

VALUE FOR MONEY PROGRAMME

Value for Money (VFM) is a commonly used term across private and public sectors. Good value for money requires that the cost of providing services is appropriately balanced with the outputs and outcomes (results) required. The council's Value for Money Programme is primarily concerned with achieving the same or, preferably, increased outputs and/or better outcomes while driving down costs by delivering services more efficiently. The programme aims to achieve substantial efficiency savings through significantly changing systems, processes and ways of working (e.g. mobile or home working), and further improving the use of resources, particularly the property estate.

The VFM Programme is split into phases. Phase 1 was completed in 2010 while Phase 2 started in 2009/10 and is ongoing over the next 3 years. Brief details of progress under Phase 2 are given below along with information about Phase 3 which will start in 2011/12.

Phase 2 – Progress to Date

Six priority areas were identified for Phase 2 with (originally) anticipated savings (gains) of circa £35 million anticipated over a 4 year period. Updates on the projects have been provided throughout the year. A brief summary and highlights from each project are set out below.

As at TBM Month 9, Phase 2 of the Value for Money Programme is expected to achieve savings of £3.575 million in 2010/11. This is a significant overachievement of £0.766 million compared with the target of £2.809 million. This has not only helped the council to manage well within budget during 2010/11 but the ongoing impact of these higher savings will also contribute significantly to meeting the financial challenges inherent in the 2011/12 budget. Phase 2 of the VFM programme will contribute savings of £5.552 million to the 2011/12 budget, which is an additional £2.802 million compared to the original 4-year savings profile set out in the VFM Update report to Cabinet in July 2010.

Adult Social Care:

This project is focused on introducing new models of delivery and 'Personalisation' to provide greater choice (i.e. Self Directed Support and Personal Budgets) and more effective 're-ablement' of people needing care. Progress is ahead of schedule as highlighted below:

1. Performance Indicator NI130 (number people receiving Self Directed Support) has been met ahead of schedule. 32% of people are now receiving Self Directed Support compared to the target of 30% by April 2011. A new 'stretch' target of 40% by April 2011 is now being aimed for.
2. Re-ablement services have been increased considerably and recent analysis shows that 90% of those referred experienced lower or no ongoing requirement for care and support.

CYPT:

The project aims to improve prevention, planning and delivery of care across all levels of need. The project is on schedule and is over-achieving compared with anticipated financial gains. Highlights include:

1. Successful launch of 'Supporting Families' approach which engaged 160 participants from across 60 agencies. The approach introduces the 'continuum of needs' model to more consistently identify needs and corresponding services for children and families requiring support.
2. The processes to improve Common Assessment Framework (CAF) activities have been put in place to reduce the number of referrals progressing through the social care pathway. The CAF is a standardised approach to assessing children and young people's additional needs. The Team Around Family (TAF) process addresses these needs through robust action planning.
3. A new decision-making process (Children's Integrated Services Planning, CISP Group) has been developed to identify the most appropriate care packages for children and young people with complex needs.
4. A business case for 'spend to save' investment at the Clermont Unit will result in reduced costs of expert assessments in care court proceedings.
5. A new recruitment strategy for in-house foster placements has been developed.
6. Projected savings for 2010/11 are at 217% (£2,134,600) against the originally anticipated financial benefits of £984,000 of the project.

ICT

This project is concerned with improving ICT investment decisions and reducing infrastructure costs across the council. Highlights include:

1. A new Change Advisory Board (CAB) now oversees all ICT investment proposals and ensures appropriate fit with corporate priorities and existing infrastructure and ensures payback of any financial investment.
2. Technical solutions to support the 'Workstyles' approach (see below) and associated mobile and flexible working have now been tested and successfully implemented. This is critical to leveraging savings in the property estate in future.
3. A range of ICT initiatives have been identified by the South East 7 (SE7) group of authorities who will combine resources, knowledge and skills to identify improved ICT solutions, reduce procurement costs, and maximise ICT investment. BHCC is the lead authority for the ICT workstream.

