue)
- 3.17 Bromley Knowledge now have a permanent manager and the team will also take on some extra hours over the coming 6 months as a temporary measure to facilitate the migration of content. All running costs for the website including licences and 2/3 year upgrade are now moved across into the Bromley Knowledge budget..
- 3.18 The Information Systems Division are tendering for hosting arrangements as the servers the website is stored on need replacing. This tender is due to be awarded in November.
- 3.19 The timeframe for the project is to go-live before the new financial year sometime in March 2011. The project will need to be phased appropriately and some elements such as maps may need to be added to the site in the months following March 2011.

Shared Services

- 3.20 The recent work with Officers at Bexley has provided an opportunity to discuss more broadly the potential for closer working between the two organisations in order to reduce costs and/or improve services.
- 3.21 A joint board made up of both Borough Chief Executives and key Chief Officers has met twice with the Organisational Improvement Team supporting the group's work from Bromley's side.
- 3.22 The three main areas that have been identified to be progressed are: Procurement/contract spend, customer contact (primarily web and telephony), and support and professional services which includes HR, electoral, legal, ICT and finance.

Voice Recognition

- 3.23 Following successful testing of the Voice Recognition system the technology went live for staff and Members w/c 21st June as scheduled with an accuracy rate of between 70% and 80%.
- 3.24 Call volumes to the switchboard from external numbers were evaluated in order to progress this second phase of the project after the initial success of phase 1 for internal switchboard calls.
- 3.25 Additionally, call volumes for other simple requests such as reporting missed bins and requesting a new bin or recycling box have been evaluated and considered suitable for use with VR technology.
- 3.26 The procurement process is now underway for both external switchboard calls and 'report it' functionality although the delivery will be in two separate phases to allow time for development work around the 'report it' function.
- 3.27 Delivery of external switchboard VR system is scheduled for 1st Nov, delayed from its original go live date in order to avoid the changes to the waste collection service. I.S. will require approximately 3 months' development time for the end to end report it functionality.

4. POLICY IMPLICATIONS

- 4.1 Although it is not possible to provide specifics the nature and scope of the programme will be likely to have an impact on existing policies such as HR

5. FINANCIAL IMPLICATIONS

- 5.1 As the business cases for these projects will/have been largely making the case for investment on an 'invest to save' basis and to be funded through capital, efficiency savings achieved from capital investments will mean changes and longer term savings to current revenue spend.

6. LEGAL IMPLICATIONS

- 6.1 No obvious legal implications at this stage

7. PERSONNEL IMPLICATIONS

- 7.1 All the projects mentioned above will have personnel implications as we continue to move towards a well skilled but smaller workforce.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

Organisational Improvement Programme Management Highlight Report

Highlight Report	Overall RAG Status	GREEN
-------------------------	---------------------------	--------------

To	I&E sub-committee				
Project / Programme Name	Organisational Improvement Programme	Reporting Period	30 th June 10	To	30 th September 10
Report Author(s)	Organisational Improvement Team	Stage / Status	Definition/Implementation		
Start Date	Oct 09	Proposed End Date			

Management Summary

Both COE and the I&E Sub Committee have approved the creation of a single Organisational Improvement Programme, aimed at bringing together 3 key strands of work; Customer Access; Office Accommodation and Flexible Working and Back Office reform in order to deliver both efficiencies and improvements across the council.

The main project areas have been signed off by COE and the I&E Sub-Committee. A summary of these projects is below.

Organisational Improvement Programme Management Highlight Report

Key progress during reporting Period	Risks and issues to be raised for information or escalated	Tasks planned for next period	RAG status
Work Stream: Agency Staff			
<ul style="list-style-type: none"> • Detailed analysis of expenditure across all departments, functions, etc. carried out. • Report to Chief Officers presented. • Chief Officers reviewed their departments use and spend – reported 28/7. • HR have issued revised vacancy management procedures to increase controls. • Asst Chief Exec (HR) presented report to Chief Officers Executive detailing new 'light touch' process to check most appropriate route for filling vacancies. • Time booked through Commensura down by 4.8%/Approx 5,000 hours. 	<p>Main Issues: 34% increase in agency spend since 2008/09 to £9M last year.</p> <p>Overall costs include 'mark up' c 30% above costs paid to agency staff.</p> <p>Overall cost to the organisation is likely to increase if an increasing number of staff are placed in the redeployment pool and cannot find alternative employment either temp or perm.</p> <p>Managerial controls over recruitment of permanent posts but less so over agency staff - even after revised procedure issued..</p> <p>Some services can't recruit permanent staff and have to resort to agency</p> <p>Legal changes on status and rights of agency staff wef October 2011.</p> <p>Risks: Over-reaction to £9M spend leading to a loss of flexibility/agility. Under- reaction and defence of £9M spend. Continual reliance on agency staff has inherent risks and costs. – continuity, retraining, induction, etc Managers choose to work around procedures and avoid engaging potential displaced staff</p>	<ul style="list-style-type: none"> • Continue to monitor agency spend/hours • Further work to be directed by CEX dependent on impact of new HR process 	<p>GREEN</p>

