

Meeting:	Cabinet
Date:	15 May 2008
Subject:	Efficiency Reviews
Key Decision:	Yes
Responsible Officer:	Divisional Director of Strategy and Improvement
Portfolio Holder:	Performance, Communication and Corporate Services(to be confirmed at Annual Council on 8 May 2008)
Exempt:	No
Enclosures:	Appendix 1: Service Review Update – Public Realm Services Appendix 2: Service Review Update – Cultural Services Appendix 3: Service Review Update – Children’s Services Appendix 4: Potential Efficiency Reviews Appendix 5: Prioritisation Matrix Appendix 6: Efficiency Review Process Appendix 7: Key Lines of Enquiry

Section 1 – Summary and Recommendations

This report:

1. Provides overarching context for the next round of efficiency reviews.
2. Provides a progress update on service reviews carried out in 2007/08.
3. Presents lessons learnt and proposals for a refreshed programme of efficiency reviews for 2008-2011

Recommendations:

Cabinet is requested to:

1. Note the overarching context.
2. Note the findings of service reviews for 2007/08.
3. Agree the proposals for a new programme of efficiency reviews 2008-2011.
4. Delegate to the Chief Executive/Deputy Chief Executive and Portfolio Holder Performance, Communications & Corporate Services to finalise the programme of review activity beyond the first 2 reviews.

Reason: (For recommendation)

- To progress the delivery of efficiency savings and improvement through a strategic programme of reviews across the council.
- To address the future funding gaps of £5.4m for 2009/10 and £6.9m for 2010/11.

Section 2 – Report

1. Background and Context

The Council decided in December 2006 to undertake a programme of fundamental service reviews. The objectives of this programme were to systematically review the Council's higher spending services with a view to identifying a step change in efficiency and effectiveness. The programme agreed by Cabinet is summarised in the table below:

Phase	Service Area	Timescale
1	Children's health and social care	2007/08
	Culture, sport and leisure	2007/08
	Public realm services	2007/08
2	Information and communication	2007/08
	Adults health and social care	2008/09
	Planning and development	2008/09
3	Visiting teams	2008/09
	Support services	2009/10

The programme of reviews was to lead to proposals for both improving performance and reducing costs. The reviews were intended to be a mechanism for prioritising services and finding efficiency gains in the 2008/09 budget.

The fundamental review of services continues to be seen as a critical process in identifying savings proposals for 2009/10 and 2010/11 whilst delivering both efficiencies and effectiveness.

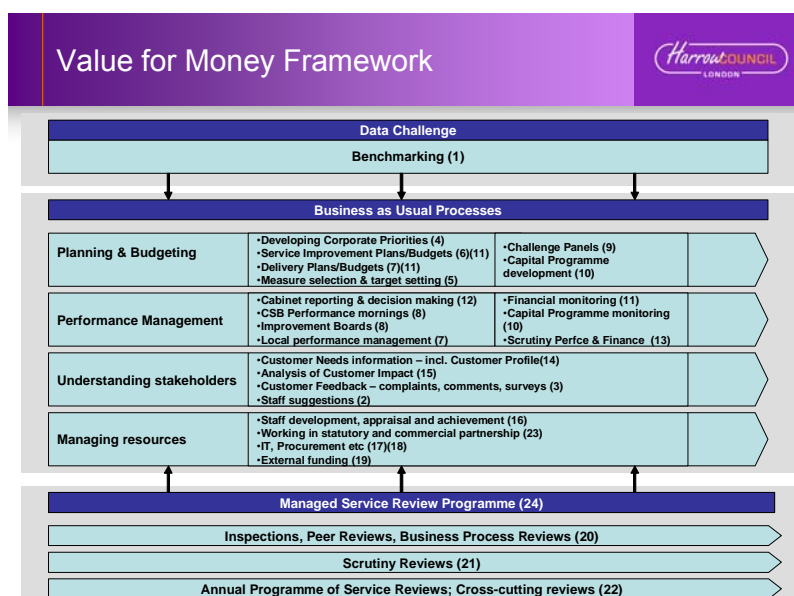
2. Value for Money Framework

The Council has recently revised its Value for Money Framework to explain how its business processes and policies contribute to delivering improved levels of efficiency and effectiveness in service delivery. The framework includes three components:

1. Data Challenge
2. Business as Usual Processes
3. Managed Service Review Programme

The framework is summarised in the diagram.

This framework separates the periodic review of a service from the ongoing business management process. Service Reviews sit alongside Scrutiny Reviews and Inspections as part of the managed service review programme. The objective of a managed service review programme is to periodically review all services, assessing all dimensions of their value for money performance.



It is intended that each of these types of review should address VFM considerations and therefore the Council will not look to duplicate across these processes. Therefore, for example, if a service has just had a major inspection which has looked at value for money, then it should not be subject to a service review in that year.

Data challenge represents the annual CIPFA process where the Council measures its value for money performance by comparing the costs of its services to their performance. This in turn is compared to other London boroughs.

It is through the ongoing business management process that recommendations from a review would be implemented and monitored.

3. Progress

The four service reviews scheduled for 2007/08 are complete with the exception of Children's Services which is due to conclude in June 2008. The implementation of recommendations from each of these reviews is being monitored through improvement boards on a quarterly basis. The status of each review can be found in appendix 1-3.

- [Appendix 1: Public Realm Services](#)
- [Appendix 2: Cultural Services](#)
- [Appendix 3: Children's Service's](#)

A review of communications was also delivered as part of the work with Westminster City Council to improve the provision of the service, as presented to Cabinet in July 2007.

4. Lessons Learned

A number of lessons have been learned from the service reviews undertaken during 2007/08 as listed below. It is proposed to recommend a number of changes before efficiency reviews are undertaken.