Procurement

The project will ensure that the council is able to make the best use of its considerable buying power.

1. Category Management, i.e. reviewing all contracts across the council for specific types of expenditure, has been introduced for ICT and Vehicle Fleet procurement as pilot areas. Immediate in year savings

are expected to be in the region of £120,000 with potential ongoing savings estimated at £1.2m in ICT alone. 3 further Category Management areas have been identified for 2011/12 with potential savings of over £300,000.

2. Contract Management improvements are being made through procurement of an IT system to record, manage and monitor contracts more effectively.
3. A 'Purchasing Card' scheme is also currently being piloted. Once this has been assessed, a corporate scheme will be designed and a mini-competition conducted to select a card provider. Purchasing Cards will save money through increased discounts and by removing/reducing the need for petty cash and some other bank accounts.

Sustainable Transport, Fleet and Outdoor Events

This collection of smaller projects will enable us to reduce costs by organising and procuring services and fleet more efficiently. Highlights include:

1. In Public Transport, cumulative Bus Subsidy savings and objectives have been achieved by realigning services according to need and/or passing services over to commercial operation. For example, Service 27 – Park & Ride and some Winter Sunday Evening services have now successfully moved over to commercially supported operations. In addition, a number of school bus services have been changed to reflect changes in catchment areas and generate cost efficiencies.
2. Fleet Replacement programmes for CYPT, Adult Social Care and City Parks have been completed which will save at least £150,000 on procurement costs through standardised specification and reduced maintenance, insurance, fuel and tyre costs.
3. In August 2010 the city council's outdoor events team was awarded BS8901. The BS8901 Standard is applicable to all organisations involved in the design, delivery and implementation of outdoor events. Within the Standard BS8901, sustainable development is defined as 'an enduring balanced approach to economic activity, environmental responsibility and social progress'. In any one calendar year there are over 300 events that take place ranging from a family picnic to major events like Pride and the Brighton Marathon. The implementation of this management system will provide data and information needed to contribute to the reduction of the council's Environmental Footprint.

Workstyles

The Workstyles project is about making more efficient use of the council's property estate by improving office working environments and using new IT to enable more flexible and mobile working.

1. Plans for the new Customer Service Centre in Bartholomew Square and changes to office accommodation in Bartholomew House (known as 'Smartspace') continue to progress well and will enable the move of staff out of Priory House through better flexible working arrangements and improved IT capability. Contractor negotiations have been completed and work started in January 2011. This will release substantial efficiency savings of £300,000 per annum through reduced lease rentals for Priory House.

2. A full property portfolio study has been completed to identify opportunities for property rationalisation within the council's property strategy from 2011 (e.g. break clauses on leases, buildings with low occupancy or usage, etc).
3. A 'virtual desktop solution' has been developed to enable staff to operate from any desk or location to support mobile and flexible working and make more efficient use of office space. Similarly, a telephony solution has been provided to enable staff to work flexibly from any location. Alongside this, an EDRM solution (electronic document management) has been decided upon and implementation has started. This will allow expensive office space to be utilised by people and services rather than paper files, as well as paving the way for more efficient processing of information.

Summary of Phase 2 VFM Gains (Benefits Realisation)

The financial gains for individual VFM Phase 2 projects are set out in the table below.

VFM Project	TBM 9 Forecast 2010/11	2011/12	2012/13	2013/14	Total Ongoing Gains	Cumulative Cashable Gains
	£m	£m	£m	£m	£m	£m
Adults Personalisation	1.342	1.801	1.172	0.579	4.894	14.432
CYPT *	2.135	2.019	0.046	0.907	2.972	9.191
ICT	0	0.218	0.307	0.525	1.050	1.793
Procurement	0	1.039	2.091	1.250	4.380	8.549
Sustainable transport:						
Bus Subsidies	0.098	0.050	0.024	0.012	0.184	0.602
Fleet Management	0	0.150	0	0	0.150	0.450
Sustainable Transport	0	0.115	0	0	0.115	0.345
Outdoor Events (Fees)	0	0.060	0	0	0.060	0.180
Workstyles **	0	0.100	0.200	3.100	3.400	3.800
Total VFM Phase 2	3.575	5.552	3.840	6.373	17.205	39.342

* CYPT gains in 2010/11 are non-cashable going forward (i.e. gains have been achieved but are offset by in-year service pressures in 2010/11).