Organisational Improvement Programme Management Highlight Report

Work Stream: *Office Accommodation*

<ul style="list-style-type: none"> • Consultant's report presented to Members 10/9 Working assumptions (subject to final Member approvals): a. <u>Limited</u> investment in Civic Centre to improve efficiency in short term over next 5 years. b. Work towards planning for longer term (c 5 years) to include new (smaller) office in town centre as part of AAP implementation. • Completed Capital Ambition workshops with ESD on flexible working to achieve 50% reduction in office space. Review use of main ICT systems, and future equipment needs with view to improving ways of working. • 31 tonnes of paper, furniture, and other assorted 'stuff' disposed of from Civic Centre on 'clutter free Friday' <p>Unused Capital Ambition consultancy days used to pilot a resource/budget options process with OLAs with ESD to pilot method pending CSR in October.</p>	<p>Main Issues:</p> <ul style="list-style-type: none"> • Limited funding will mean we have to compromise on allocation of space, refurbishments and equipment. • Original plans will have to be changed and a pragmatic rather than the approach planned taken. • Need to maintain reception in Jo Lanc as no approved plans for 'one stop shop' have been agreed <p>Risks:</p> <ul style="list-style-type: none"> • Formal decisions not yet made so some degree of uncertainty remains. • May not be able to locate all CYP staff together. 	<p>Short term priorities:</p> <p>More efficient use of accommodation with more people occupying less space:</p> <p>Possible extra staff to occupy Civic Centre:</p> <ul style="list-style-type: none"> • CYP teams ex Town Hall • Coroner's Service • ACS staff ex Bassets (possibly) • Public Health (possibly) • Contractors ex Town Hall (possibly) • Close one building to save revenue (Ann Springman) and demonstrate visible change. <p>Space/people audit to establish:</p> <ul style="list-style-type: none"> • Free space • Under-utilised space • Exact numbers/teams needing accommodation to match to space at lowest cost possible. • Continue to support Public Protection to reduce space in St Blaise by 50%. <p>Present project work on flexible working to OLAs at Capital Ambition seminar October 18.</p> <p>Clarify availability of investment to enable short term works.</p>	<p>GREEN</p>
--	--	--	---------------------

Organisational Improvement Programme Management Highlight Report

Work stream: Customer Contact Led Improvement

<p>SharePoint:</p> <p>Strategy Issued</p> <p>User Groups in All Departments Executive Management Group Established</p>	<p>Risks:</p> <p>Volume of re-organisations.</p> <p>Permissions are determined by Active Directory which rely on Resourcelink being up to date. There have been issues where depts have not shared the relevant info. To mitigate this we are producing a "simple guide" for what info we need to know when teams are re-organising.</p>	<p>Work planned:</p> <p>The following are outlined in the Strategic plan:</p> <ul style="list-style-type: none"> • Work is being done with ACS to work together to highlight to the organisation what Sharepoint can do. • Re-launch Sharepoint across the organisation. • Introduce bite size chunks / lunchtime sessions to enhance training. • Work with ACS to pull together plan around the closure of the current N:Drive. 	<p>GREEN</p>
<p>Website Upgrade</p> <p>Work completed:</p> <p>A report requesting the following recommendations went through E&R PDS and The Executive in September:</p> <p>The Executive agreed:</p> <ul style="list-style-type: none"> • to release the Capital funds required to upgrade and deliver a modern, flexible and user friendly website to our residents (£142k) • to replace our current web support which will produce revenue savings of £20k per annum • that the contract be awarded to Jadu Limited (£75k capital, £10k ongoing annual support) 	<p>Issues:</p> <p>Getting contracts signed off and through legal</p> <p>Getting content owners to take the time to review content as a priority</p> <p>Risks:</p> <p>Tender for new hosting arrangement could delay project if not completed quickly</p> <p>That Members and Officers want further functionality that cannot be met within the timeframe and initial capital budget and so may cause the project to be extended</p>	<p>Work planned:</p> <p>The project is now underway:</p> <ul style="list-style-type: none"> • Bromley Knowledge are starting with a review of all site content - sitting down with each content owner to update and remove outdated and unused content on the site. 4,000 pages to be migrated – 3 additional sub sites. • Two contracts to be signed with Jadu – one for initial software and upgrade (capital) and one for ongoing annual support (revenue) • BK now have a permanent manager and the team will also take on extra hours as a temporary measure to facilitate the migration of content. 	<p>GREEN</p>