Positive Outcomes

1. Good levels of directorate ownership.
2. Genuine savings achieved for 2008/09.
3. Good challenge to service provision.
4. External challenge received through expert peers and experienced consultants.
5. Involvement of Portfolio Holders

Areas for Improvement

1. Clearer scope and focus on achieving of aims, including more robust questions on service provision and identification of cost drivers and potential savings
2. Better governance to achieve the above.
3. More transparent link to impact on Medium Term Financial Plan up to 2011.
4. Implement a standardised approach.
5. Leverage increased challenge through internal & external peers.
6. Use a wider set of criteria for selecting reviews, i.e. VfM, customer satisfaction, regulatory and Scrutiny process, budget performance, potential for savings etc.

5. Summary of proposals

- Establish an Efficiency & Improvement Board (EIB), chaired by the Corporate Director of Finance, with a role of steering all efficiency projects and aligning to BTP.

- Relevant BTP projects to report to the Efficiency & Improvement Board.
- Adopt a more consistent approach for undertaking each review modelled around key lines of enquiry and led by a Director from another service.
- Run 2 'pilot' efficiency reviews in HITS and Highways Planning & Maintenance
- Continue with ongoing efficiency work on key projects including, revenue income optimisation, debt management, procurement and a review of the use of agency /temporary staff in 2008/09.

6. Proposals

In light of the lessons learnt from the reviews undertaken in 2007/08 it is proposed to make a number of improvements to the review process. In summary, the proposals contained in this paper seek to deliver:

- Improved and consolidated governance arrangements for all efficiency projects and reviews.
- Improved levels of external challenge.
- More clarity around the scope and expectations.
- Alignment with the process for identifying and delivering transformation opportunities through the BTP.
- Improved accountability arrangements for delivering efficiency savings.
- Clearer rationale and set of criteria for identifying and sequencing services to be reviewed.
- A more consistent model for undertaking reviews, modelled on key lines of enquiry.
- Smaller reviews and therefore more reviews each year.

It is also proposed that the council takes a more innovative approach and seeks to review services as seen by the 'customer'. This would involve a more cross-cutting approach, and would require the involvement of partner agencies. The themes identified using this approach are:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Cleanliness of borough • Regeneration • Community safety • Transport & Highways • Transparency of decision – making and post consultation • Culture & Leisure • Local business | <ul style="list-style-type: none"> • Supporting people in the community • Learning • Sustainable environment • New people in the borough • Payments & Collections |
|--|--|

There are also a number of internal services that would require review which do not fall into the categories listed above.

In order to test this approach, it would be beneficial to run the first 2 reviews on a 'pilot' basis in HITS and Highways Planning & Maintenance.

6.1 Fit with Business as Usual

The review process should fit in with the Council's processes for business as usual. Improvement should be delivered as an ongoing output of our business and service planning.

An efficiency review represents an exception to this process, which would be triggered by the results of an evaluation exercise. The recommendations from the review however would be mainstreamed through the normal planning process.

6.2 Programme Governance

1. It is proposed that an **Efficiency and Improvement Board (EIB)** is set up for medium to long term financial and efficiency planning. It is recommended that EIB meet monthly and that this reports to CSB on a regular basis.
2. The EIB should include Chief Executive (or Deputy), Corporate Director Finance (Chair), Director of BTP, Divisional Director Strategy & Improvement, Portfolio-Holder Performance, Communications & Corporate Services, Partnership Director – Capita, and nominated Efficiency & Improvement champions from each Directorate.
3. The EIB should govern the efficiency review programme, alongside other key efficiency programmes or business planning proposals. This approach should ensure that there is no duplication with other ongoing/recent review work such as scrutiny reviews or inspections. These might include:
 - **Strategic Property Review**
 - **Revenue Income Optimisation**
 - **Procurement**
 - **Agency / Temporary Staff**
 - **Additional method of identifying and approving BTP Future Business Cases (BTP Partnership Board will govern)**
4. The EIB will approve the efficiency reviews for each year, and agree scopes and key lines of enquiry, including clear targets for the efficiency review programme to achieve medium term financial savings.
5. A challenge session from a peer member and officer from another Council should be held at this stage to ensure that the scopes are robust.

6.3 Resources Required

1. A team of relevant officers, with peer input, should carry out each Efficiency Review. This will require commitment of resource from relevant service areas. External peers can be sourced by the service area under review to ensure appropriateness.
2. There are 11 council managers signed up to the Future Leaders Programme, funded by Capital Ambition. This will provide us with capacity to develop solutions to the opportunities and challenges we face in terms of modernisation, efficiency and change. It is recommended that these managers, upon completion of the programme are included in review teams.
3. The review team should be led by a Corporate Director / Tier 3, not directly responsible for the service area, supported by a team of officers to include:

Team Member	Impact (approx)
<i>Corporate Director / Tier 3 (Lead)</i>	5 days
<i>Head of Service from the area under review</i>	12 days
<i>Finance Officer from the area under review</i>	15 days
<i>Performance Officer from the area under review</i>	15 days

<i>Peer (With local authority experience in the service area)</i>	10-12 days
<i>Head of Service from another directorate (challenge role)</i>	3 days
<i>Administrative Officer from the area under review</i>	15-20 days
<i>Policy & Research Officer (Improvement Programme Team)</i>	15 days

4. The review team will review the 'Key Lines of Enquiry', against which to measure the service.
5. Managers and staff from the service area will be required to participate in order to prepare a self-assessment, provide documentary evidence and attend interviews.
6. At the end of the review, the review team will develop an improvement plan, which will be presented to EIB for approval. The improvement plan will be built into service improvement plans, managed by a Service Area Project Board and monitored through improvement boards.

