

SCRUTINY COMMISSION – 23rd JULY 2008

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

EFFICIENCY PROGRESS REPORT

Purpose

1. The purpose of this report is to update Scrutiny Commission on the progress departments are making in meeting their three year efficiency targets.

Policy Framework and Previous Decisions

2. At the 5th February 2008 Scrutiny Commission efficiency savings were discussed during scrutiny of the Medium Term Financial Strategy (MTFS). At this meeting it was agreed that a report be brought to Scrutiny Commission in the summer that sets out areas being considered for efficiency savings where changes could affect service users.

Current Position

3. The efficiency savings included in the MTFS are set out below:

	<u>£m</u>
2008/9	5.6
2009/10	7.8
2010/11	<u>8.4</u>
	<u>21.8</u>

4. The MTFS includes detailed proposals to meet the 2008/9 efficiency target. Given the caveat that it is fairly early in the year no concerns have been raised to date about meeting this target.
5. Departments are currently in the process of identifying proposals to meet their 2009/10 and 2010/11 targets. These targets are a significant increase on previous years reflecting the overall tighter financial position faced by the County Council.
6. The approach generally being taken by departments is in the first instance to look for savings in administration, structures and procurement and those areas that will not be visible to service users. At this stage, savings involving service reconfiguration, whose effect is anticipated to be visible to service users are likely to arise in Adult Social Care and Children's and Young People Services.

In these areas, the lead in times are likely to be significant with, in many cases, the savings not being generated until 2010/11.

7. In Adult Social Care the areas being considered are;

- Personalising Adult Social Care – The programme, the future operating model and associated business cases are being developed. This work will lead to fundamental change in the way adult social care services are provided. While aimed at improving outcomes for people, process and service redesign will assist in identifying possible efficiency gains. In February, a report on the personalisation of adult social care was circulated to all members following a launch event at County Hall.
- Streamlining assessment processes – This will be part of the Personalising Adult Social Care programme but has been separately identified as efficiency savings could be achieved early in the programme given a roll out of self-assessment, the Single Assessment Process and the introduction of self-directed support.
- Review supported living and respite care services for people with learning disabilities – A review of these services will take place to consider whether a partnership approach with independent sector providers would deliver better value for money for the Council while continuing to ensure high quality service provision. Market-testing will inform the review process.
- Develop new models for day care for older people – The growth in older people receiving Direct Payments for day activities has been a success story and opens up new possibilities for many older people. The continuation of traditional day centres alongside this new model will become less viable in the future. New models of day care will be explored, including resource centres within the four retained residential care homes, partnership projects with independent providers, such as Age Concern, and joint projects involving use of Libraries, with the Community Services Department.
- Redesign in-house residential services for people with mental health difficulties – This will involve developing a new service model with partners to promote recovery from mental ill-health in a more socially inclusive way. This will involve the use of ordinary housing with support and rehabilitation which would be more integrated into the community.
- Provide more support to self-funders – It is essential that we provide more support to self-funders, better information and advice when they need it, but also a more pro-active approach to helping them meet their needs. This will include enabling them to maximise their resources so that they remain more independent for longer. For people in residential care, this approach will produce an efficiency as the need for financial support from Adult Social Care will be deferred.

8. In Children's and Young People's Service the areas being considered are:

- A full examination of the current structure and service delivery model for Specialist Services (formerly known as Children's Social Care) is under

way). Options will be developed to modernise the service, improve integration with the services of the wider department and generate efficiency savings.

- Integration of Connexions with the local authority. The current contribution to Connexions of c£4m is funded through area based grant. Given the fact that the management arrangement for Connexions has only recently changed there is likely to be scope for efficiencies as it is integrated with the CYPS Department.
 - Providers of youth services are developing a new model for integrated service delivery that will start to be implemented from April 2009. As part of this change efficiencies are being sought from closer working with the voluntary sector, Connexions and district councils including better use of accommodation.
9. Work is progressing to ensure that Children's Services external procurement spend is directed in the most efficient and effective way. Initial estimates show that £8.4m is spent through circa 90 external contracts with other organisations who provide children's services. The next steps will involve more detailed work on rationalising contracts, if appropriate, and considering if the historical pattern of spend is consistent with the current service priorities and is also consistent with current methods of service delivery. In mid June a joint (with the primary care trust) commissioning manager will start and a Children's commissioning manager will start at the end of July. Work is at a relatively early stage so it is not possible to determine if savings generated through procurement would be visible to service users/members.
10. At present much of the thinking is at an early stage, especially for those savings relating to 2010/11 and for all departments work is ongoing. As expected, and highlighted in the MTFs, considerable risk remains around efficiency savings and a contingency is available if there is some slippage in achieving these savings.

Recommendations

11. Members are asked to note and comment on the contents of this report.

Equal Opportunities Implications

No direct implications.

Background papers

2008 Medium Term Financial Strategy.

Circulation Under Sensitive Issues Procedures

None.

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