Organisational Improvement Programme Management Highlight Report

<ul style="list-style-type: none"> that I.S tender for the replacement of the current web infrastructure and hosting through Office of Government Commerce (OGC) 		<ul style="list-style-type: none"> I.S are tendering for hosting arrangements as servers require a tech refresh 13th October Jadu come in for the half day project initiation meeting 13th October Jadu present to I&E Sub and Member working party on technology The timeframe for the project is go-live before the new financial year sometime in March 2011. We will need to scale the project accordingly and some things such as maps may need to be added to the site in the following couple of months 	
---	--	--	--

Work stream: *Customer Contact Led Improvement*

<p>CCC Service Migrations</p> <p>Work Completed:</p> <ul style="list-style-type: none"> Business case for migration of Registrars into CCC with review of processes agreed. Trial of Landscapes helpdesk migration postponed due to other events in CCC e.g. Food waste go live, VR go live etc. Final 'snagging items' from EHTS/Streets migrations completed by IS. 	<p>Issues:</p> <ul style="list-style-type: none"> All or most appropriate (high volume/low complexity) calls have been migrated into CCC. Effort for further migrations delivers disproportionate returns. <p>Risks:</p> <ul style="list-style-type: none"> Services are unable to release sufficient resources to justify service migrations and create savings 	<p>Work Planned</p> <ul style="list-style-type: none"> Agree new date for Landscapes helpdesk migration to CCC on trial basis Progress with Registrars migration / process review Agree/Dismiss migrations through Customer Focus Group 	<p>GREEN</p>
--	--	---	---------------------

Organisational Improvement Programme Management Highlight Report

<p>Voice Recognition</p> <ul style="list-style-type: none"> • VR went live on internal switchboard calls 21/6/10. Accuracy rate of approx 70-80% • Training provided to Project Manager so that updates/changes can be made from LBB instead of requiring assistance and support from Telephonetics • Additional call volume data for external calls evaluated as well as call volume for missed bins and requesting new recycling bins. Additional agent capacity calculated. • Additional potential functionality identified and discussed with supplier re VR software handling calls 'end to end'. • Visit to Lambeth Council who already use VR for internal and external switchboard and are now scoping additional functionality for reporting and payment functions. • Procurement process underway for external roll out and 'end to end' processing for two low complexity/high volume services 	<p>Main issues</p> <ul style="list-style-type: none"> • List of departments is not fully comprehensive. This will continue to be populated on a planned basis as requests and feedback come through from members of staff and Members <p>Risks</p> <ul style="list-style-type: none"> • VR software does not accurately redirect calls and leads to avoidable contact being made with remaining human switchboard operators/customer dissatisfaction. • Possible risk with data quality relating to phone numbers within the council – work around this issue is ongoing • Implementation of third phase (end to end) call handling may be delayed by availability of appropriate IS resource. 	<p>Future work will include:</p> <ul style="list-style-type: none"> • Engage managers and staff regarding the external roll out. • Comms for external roll-out to customers • Extend to external calls (1 Nov), once Waste roll-out has bedded in & volume of calls to CCC has stabilised) • Assess availability of IS resource to deliver phase 3 components and take action as appropriate. 	<p>GREEN</p>
<p>Work Stream: <i>Shared Services</i></p>			
<p>Bromley/Bexley Shared Services Board</p> <p>A joint Board made up of both Borough Chief Executives and key Chief Officers has been formed to discuss the potential for closer working between the two organisations in order to reduce costs and/or improve services, meeting every 6 weeks.</p> <p>The Organisational Improvement Team supports the Board from Bromley's side.</p>	<p>Main issues:</p> <ul style="list-style-type: none"> • Bexley do not have a formal project team supporting the work of the Shared Service Board as efficiency projects are delivered through teams in each service area <p>Risks:</p> <ul style="list-style-type: none"> • Not enough project team/officer 	<p>Actions Planned</p> <ul style="list-style-type: none"> • DLADS to progress legal shared services, electoral joint working and potential for closer working in Customer Services (web/CCC). • Deputy Chief Executive to progress joint procurement and contracting work stream with Mike Ellsmore (Bexley) • Chief Executives of Bexley & 	<p>AMBER</p>

Organisational Improvement Programme Management Highlight Report

<p>Three main workstreams have emerged for early progress and focus:-</p> <ul style="list-style-type: none"> • Customer Services • Contract Spend / Procurement • Support and Professional Services (inc. finance, ICT, HR, legal and electoral) <p>A shared services protocol has been agreed between Bromley and Bexley</p> <p>Broader discussions regarding shared services are also being taken forward by officers across the organisation on an opportunistic basis. This is now being coordinated by way of the OIP board.</p>	<p>resource in either LA to progress and implement workstreams</p> <ul style="list-style-type: none"> • Political/officer resistance in either LA towards joint working in certain areas may mean rate of progress is slowed 	<p>Bromley to meet with Chief Exec of Croydon to discuss possibilities for shared services</p> <ul style="list-style-type: none"> • Chief Executive group to meet 8th November to discuss further progress 	
--	---	--	--

This page is left intentionally blank