6.4 Relationship with BTP and Process Effectiveness

1. It is important that if the Council is to undertake any systematic Business Process Reengineering, that this is done through the efficiency review and BTP programmes. Work is currently underway to consider the introduction of systematic process effectiveness work as part of efficiency reviews. This would typically involve working with the service area in advance of the review week to identify potential areas for efficiency within key processes. This will enable quick decisions to be made about how to improve services, and may be delivered by Capita. The resultant process changes required could form the basis for BTP Future Outline Business Cases.
2. Review work of a number of services is currently taking place through the HARP programme. Elements of this work would constitute efficiency review work; however the full remit of an efficiency review may not be delivered in this way. EIB should consider the requirement for any additional review work in these services, after the HARP programme has completed.
3. The findings of efficiency reviews will form a critical input into identifying future outline business cases. Capita could take on the role of a business partner in the delivery of efficiency review improvement plans.
4. Future Business Cases will continue to be identified between Capita and the business as opportunities arise outside of efficiency reviews and will continue to report to the BTP Operations Board.
5. The Director of BTP is currently undergoing negotiations to formalise a commercial agreement to undertake revenue projects with Capita.

6.5 Review Approach

It is recommended that efficiency reviews are approached in a consistent manner, as follows:

1. An initial exercise to identify the customer view of services provided by the council has taken place. This has provided us around 40 potential efficiency reviews, see [appendix 4](#), which have been 'programmed' over the next three years using a prioritisation matrix, [appendix 5](#). Work is ongoing to ensure that the programme of reviews is appropriate.

2. As part of the wider efficiency agenda there are a number of ongoing/planned efficiency reviews being delivered using different approaches i.e. HARP, RIO etc. It is recognised that these will continue, with regular reports to EIB.
3. A review team will implement the efficiency review and develop an improvement plan, see [appendix 6](#).
4. The service(s) will be measured against agreed Key Lines of Enquiry, [appendix 7](#).
5. The service(s) will set up a local project board and implement the improvement plan, reporting to EIB on a monthly and improvement boards on a quarterly basis.
6. Following implementation, the service(s) will complete an evaluation and report on benefits realised to EIB within 6 months.
7. EIB will report progress of active efficiency reviews on a quarterly basis to CSB Performance Mornings.

7. Financial Implications

1. There will be a clear savings target for what each review is looking to achieve although it is possible that the review may lead to a decision to invest in a service.
2. Savings and income generation identified should be profiled for 3 years and should include any capital or other investment required. The reviews should therefore identify both quick wins and longer term options.
3. The EIB will agree target efficiencies for each of its major programmes and report these to CSB.
4. A fund of £100k has been identified for the efficiency review programme this year. This money will support process effectiveness work during the reviews.

8. Legal Implications

There are no legal implications arising from this report.

9. Performance Issues

The efficiency review programme will directly contribute to the future Use of Resources judgement for Managing the Business and Managing Money.

The Managing the Business Key Lines of Enquiry will be similar to those under the Corporate Assessment. The Council scored a 2 out of 4 for the Corporate Assessment. In particular, efficiency reviews will support the judgements for performance management where the Council scored 2 out of 4. The efficiency review programme will demonstrate that the Council is challenging and managing its performance and will contribute to scoring 3 out of 4 in the future.

The Managing Money Key Lines of Enquiry will include Value for Money and Financial Standing. The Council currently scores 2 out of 4 for Value for Money and a 1 out of 4 for Financial Standing. The efficiency reviews will support achieving 3 out of 4 for Value for Money by putting in place a process by which the Council is systematically reviewing the efficiency and performance of its services. The efficiency reviews will support improving Financial

Standing Scores by enabling the Council to balance its budget for 2009/10 and subsequent years, based on a strategic review of spending across services.

Section 3 - Statutory Officer Clearance

Name: ...Jennifer Hydari.....	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: ...18 th April 08.....		
Name: ...Hugh Peart.....	<input checked="" type="checkbox"/>	Monitoring Officer
Date:18 th April 08.....		

Section 4 – Performance Officer Clearance

Name: ...Tom Whiting.....	<input checked="" type="checkbox"/>	Divisional Director (Strategy and Improvement)
Date: ...18 th April 08.....		

Section 5 - Contact Details and Background Papers

Contact: Tom Whiting, Divisional Director Strategy & Improvement, x 5484

Public Realm Services Review: Current Status - Implementing Recommendations

In May 2007 the London Borough of Harrow commissioned Capita Advisory Services to carry out a service review of its Public Realm Services.

The purposes of the review were the following:

- How does Harrow currently compare to other local authorities and the market
- Looking ahead 3 to 5 years, what will upper quartile, good practice public realm service provision look like?
- Are there gaps?
- If there are gaps, what needs to be done to bridge them?
- What are the resource implications of bridging the gaps and what would the benefits be; are
- There opportunities for efficiency, quality and cost gains?

The scope of this review covered waste management functions, street cleaning, and maintenance of land and associated enforcement, specifically:

Public Realm Services

- Recycling and refuse collection
- Civic amenity site
- Waste processing and disposal
- Street cleaning
- Grounds maintenance

Community Safety Services

- Enforcement of public realm services

Key Recommendations

Finance

- Determine a medium to long term budget and investment plan to deliver the services (and thereby avoid the 'boom and bust' pattern of recent years).

Operational Management

- Strengthen operational management of all the Public Realm Services to achieve improved outcomes from existing resources. In doing this ensure that operational supervisors are achieving good productivity from their work teams, that poor working practices are identified and eliminated, and that the most effective designs for working methods are used.

Waste Management

- Provide the kerbside recycling collection services to all flats by 2010.
- Provide recycling collection services to schools and trade customers to achieve 20% recycling rates by 2010.
- Increase the recycling rate at the Civic Amenity site to 70% by 2012.
- Reassess the design of the household waste and recycling collection system, taking into account a wide range of variables outlined in this report, in order to reduce avoidable costs that are currently designed into the service system for waste collection. In doing this the timing of any changes will need to be carefully planned and scheduled.

- Regarding the fleet management contract, agree a procurement strategy with all stakeholders including Procurement. The next step should be to issue a 'Request for Information' to solicit indicative pricing from potential commercial vehicle fleet management organisations to determine if there is a prima facie case for full market testing (i.e. retendering). If the case for retendering is not made, then the existing contract could be extended or retendered as the council prefers. In any case the council must ensure that best value for money is demonstrably and robustly secured, and that the vehicles procured match service requirements (as set by the service design or redesign).
- Consider investing in new technology so that much more powerful management information can be produced which will assist in improved operational control and thereby improve service delivery. Any technological improvement should only be implemented against a solid business case; the service is clear about the costs and the benefits new technology can deliver. Be aware that top performing Councils interviewed for this report were disappointed with the results of technological investments they made.