** Future Workstyles (property) savings may be across capital and/or revenue budgets.

Services have re-prioritised existing staffing and resources to ensure effective support for the delivery and implementation of these projects. The projects also include other 'invest-to-save' resources and costs where these are essential to lever in the substantial value for money gains.

Phase 3 VFM Programme

Phase 3 will be a new programme of efficiency activity designed to challenge all service areas to be as 'lean' and efficient as possible in terms of overhead costs including: management, admin and business support, energy costs, systems and processes, and controls on expenditure. Phase 3 will also aim for increased responsiveness by looking at the ways that customers access services and developing both quicker and more cost-effective access routes. The programme will include workstreams that will:

1. challenge operational decision-making structures and management hierarchies to ensure they are consistently lean, efficient and reflect the Government's drive to reduce bureaucracy and increase transparency;
2. ensure back office services, and admin and business support activities are consistently undertaken by the right people in the best place across the organisation, making full use of available technology, pooling and/or centralisation to be as cost-effective and responsive as possible;
3. develop the 'Systems Thinking' approach to remove non-value added activities (from a customer perspective) and remove constraints from our processes and procedures to promote innovation and improvement;
4. ensure other business support costs and overheads are at a minimum including administrative support, business travel costs, energy costs, etc. with a view to both saving money and reducing carbon footprint through appropriate invest-to-save initiatives;
5. identify and take advantage of collaboration opportunities with other partners and agencies within the region to reduce costs wherever this makes good business sense and aligns with organisational priorities;
6. continue to develop our customer access strategy to ensure we are responsive and people can access our services through the most cost-effective 'channels'.

The Phase 3 programme aims to achieve financial gains of £5 million, excluding Collaboration Opportunities and Customer Access where potential savings opportunities are still being developed. The projected financial gains for VFM Phase 3 projects are as follows:

VFM Phase 3 Project	Full Year Saving
	£m
Systems Thinking (related efficiencies)	0.500
Leaner Management	2.500
Admin & Business Support	1.250
Consolidated Spend	0.250
Carbon Reduction	0.500
Collaboration Opportunities	*
Customer Access	*
Total VFM Phase 3	5.000

*Savings opportunities will be identified during 2011/12

The lead-in times to deliver efficiency gains from the phase 3 programme will vary according to complexity, further detailed business analysis, and the outcome of any consultation processes. This means that savings may not be achievable in full in 2011/12 and for this reason funding of up to £2.3 million has been drawn down from reserves to manage the risk of part-year savings.

The potential impact of management savings from the Leaner Management project will be closely monitored. The impact of reduced management capacity in any service is dependent on a range of factors including current capacity and management layers, spans of control, management burdens (i.e. balance of direct (service) versus indirect (management) activity) and current vacancies, etc. Organisational design principles will be used to cross-check the impact of reduced management capacity and every effort will be made to minimise the impact on front line services by reducing the management burden on services as well as reducing the impact of sickness absence.

Similarly, the potential impact of proposed changes to Admin & Business Support on front line services will be carefully considered. Every effort will also be made to minimise current agency admin costs and reduce sickness absence cover to reduce the potential impact on staff. Options for improving the efficiency of administrative processes will also be explored including for example:

- Exploring more effective use (by all staff) of available technologies and administrative tools (e.g. electronic scheduling) to reduce administrative burden;
- Alongside the Workstyles VFM Project, reviewing current ways of working and HR Policies to reduce non-productive time including: video conferencing, operation of supervision or appraisal, increased laptop or notebook usage versus traditional workstations, etc;
- Exploring possibilities for sharing or pooling admin or business support functions across the organisation;
- Centralising admin or business support activities within central Resource Units where this offers efficiency opportunities.

