

SECTION 13

13. VALUE FOR MONEY

- 13.1 This section of the report sets out the measures the council is taking to improve value for money in order to deliver savings within the Medium Term Financial Strategy (MTFS).
- 13.2 The council had a good record of delivering efficiencies starting with the national Gershon efficiency programme which ran from 2005/06 to 2007/08. The council achieved £26.4m in efficiency savings under the Gershon initiative by 31st March 2008. This is £5.8m more savings than the original Gershon target of £20.6m and £3.8m more than the £22.6m stretch target included as part of the Local Area Agreement agreed at the beginning of 2006.
- 13.3 The 2007 Comprehensive Spending Review placed an emphasis on cashable efficiency savings. In 2008/09 the council exceeded its forecast by achieving cashable savings of £9.69m. The current forecast for 2009/10 is that efficiencies of £9.7m will be delivered. The departmental breakdown of these savings is included in Appendix Q(i).
- 13.4 The challenge to the council in future years has been set out in Section 7 on the Medium Term Financial Strategy. Expectations of improved services, budget pressures, tightening government funding, and the desire to limit council tax rises require that the council continues to deliver improvements in value for money. This is regardless of the national target set for councils or the need to demonstrate value for money in use of resources as part of the Comprehensive Area Assessment regime.
- 13.5 The council has a firm foundation to build on. In addition to the savings achieved under the Gershon initiative, the council overachieved against the Local Public Service Agreement target for cost effectiveness which followed Gershon, has delivered efficiency savings each year as part of the annual budget process, has delivered a large number of successful efficiency projects, and has major transformation programmes in adult and children's social care which are helping contain budget pressures on the services and leading to improved outcomes for services users. The advent of the Improvement and Efficiency Strategy is another stepped change in the council's determination to maximise value for money. The council also continues to have one of the lowest council taxes in outer London – 17th out of 20 boroughs in 2009/10. It has done this whilst delivering improved services for Brent, as recognised by the latest resident attitudes' survey which demonstrated that overall satisfaction with the council had increased from 48% in 2005 to 65% in 2009.
- 13.6 The council is also working jointly with partners to secure improvements in value for money. The council has introduced joint arrangements with Harrow for the management and maintenance of Carpenter's Park cemetery, building

on the joint trading standards service the two boroughs have had for a number of years. The council has partnership arrangements with NHS Brent for integrated equipment stores, the mental health service and the learning disability service and these partnerships are looking to be developed even further. Part of the adult care transformation programme is development of a joint service with Brent NHS for an intermediate care/re-ablement service to help address delayed discharges and reduce acute hospital admissions. The adult care transformation programme also has seen the establishment of a West London Alliance joint procurement unit for adult care residential placements. Contracts to the value of £220m are currently out for tender. The street wardens' service was integrated with Police Community Support Teams in 2007 and the Metropolitan Police continues the joint funding arrangement for additional PCSOs. The council is also continuing to work with the Carbon Trust, a government sponsored organisation, to deliver more efficient use of energy. The development of shared objectives as part of the Local Area Agreement and the pooling of resources as part of the Area Based Grant and in other ways also provide the opportunity to work with local partners to deliver services in more effective ways.

Improvement and Efficiency Action Plan

- 13.7 Whilst the council has a strong track record of delivering efficiencies it was clear that the financial constraints facing local government meant a radical rethink was necessary. To address this, the Executive approved a new approach to the budget, recognising that the necessary savings could not be delivered by individual services alone.
- 13.8 In September 2009 the council launched its Improvement and Efficiency Action Plan with over 30 projects to deliver cost reductions in excess of £50 million by 2014, whilst raising the council's performance to the top two comparative performance quartiles.
- 13.9 The projects cover both direct service delivery and council-wide business functions and the scope of the overall programme is to standardise, streamline and share core activities such as customer service, financial management and procurement to reduce the council's operating costs and protect investment in core local services.
- 13.10 The challenge is to deliver fundamental change which will allow the council, working with partners, to deliver improved services and help improve quality of life of Brent residents whilst also delivering cashable savings. The delivery of the projects and achievement of the savings is vital to the council having sustainable, deliverable budgets within the restricted resources that will be available over the forthcoming years.
- 13.11 The Council has utilised expertise from Deloitte to help ensure the programme will meet targets. They have worked with officers to set up a robust framework through which the projects will be managed and monitored, with a clear governance structure and accountability. In addition a Programme Management Office has been established to drive delivery of the savings, and

provided training to officers, as well as providing expert support. Intensive work has also been carried out with some of the major projects to ensure that project plans and timescales are robust. The tracking of this programme will be linked into the MTFS.

- 13.12 As projects in the programme move into delivery service area budgets will be adjusted to reflect the benefits which will be realised from each budget. The adjustments will be determined by agreed baselines and signed off at high level.
- 13.13 The full year effect of many of the 2010/11 savings will be felt in 2011/12. However, until these are confirmed they will not be reflected in the MTFS in Section 7.
- 13.14 Many of these projects will require investment in the early stages in order to deliver the improvement. This will be funded by performance reward grant in 2010/11 (£1.8m is available) and through “*invest to save*” in subsequent years. Improvement budgets will be held centrally and allocated through agreement of the business cases.
- 13.15 Appendix Q(ii) sets out the targeted cashable savings from the main projects, incorporating an adjustment for risks. The budget for 2010/11 set out in Section 5 assumes £4.365m will be produced and is included within the budget. Appendix Q(iii) highlights some of the service benefits that will accrue.