Waste Disposal

- By February 2008 hold a 'Council Leaders and Chief Executives Summit' for the six Boroughs in west London, the WLWA and the Greater London Authority. The aim of this summit would be to urgently address the crisis of rapidly rising landfill costs.
- Set aside land within the depot for a 50,000 tonnes per year pre-landfill waste treatment facility. Any non-essential depot uses, such as the parking of cars, Social Care minibuses and other vehicles, will have to be moved off site. Similarly, the current layout and use of the depot will need to be reviewed.
- In partnership with WLWA, and possibly other Borough(s), make the investment and build the waste treatment plant in 2012, subject to a robust business case having first been established. The cost will be more than offset by the avoided rises in waste disposal costs.
- Prepare the Outline and the Full Business Cases for the pre-landfill waste treatment facility as soon as possible (e.g. by October 2008).

Street Cleaning

- Strengthen performance management and working methods, as set out in this report, so that optimal outcomes can be achieved.
- Set targets to improve cleanliness progressively to 12% (BV199a) by 2012.
- Reaffirm that street cleaning is a high priority for the Council, matched by a realistic level of financing to deliver an agreed level of cleanliness quality.

Grounds Maintenance

- Make some reinvestment into street cleaning. Do this in a carefully targeted way in order to increase capacity and mechanisation and achieve significant improvement in standards.
- Target graffiti removal actions on high profile locations and private flank walls.
- Make some reinvestment to improve quality, and thereby public satisfaction. There are many possible improvements that could be considered; therefore any reinvestment will need to be carefully targeted and should be strategy-led.
- Achieve 3 'Green Flag' awards by 2010.
- Use the Green Flag assessment criteria to guide the way all open spaces are maintained so that the whole public realm is kept to a high standard.

- Ensure that the parks and other public open spaces are redesigned to match the changing needs of local communities, so that strategic need informs grounds maintenance.

Enviro-crime Enforcement

- Invest £210,000 per year in envirocrime enforcement and public education in order to significantly improve local environmental quality.

Central Support Charges

- Review the insurance policy and ensure that the apportionment of insurance costs to Public Realm Services is fair and is not overcharged; and if value for money is not strong then consider procuring a new insurance arrangement.
- Review how depreciation is calculated and apportioned, and negotiate with Corporate Finance for changes if the Public Realm Services are being overcharged.

Delivery of Service

- The services should be retained in-house and given a period during which to achieve a significant amount of self-improvement and tangibly improved service outcomes that the public will notice and value.
- Expertise should be drawn in from high-performing councils and from external service providers to assist in the detailed design and implementation of specific recommendations. If this fails to deliver transformation and upper quartile performance within a reasonable time (e.g. eighteen months to two years) then outsourcing should be considered.

Sports & Leisure Service & Library Service Review

Scope

The stated objective of the service reviews is to review the number, location, size and type of public libraries, sports and leisure facilities in Harrow for a modern service that responds to the needs of Harrow residents providing excellence, value for money, innovation and creativity in development.

The review methodology

- Desktop research and analysis of service data to inform and evidence identifying key issues and challenges for the services.
- Drawing on PwC knowledge networks to identify relevant good practice from elsewhere.
- PwC as a 'critical friend' to challenge and identify key issues and options for change.
- At a high level, to identify the potential impact of action points and options in terms of indicative financial savings and qualitative outcomes.
- There was also input to the process by Geoff Allen an independent consultant who led the initial workshop, and has inputted verbally to the process during the subsequent workshops and through providing feedback on written materials produced by PwC.

Sports and Leisure Service: Current Status - Implementing Recommendations

Key Findings

There has been significant distance travelled by this team since CPA inspection and a strong willingness to create better structure around planning for the service.

Options for more fundamental change to the way the service is provided to be implemented in the longer term, and which may require validation and development through more detailed investigation or Business Case development.

The action points cover the following areas: which were action points and outcomes derived from the service workshops with staff:

- Alignment of service planning with corporate objectives, including developing targets and performance information as measures of effectiveness.
- Improving the corporate visibility of the service to enable joint planning and cross council working.
- Extracting data from a significant audit of all leisure provision in Harrow by consultants Strategic Leisure to create a localised and searchable 'Active Places' database upon which service activity, targeted capacity building and signposting to leisure opportunities can be based.
- Develop a consumer leisure card at council level, Passport to Culture, which can be used as a data collection mechanism, a marketing and incentivising promotion tool, and as a tool for creating and measuring participation and developing a framework of evidence base and scorecard contributions that more accurately depict the offer and takeup of sports and leisure across public and private partners and facilities.

- Marketing, communications and complaints handling approach to improve stakeholder and user engagement, and raise awareness of opportunities to participate in recreational activity.
- Review pricing issues as a barrier to access, including considering options for a Passport to Culture.
- Reinstating governance processes for the leisure management contract to improve the effectiveness of performance management.
- Progress discussions with the leisure management contractor with a view to re-negotiation of key elements of the specification, performance arrangements and commercial basis of the income share.
- Develop a Community Sports & Physical Activity Network (CSPAN) as part of a focussed approach to engagement with stakeholders and providers.
- Consideration of alternative funding options for the schools based Community Sports Development Officers, funded by the BIG lottery to October and December 2007.
- Develop a planned approach to engaging with the voluntary sector, including clarifying the input of Sports to the Harrow LSP, as well as the remit of the Community Sports Activity Network, (CSPAN).

Options identified for more fundamental service change in the longer term covered

- Current service delivery arrangements.
- Scope of facilities and services to be included in the planned facility re-provision.
- Commissioning / Procurement options.
- Management options.

