

HERTFORDSHIRE COUNTY COUNCIL

**RESOURCES SCRUTINY COMMITTEE
THURSDAY 22 JANUARY 2004 AT 10.00 A.M.**

BEST VALUE REVIEW MONITORING UPDATE

Report of Assistant Chief Executive

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1. Purpose of the report

To provide the Committee with summary information on projected actual costs and savings from recent best value reviews and discuss the future strategy for Best Value Reviews in HCC.

2. Costs & savings from Best Value Reviews

In line with the agreed best value review reporting timetable, Table 1 sets out a summary of the projected v actual costs/savings from the most recently completed best value reviews: planning and transportation; libraries; and services to older people.

The report to the June 2004 meeting of the Committee will report on all completed reviews since September 2001 (*voluntary sector grants, physical and sensory disabilities, reprographics, communications, environmental management, community safety, personnel and employment, older people with mental health problems, fire services procurement, services to schools, and economic development*).

The projected costs/savings have been calculated over a five-year period. Not all reviews will deliver cashable savings. A large proportion of costs/savings arising out of reviews is likely to fall within the last 2-3 years of the projected 5-year period

Table 1: Predicted and actual costs/savings from best value reviews

Best Value Review with completion date	Projected over 5 years*		Actual to date*		Any revisions to total costs / projected total savings + explanation
	Costs in '000s	Savings in '000s	Costs in '000s	Savings in '000s	
Planning and Transportation Policy - October 2003	*				*No changes in the net cost of providing the service as a result of the review, although opportunities have been identified to employ some of the resources differently to produce a more efficient and effective output. Anticipate non-cashable efficiencies will be achieved through new partnership and working arrangements. Possibility of the total level of resource being increased by attracting contributions from external partners, again not increasing the net cost to the County Council, but increasing the total level of service provided.
Libraries - June 2003	70	200			The recommendations are cost neutral based on the assumption that savings may be reinvested.
Services to Older People - June 2003	284	239			

3 Future Best Value Reviews

The changes introduced in the Local Government Act mean that there is no longer a duty on authorities to review all of their services every 5 years. As an excellent authority Hertfordshire is also released from the requirement to publish a review programme. We have used this flexibility to concentrate our BVR programme on "simply done", our efficiencies and learning programme.

In the longer term the cabinet will need to decide how they wish to take Best Value forward. The attached paper, Appendix 1, provides background information about Best Value Reviews

4 Conclusions

The Committee is asked to consider whether they wish to scrutinise the future of Best Value Reviews possibly including requesting a report to a future meeting.

Reviews and Performance Improvement

Introduction

The requirement to undertake Best Value Reviews (BVR) has changed since their introduction. Firstly, because the Local Government Act removed the requirement for council's to review all their services within a five-year period, and secondly because Hertfordshire's excellent CPA score means that we need not formally present a BVR programme. However, like all authorities we remain under obligation to deliver Best Value and there is an expectation that authorities will draw up a programme that reflects the strengths and weaknesses of their CPA. Hertfordshire has used the flexibility to develop the efficiencies programme as our approach to Best Value.

This paper is an overview of BVR. Hertfordshire's approach to Best Value has always been to embrace it and use it to deliver continuous improvement. We therefore need an approach that makes BVR an integral part of the way we manage our performance and develop services not an addition to it. As well as seeking efficiencies we need to address areas where service needs to be improved or developed to address changing circumstances.

Background

Best Value Principles

The fundamental principles of Best Value Reviews are the four C's

Reviews should:

- Compare** the service being reviewed with the best
- Consult** the users of the service and other stakeholders
- Consider **Competition** as a route to improving cost effectiveness
- Challenge** everything from underlying assumptions to budget figures

In January 2002 the resources committee considered the criteria for selecting areas for review. The criteria we used were:

- Performance** – services where PIs or other evidence suggests that performance is below the standard that HCC expects
- Priority** – areas that relate to promises, where there are changed responsibilities or legislation or government targets (e.g. **PSA** targets)
- Potential for savings** – areas where budgets are unduly pressurised or there appear to be efficiency gains to be made
- Practicality and balance** – a programme which is deliverable in terms of officer and member workload
- Procurement** – alignment with contract negotiations and renewals

Our CPA assessment suggests that we need to reflect and learn on our experience of previous initiatives when planning next steps. Our learning from our own best value programme is that it worked best when:

- Members and Directors were enthusiastic and involved in the process and there was a commitment to raise the public profile and speed up action.
- The issue was big, real and timely and not addressed by other means

- Senior staff, who were responsible for delivering the improved service, were freed up from their “normal duties” to lead reviews
- Staff, unions and partner organisations were involved from the start and kept informed.
- Review focus was clear and focussed but not narrow

The things that didn't work well were:

- We underestimated the time and resources needed to implement proposed changes
- We were over hopeful and insufficiently specific about potential financial savings
- To begin with, meeting the letter of the government guidance meant that reviews were sometimes too focussed on process.

A feature of our reviews which was both positive and negative was that we focussed on being forward looking and meeting the challenges of the future. This resulted in innovative and bold service developments from some reviews but also meant that in some cases we may have taken insufficient time to reflect.

The role of scrutiny

Scrutiny committees have been involved in Hertfordshire's BV programme through involvement in the review process workshops and monitoring of progress on completed reviews.

In some cases there has been some overlap between scrutiny reviews and BVR. For example, the review of services to disabled children was cancelled as this area had been covered so comprehensively in the CSF Scrutiny Committee review. A number of other scrutiny reviews have had many of the features of Best Value Reviews – stakeholder involvement, member challenge, comparison of performance information and budgets. Amongst these are: the review of Carers Strategy and the review of Residential and Nursing Home Capacity from the ACS and Health Committee; the review of transitional arrangements from the CSF Committee; the Watford Green Route from Environment and the review of the Effectiveness of the Customer Service Centre for social care assessment carried out by the ACS and Health Committee on behalf of ACS and CSF.

Scrutiny committees are well placed to identify areas where services need review based on the criteria in the “Principles” paragraph above. Scrutiny committees see performance monitoring information three times a year and budget-monitoring information at every committee and challenge is one of their principle roles.

Future Options

Service Review has been effectively carried out in Hertfordshire through the BVR process, through Scrutiny reviews and through departmentally based initiatives.

Over the next few months Officers will be working with Members to agree an approach that maintains all that is best from our current approaches and agree proposals which the Resources Committee may wish to scrutinise.