As set out in the main body of the report, the success of VFM 2 projects to date has stemmed from effective project management and one-off resourcing. Significant investment will therefore be required to support all ongoing VFM projects and one-off resources will be provided over 2 years to provide effective project management and ensure VFM gains can be achieved.

Similarly, an earmarked reserve is also proposed to ensure that major changes to Customer Access and Accommodation can be delivered to support improved services and further efficiency savings.

These one-off investments are separate from any potential 'invest-to-save' opportunities identified as the projects progress. Invest-to-save opportunities are considered on the basis of submitted business cases which must demonstrate sustainable service and financial benefits with an appropriate payback period for the initial investment.

Equality Impact Assessment Corporate Budget Overview

Different Groups to be included in Screening	Is there a possible impact on a group/groups	Describe Potential Impact	Action/s (including details of a full EIA to be completed if required/relevant)
Age	Yes	<p>Due to the ending of government funding a number of services from within the Children and Young People's Trust will be transferring responsibility directly to schools.</p> <p>Some teams that support vulnerable young people are being reorganised e.g. Connexions and Educational Welfare and there may be a cumulative impact of this. However, Surestart children's centres and youth services have been protected from any budget reductions.</p>	The Youth Review will inform the re-commissioning of youth services to ensure that any remaining areas of concern are addressed. Any potential impact on specific equality strands will be monitored and addressed.
Disability	Yes	The shift to personalised care should have a positive effect on the control that people have over their lives. There may be short term issues associated with the changes required to our care services.	The Personalisation Programme was Equality Impact assessed in 2010 and will be reviewed in 2011. Full EIAs in service areas will be carried out where required.
Ethnicity	Yes	Plans to restructure the Ethnic Minority Achievement Service have been reviewed and this service will now continue funded by	

Different Groups to be included in Screening	Is there a possible impact on a group/groups	Describe Potential Impact	Action/s (including details of a full EIA to be completed if required/relevant)
		<p>dedicated Schools Grant.</p> <p>Due to loss of funding for the Healthy Schools Team there is an identified impact of the reduction in support for schools to develop equalities and anti-bullying practice which may well affect black and minority ethnic children. The responsibility will sit with schools but there is concern that there will not be a co-ordinated approach and a variance in ability of the schools to address these issues effectively.</p>	Mechanisms are in place for schools to share best practice and the council will maintain a monitoring role.
Gender	Potential	See below re Community Safety – women are more likely to be victims of domestic and sexual violence and female headed, single parent households are over-represented in the Family Intervention and Think Family projects. Note these schemes are funded.	See below
Transgender	Yes	The reduction in support for schools to develop equalities and anti-bullying practice could affect young LGBT people, those with LGBT parents as well as those with minority religions/beliefs. The responsibility will sit with schools but there is concern that there will not be a co-ordinated approach and a variance in ability of the schools to address these issues effectively.	Mechanisms are in place for schools to share best practice and the council will maintain a monitoring role. The Stonewall Education Equality Index will provide a framework for monitoring LGB equality.
Religion or Belief			
Sexual Orientation			

Different Groups to be included in Screening	Is there a possible impact on a group/groups	Describe Potential Impact	Action/s (including details of a full EIA to be completed if required/relevant)
Other Group (please complete with appropriate social inclusion key groups) i.e. Homeless People, Unemployed People, Lone Parents etc	Potential	The funding for this area remains complex because of the partnership arrangements. The reorganisation of the Partnership Community Safety team will potentially have an impact on all groups including those at a high risk of offending. The team play a key role in service provision to vulnerable and disadvantaged people and engaging with communities of interest to ensure access to these services.	Additional corporate funding has been identified to replace a range of lost grants. If further changes are required further EIAs will be carried.