Library Services Review: Current Status - Implementing Recommendations

Key Findings

The analysis of service data identified that the service faces a series of challenges which are largely driven by how it might plan for the future of the service in the context of:

- Proposals to redevelop Gayton Road library as a new central library
- A national trend towards decline in demand for library lending, but an increase in visits
- 52% of qualified staff on H5, and 72% of qualified staff above H5 are aged 51 or over.
- The opportunity to offset expenditure against income.

Current practice and processes

- There is a lack of vision and clear plans for interim arrangements or for the configuration of the service in the future, which we understand to be largely attributable to the

uncertainty around the central library development, and the future of the Hatch End leisure site.

- The service planning process has not been fully embedded however, so that it is relevant at the local branch level and staff are fully engaged and understand their role
- At present that are no clear plans for the refurbishment or redevelopment of the retained library facilities to ensure that they remain fit for purpose for a modern library service. This would include considering future plans for the service in the context of any opportunities for either co-located bases for service delivery or 'shared space' to provide opportunities for 'one stop shop' provision improving customer access and experience. The service produced a schedule of library locations late in the service review process which highlighted the potential for development at the Hatch End, Rayners Lane and Roxeth sites. We understand that this is being picked up as a separate strand of work and being fed into the report back to the Steering Group.
- Whilst the library service does routinely monitor a range of user data through the PLUS and other surveys and holds significant data on the type of user visiting the library, it has low awareness of nonuser preferences or competing uses to plan for new service delivery.
- Stock selection: There is scope for enhancing current stock selection practice which is based to a significant extent on individual branch selections and by user requests.
- Process improvement through deployment of the new LMS: The service is procuring a new Library Management System which will allow for greater electronic access, improved management information and reduction in manual processing and cataloguing. Similarly RFID creates opportunities to change the way library users interact with staff, self service etc.
- Work force planning: Staff in the workshops identified a need for a structured approach to workforce planning so that the service is able to adapt to envisaged and planned service developments in the future such as the introduction of new processes enabled by the new LMS, RFID and introduction of innovative service offerings.
- Culture: Discussion in the workshops described the culture as 'traditional' and reflecting an attitude of 'things are always done this way'. We understand that this has tended to result in branches working in isolation with duplicated effort within certain functions e.g. the current stock ordering process.

PwC identified two areas of focus, likely to yield both improved customer service and efficiency savings.

(1) Workforce planning and review of the staffing structure.

The refocusing of roles and the effect of changes to maximise the impact of new technology should provide running cost savings of 5-15% per annum, (but we would emphasise that this is purely indicative and based on the proportion of savings we have seen achieved in similar reviews), which would reflect a saving of between £150,000 and £450,000 based on the current staffing budget. The level of savings that can be achieved will be dependent on local circumstances and it will not be possible to attach a final figure to the level of target savings until detailed activity (including existing low pay levels) assessment described above has been completed.

The proposed structural and process changes could also bring significant non-cashable savings from greater efficiency as staff focus on customer service rather than the processing of books at counters.

(2) Stock selection

Current procurement practice is partly based around individual branches' selections and is specifically driven by user requests and the service has identified that there is an opportunity to address this through the introduction of the new Library Management System, (LMS), RFID, deploying the Better Stock, Better Libraries costing tool from the MLA, and investigating cataloguing efficiencies by using EDI with the planned replacement Library Management System. The implementation of process efficiencies based on a better understanding of the baseline cost some authorities deemed to be good practice have realised savings of 30-40% on the procurement cost. The launch of the MLA costing tool has been delayed but it would still be possible to determine process and efficiency savings by conducting an appropriate review.

However, based on a high level assessment of cost reduction achieved elsewhere within best practice approaches for stock reduction, savings of over £100,000 may be achievable. This is just an indicative assessment and it will not be possible to determine a target saving until a detailed study has been completed. Harrow already uses a consortium for filing stock purchases.

PwC highlighted key elements which need to be progressed in any improvement plan for the service as follows:

- Short term actions which may be implemented within existing resources, largely relating to how the service plan is embedded with a performance management approach across the service and addressing some cultural issues which may be constraining innovation.
- Medium term actions so that current service delivery arrangements can benefit from the national drive towards a 'modernising library' approach', such as refinements to the stock selection process, workforce planning and staff re-structure. Based on our experience of similar reviews both would be likely to deliver savings whilst at the same time building capacity and improving services - (workforce planning between 5-15% which based on the existing staffing budget would realise between £150,000 to £450,000 and in the region of in excess of £100,000 for the refinement of stock selection)

Children's Services Review of Learning Difficulties and/or Disability (LDD) Services

This review was undertaken in response to a number of issues relating to LDD that emerged in the Joint Area Review of Children's Services. There were also concerns about year on year increases in costs and a growing demand for services particularly for those with complex needs.

The review was sponsored by the Department for Children, Schools and Families (DCSF), Centre for Procurement and Performance as part of the department's national strategy to encourage best practice in the commissioning of children's and young people's services.

The focus of the review was on the joint planning and commissioning of services for children and young people with LDD.

Mr Pat Clewer a consultant from the DCSF was commissioned to interview staff, stakeholders, partners, maintained and private providers to consider how we could:

- improve the services we provide to children, young people and their families;
- extend the use of direct payments; and
- achieve better value for money for the services we purchase from other providers by improved commissioning.

An additional element of the project was to consider the scope for savings within special needs transport.

The first phase of this work was completed in October 2007 with the production of a report, outlining the key issues and findings and making a series of recommendations.

Mr Clewer is now working with the Children with Disabilities Service to support further developments and improvements in the provision of family support for children and young people with LDD, drawing up an action plan that is structured around the three priority areas set out in the DCSF/HM Treasury White Paper, Aiming high for disabled children: better support for families.

The priority areas are:

Empowerment

- Good quality information and advice about family support services is easily available to all disabled children/young people & their parents/carers;
- Advice and support to maximise income and access to equipment is available to all disabled children/young people & their parents/carers;
- Parents, carers and young people have opportunities to commission services through direct payments or individual budgets;
- Disabled children/young people and their parents/carers are supported to shape services;

- Staff in all settings promote independence and empowerment of disabled children & young people.

Responsive services and timely support

- Needs and trend data is available and used to inform the design and prioritisation of services;
- Service performance and impact is routinely monitored and used to improve service outcomes and quality;
- Views and experiences of disabled children/young people and their parents are used to help monitor service improvement.

Improving quality and capacity

- A range of timely and flexible short break options are available;
- Appropriate childcare options are available for all disabled young children;
- Young carers/siblings of disabled children are supported to achieve their full potential;
- Assessments and services are focussed on meeting the needs of the child and are integrated to maximise their impact and improve outcomes;
- Workforce development plans are in place to increase both universal and specialist staff skills.

A fourth priority area, value for money has been added to underpin the change process.

Value for money

- Where appropriate, local authority and health budgets are aligned or pooled so as to make most efficient use of resources and funding;
- Complex needs panel governance, decision-making and financial allocation arrangements are robust and transparent;
- Invest to save plan is in place to identify efficiencies/savings and reallocate resources towards community/preventative services;
- A mechanism is in place to monitor, analyse and report on independent placement costs and trends;
- Robust arrangements are in place to support efficient commissioning/ procurement of services.

Mr Clewer's report indicated that we would need to recruit expertise in transport in order to realise savings in the area of special needs transport. An initial referral to Bucks County Council offered an opportunity for us to see the potential for change but they were unable to offer a longer-term consultancy and so we are seeking support from elsewhere for the next phase.

Proposed Efficiency Reviews 2008 – 2011

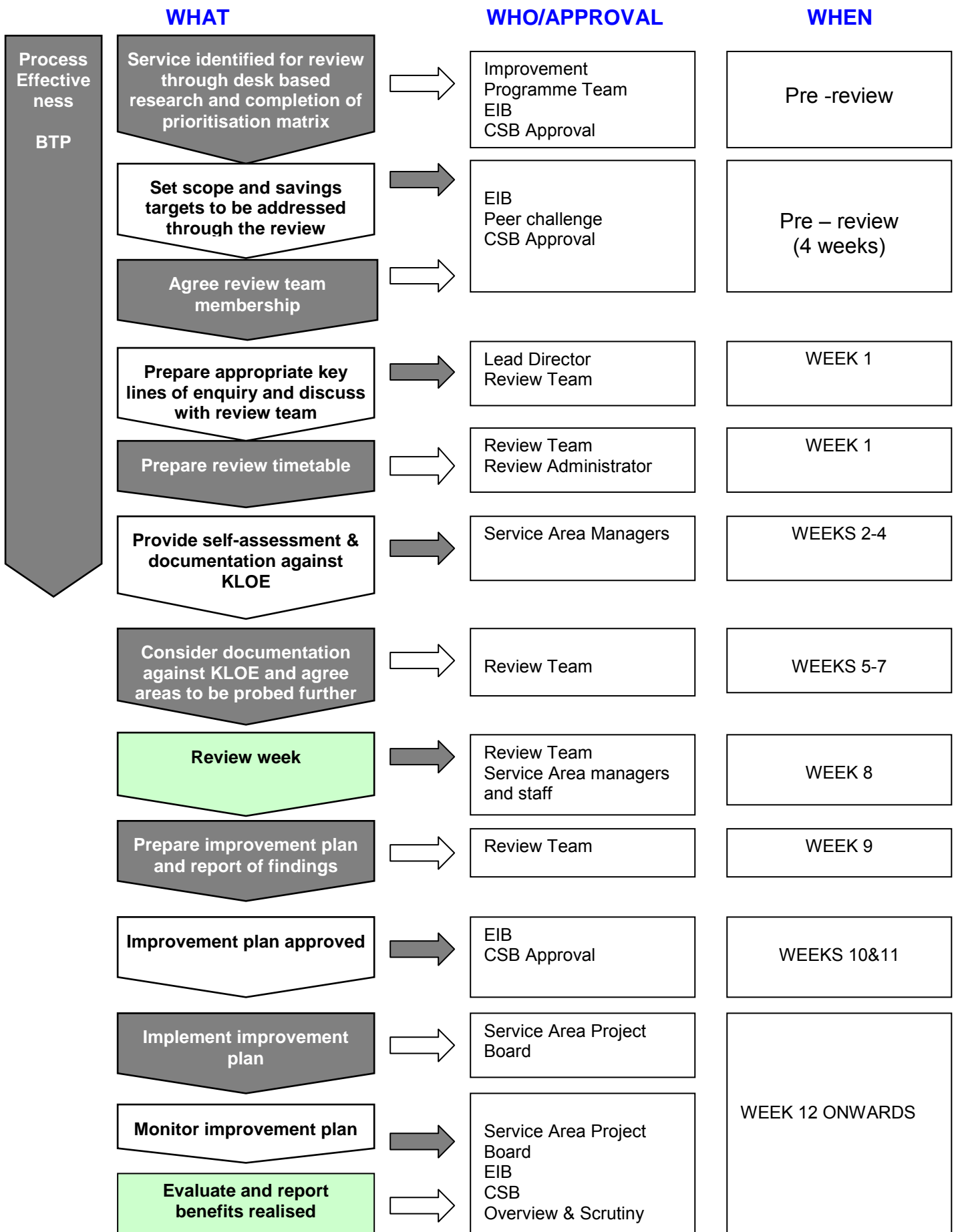
Phase	Theme – Customer View	Scope of reviews	Services
2008/09	Regeneration	Strategic Planning	<ul style="list-style-type: none"> Planning Urban Strategy and Development Property and Infrastructure
2008/09	Regeneration	Capital Programme	<ul style="list-style-type: none"> Planning Urban Strategy and Development Property and Infrastructure
2008/09	Transport & Highways	Highways Planning & Maintenance	<ul style="list-style-type: none"> Property and Infrastructure Urban Strategy and Development
2008/09	Transport & Highways	Parking & Traffic Management	<ul style="list-style-type: none"> Property and Infrastructure Urban Strategy and Development BTP – Parking Collections
2008/09	Supporting People in the Community	Housing - Workflow	<ul style="list-style-type: none"> Housing
2008/09	Supporting People in the Community	Procurement Efficiencies	<ul style="list-style-type: none"> Adults Services
2008/09	Supporting People in the Community	Revenue Income Optimisation	<ul style="list-style-type: none"> Help line Meals on Wheels
2008/09	Supporting People in the Community	Special Needs Transport	<ul style="list-style-type: none"> SEN Transport Schools
2008/09	Payments & Collections	Collections	<ul style="list-style-type: none"> BTP – Collections Other council collection i.e. allotments
2008/09	Internal Services	Procurement	<ul style="list-style-type: none"> Procurement
2008/09	Internal Services	HITS	<ul style="list-style-type: none"> HITS
2009/10	Regeneration	Town centres regeneration	<ul style="list-style-type: none"> Planning Urban Strategy and Development Property and Infrastructure
2009/10	Cleanliness of borough	Perceptions of safety	<ul style="list-style-type: none"> Public Realm Services Community Safety Services Access Harrow Communications Team
2009/10	Community Safety	Crime and Disorder Reduction	<ul style="list-style-type: none"> Community Safety Public Realm Services Access Harrow Communications Team Young People's Services
2009/10	Community Safety	Fear of Crime	<ul style="list-style-type: none"> Community Safety Public Realm Services Access Harrow Communications Team Young People's Services
2009/10	Culture & Leisure	Informal Leisure Activities	<ul style="list-style-type: none"> Sports and Cultural Services Public Realm Services Library Services Community Development Young Peoples Services Integrated Early Years Services
2009/10	Local Business	Compliance	<ul style="list-style-type: none"> Community Safety Services
2009/10	Local Business	Business Support and Incubation	<ul style="list-style-type: none"> Urban Strategy and Development
2009/10	Transparency of decision making and post consultation	Public Fora	<ul style="list-style-type: none"> Communications Team BTP-Web GIS Team Policy & Partnerships
2009/10	Supporting People in the Community	Housing - Access Harrow	<ul style="list-style-type: none"> Help line Meals on Wheels Community Alarms Housing
2009/10	Supporting People in the Community	Adoption & Fostering	<ul style="list-style-type: none"> Fostering & Adoption Team
2009/10	New people in the borough	Support Services	<ul style="list-style-type: none"> Asylum Seekers Service Benefits

Phase	Theme – Customer View	Scope of reviews	Services
			<ul style="list-style-type: none"> • Housing Advice Service • Children's Information Service • Nationality Checking Service and Applications • Registrars
2009/10	Internal Services	Payroll & Pensions & HRD	<ul style="list-style-type: none"> • Payroll & Pensions & HRD
2010/11	Cleanliness of borough	Street cleanliness	<ul style="list-style-type: none"> • Public Realm Services • Community Safety Services • Access Harrow • Communications Team
2010/11	Culture & Leisure	Provision & Access	<ul style="list-style-type: none"> • Sports and Cultural Services • Public Realm Services • Library Services • Community Development • Young People's Services • Early Years Services
2010/11	Learning	Formal & Informal Learning	<ul style="list-style-type: none"> • Community Development • Sports and Cultural Services • Communications Team
2010/11	Learning	Provision & Access	<ul style="list-style-type: none"> • Community Development • Sports and Cultural Services • Communications Team
2010/11	Sustainable Environment	Climate Change	<ul style="list-style-type: none"> • Property and Infrastructure • Urban Strategy and Development • Planning • Public Realm Services • Community Safety
2010/11	Sustainable Environment	Conservation	<ul style="list-style-type: none"> • Property and Infrastructure • Urban Strategy and Development • Planning • Public Realm Services • Community Safety
2010/11	Sustainable Environment	Sustainable Development	<ul style="list-style-type: none"> • Property and Infrastructure • Urban Strategy and Development • Planning • Public Realm Services • Community Safety
2010/11	Transparency of decision making and post consultation	Legal & Committee Services	<ul style="list-style-type: none"> • Legal & Committee Services
2010/11	Supporting People in the Community	Drugs & Alcohol	<ul style="list-style-type: none"> • Drug Action Team • Young People's Services • Children in Need Teams
2010/11	Payments & Collections	Payments & Grants	<ul style="list-style-type: none"> • BTP – One Stop Shop • School Finance • Revs & Bens
2010/11	Internal Services	Finance	<ul style="list-style-type: none"> • Finance
2010/11	Internal Services	Audit & Risk	<ul style="list-style-type: none"> • Audit & Risk
2010/11	Internal Services	Printing Services	<ul style="list-style-type: none"> • Printing Services
2010/11	Internal Services	Strategy & Improvement	<ul style="list-style-type: none"> • Strategy & Improvement

Efficiency review prioritisation matrix

Category	Test	Findings	Scoring Range	Weight	Score
<i>Value for money performance</i> Use Audit Commission VFM toolkit and IPF benchmarking data	Cost of service per capita		4 = bottom quartile 3 = lower mid quartile 2 = upper mid quartile 1 = top quartile	X 2	
	Is the service high cost when compared to peers?				
	Is the level of performance delivered by the service commensurate with the cost of the service?		3 = Below average 2 = Average 1 = Above average		
	% Change in cost year on year		4 = high increase 3 = moderate increase 2 = low increase 1 = in line with inflation		
	What does the service generate in income?		4 = bottom quartile 3 = lower mid quartile 2 = upper mid quartile 1 = top quartile		
<i>Customer Satisfaction</i> Use national satisfaction PI's to local surveys	Are there major customer satisfaction challenges in the service, as measured by BVPI general satisfaction? Mori, Complaints, Access Harrow data		4 = poor 3 = moderate 2 = good 1 = excellent	X 2	
<i>Budget – potential for savings</i>	Is there potential for significant savings to be made in the service, either: a) As a proportion of the services budget? b) As a proportion of the overall revenue budget due to the size of the services budget?		4 = significant savings 3 = moderate savings 2 = limited savings 1 = no savings	Considerations: 1. Revenue or Capital 2. History of savings 3. Member involved priorities 4. Grant funded 5. Total Spend 6. Income Generation	
<i>Inspection and Scrutiny</i>	Has the service recently been subject to inspection or a Scrutiny review, to the extent that further review work would not add value?		4 = reviewed >4 yrs 3 = reviewed in past 3-4yrs 2 = reviewed in past 2-3 yrs 1 = reviewed <2 yrs	X 2	
<i>Policy Change</i>	Are there key policy changes on the horizon or other options members are considering for the service e.g. new forms of provision that could be investigated through a review?		4 = high risk 3 = medium risk 2 = low risk 1 = negligible risk		
<i>Priorities</i> Use CIP, service improvement plans	Is the service delivering flagship actions? Will a review compromise the delivery of these?		4 = high risk 3 = medium risk 2 = low risk 1 = negligible risk	X 2	
			GRAND TOTAL		

Efficiency Review Process



Key Lines of Enquiry

Select as appropriate bearing in mind the results of ongoing/recent reviews or inspections. For example, there may have been gaps which still need to be addressed through these KLOE

1.0 Is the service delivering value for money?

- 1.1 How do the service's costs compare with others?
- 1.2 What external local factors affect our and our partners' costs and how do adjusted costs compare?
- 1.3 Are costs commensurate with service delivery, performance and the outcomes achieved?
- 1.4 Do costs and resource allocation reflect policy and local strategic partnership decisions?
- 1.5 Is accurate information on costs and services collected and are these used to decide priorities, strategically manage resources, including partnerships, and challenge whether it is achieving value for money?
- 1.6 Are modern procurement methods and partnerships applied that result in demonstrable value for money and delivering outcomes that meet the needs of users and/or the community?
- 1.7 Do value for money considerations focus on the costs and benefits to the customer?
- 1.8 Are management arrangements focused on value for money, and are they underpinned by robust mechanisms to drive and monitor progress, and review impact with our partners?
- 1.9 Does the capacity and track record demonstrate improving value for money over time?
- 1.10 Does it have clear and robust proposals for meeting efficiency targets, working innovatively with partners, and improving value for money?
- 1.11 Are effective performance management arrangements in place in the service, and in the governance arrangements for partnerships to drive and deliver improved value for money?
- 1.12 Is there a robust, modern procurement strategy to apply best practice to achieve improved value for money in priority areas, including working with partners?
- 1.13 Is there a clear pricing strategy for the service?
- 1.14 Are the recovery costs chargeable?
- 1.15 Is there a clear concessions framework?

2.0 Is the service meeting the needs of the community and/or users?

- 1.1 Are the needs of citizens and users at the heart of the design and delivery of access to services now and in the future?
- 1.2 Are services accessible, responsive and based on a robust understanding of local need?
- 1.3 Are services' access standards clear and comprehensive and have users and the local strategic partnership been involved in setting them where appropriate?
- 1.4 Are there appropriate arrangements for consulting, engaging and communicating with users, non- users and the local strategic partnership?
- 1.5 Does the delivery of access to services embrace equality, diversity and human rights and ensure that all users, or potential users, have fair and equal access?
- 1.6 Is access to services effective in meeting local, regional and national objectives?
- 1.7 What is user experience of, and satisfaction with, the quality of access to services?

3.0 How well does the service prioritise?

- 1.1 Does the service have aims and priorities for the future that are clear, challenging and robust?
- 1.2 Is the service aiming to improve the 'right' things – the things that matter most to users, communities and the local strategic partnership – and to address service weaknesses?
- 1.3 Are aims and future plans co-ordinated, robust and deliverable?
- 1.4 How effective is the leadership of the service and does it have a clear vision for the service?
- 1.5 Does the leadership maintain focus on the delivery of strategic priorities?
- 1.6 Does the leadership foster partnership working to make better use of available resources?

4.0 How well does the service manage performance?

- 4.1 Are effective performance management arrangements in place to drive and monitor progress, and review impact?
- 4.2 Does the service learn from high performing and other providers, user feedback and its own and its partners' experiences?
- 4.3 Can the service evidence a record of effectively implementing change that has led to improvements in service delivery?
- 4.4 Are areas of performance kept under review with demonstrable performance improvement?
- 4.5 Is performance management integrated with the management of resources so that service and partner resources follow priorities whilst retaining flexibility to respond to performance issues?

5.0 Does the service have the capacity to improve?

- 5.1 Does the service have access to the appropriate skills, tools finances, and partnership resources to deliver improvement?
- 5.2 Is there evidence of effective financial and human resource and partner resource planning?
- 5.3 Is the service/ organisation investing, and attracting inward investment, with our partners, appropriately to deliver improvement?

6.0 Does the service have a robust approach to managing its risks?

- 6.1 Can the service demonstrate that it has embedded risk management in its business processes?
- 6.2 Can the service demonstrate that partnerships embed risk management as part of setting priorities, policymaking, financial planning and performance management?

7.0 Does the service make effective use of natural resources?

- 1.1 Does the service consider the environmental impact of its suppliers of goods and services within its commissioning and procurement decisions, and does it work with them and our partners to make improvements?
- 1.2 Does the service challenge whether all its assets are required, are fit for purpose and provide value for money to meet current and future needs?
- 1.3 Are plans for the service's workforce well developed and integrated with service planning, resulting in few recruitment and capacity problems and minimal use of agency staff?
- 1.4 Is there a strong improvement culture evidenced by managers and staff through identifying and implementing efficiencies, innovations and opportunities for partnership delivery?
- 1.5 Does IT form an integral part of strategic planning? Does the service use IT to drive and enable business process re-design to improve both its own efficiency and increase the flexibility of service delivery models, including working with partners?