



SCRUTINY REVIEW PANEL 1 – 2014/15

EALING'S CONTRACTS, DEMANDS AND PARTNERSHIPS

YEAR END REPORT

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CHAIR'S FOREWORD



Cllr Peter Mason

(Panel Chair)

The era of austere times is upon us in Local Government. With funding settlements from central government continually constrained, Ealing Council faces the dual challenge of attempting to meet ever increasing demand for our services, whilst trying to do so with ever diminishing resources.

From 2010 through to 2018, the Council will have had to remove £183m worth of expenditure from its budget. During the life of the last administration, £87m of savings were delivered, with an even more daunting figure of £96m left to achieve by the conclusion of the current administration.

In the face of such a challenge, the simple but tough solution would be to manage the slow decline of public services, cutting to the bone or ceasing completely many of the services our residents have come to know and expect. The more complex, but ultimately better answer to that challenge is to ask more fundamental questions of how and why we deliver services in the ways that we do, and try and make them better for our residents, achieving better results.

Achieving 'value for money', is not simply about delivering services at the lowest possible cost, but using our resources wisely to get better outcomes for our residents.

Through better working relationships with other local authorities, or through the increased cooperation with the voluntary and community sector, many of the challenges we collectively face can be faced together. Whether cooperating on joint priorities, joining together to unleash the power of collective purchasing and commissioning, or winning greater power from devolution, our future is as tied to our neighbours as never before.

Equally, as pressures on Council services continue to increase whilst our funding does not, we will need to examine how we curb demand for our services if we cannot increase supply. As many of the Demand Management projects have so far demonstrated, much of this can be achieved by step changes in behaviour.

Financially this is risky. Much of the financial savings and service reform we will need to make if we are to set healthy budgets require tricky behavioural changes on the part of the Council and of our residents.

This need not be belligerently telling people to behave as we would like them. More often than not, projects have demonstrated that when we as an authority are willing to 'go with the flow' with our residents, we could achieve a happier and more cost efficient outcome.

Like all Councils across the country, to do this we will need to secure a much healthier relationship with our residents. One in which moves beyond the traditional patriarchal structure whereby we deliver the services we believe our residents should have, toward a partnership whereby residents are able to work with us to shape services fit for the future.

As Councillors, it will be incumbent upon us to be honest with our residents. Whilst we must in Committee Rooms and the Council Chamber face the harsh financial reality of setting a legal budget, we should guard against the tendency to expedite what we know cannot be expedited or make promises on what we know cannot be reasonably be delivered.

With stronger risk management and political commitment, the financial challenges we face over the forthcoming years can be met, whilst at the same time securing a better deal for our residents.

Councillor Peter Mason

Chair

Contracts, Demands and Partnerships Scrutiny Panel

1. Introduction

- 1.1 At a time of significant reductions in funding from central government the key question faced by the Council is in meeting both its statutory duties and political priorities within an ever diminishing envelope of resources.

The panel during the year focused in on a number of key questions:

- Is the assessment of our future financial situation objective?
- Do we sufficiently understand the current and future demands the Council faces, and how are we trying to influence these pressures?
- Do our contractual arrangements achieve better services?
- Are we making best use of our partners, either in the public, voluntary or private sectors in delivering on collective priorities?
- Do we buy our goods and services in a way that achieves value for money?

2. Methodology

- 2.1 The Panel received reports and presentations from internal services, external agencies, and residents at their meetings. There were five scheduled meetings in the year which were all held in Ealing Town Hall.
- 2.2 The Panel decided against co-opting any additional representatives and instead to invite relevant people to speak at specific meetings.

3. Panel Meeting 1 – Council’s Financial Situation

- 3.1 At its initial meeting on 9 July 2014, the Chair set out the context for the panel and highlighted the need for scrutiny of the current financial outlook of the Council.

Over recent years public sector funding has been reducing and Ealing has seen a significant reduction in its Central Government Grant. Over the same period a combination of changing demographics, rising prices, and other economic factors have also put pressure on the Council’s budgets.

Since 2010 the Council had been in a position where major savings needed to be found on a permanent basis, and the total savings required were projected to reach £87m by the 2015/16 financial year, with even more savings likely to be needed over the coming years. The Council’s members therefore faced tough decisions and needed to look for ways in which compromise could be found in achieving necessary savings whilst still protecting frontline services for residents in the borough.

- 3.2 The Panel examined the council’s Medium Term Financial Strategy and the numerous challenges that will impact on the council’s ability to deliver, or influence the delivery of value for money services and a balanced budget. Challenges included:

- Demographic changes
- Housing need
- School places
- Ensuring an appropriate level of social care is available

An overall savings target of £85m had initially been set for delivery in 2014/15. As part of the 2014/15 budget process, a further target of £2m had been added, bringing the total savings target since 2010/2011 to £87m.

The savings target has been allocated across all of the Council's services and the savings proposals have included changes to Management, Income, Contracts, Efficiencies, Services and Transfers of Funds (collectively known as MICEST). Particular note was made of the close to £35m in efficiency savings which had been found by the Council as part of this programme.

There were still significant challenges to come for the Council's budget with the Revenue Support Grant (RSG) set to face significant further reductions, which would lead to further challenges in handling demand management. Based on anticipated funding over the following three years, a savings requirement of over £59m would need to be achieved by 2016/2017.

- 3.3 The Panel considered the possible savings options that had been identified:
- Efficiency savings – looking to provide the same level of service where possible for less cost
 - Looking at opportunities to share services with other local authorities
 - Contractual savings – where market conditions allowed
 - Selling the Council's services to other authorities creating additional income
 - Handling demand management

Members queried the rationale behind the frontloading of a lot of the savings early in the process and were advised that through streamlining services early, some economies of scale could be found averting the need for bigger cuts.

- 3.4 In line with the Secretary of State for Communities and Local Government's comments that Councils should be making more use of their reserves as revenue, members queried why the Council, which currently had £15.4m in general fund reserves and approximately £100m in earmarked reserves, was not doing this. Officers advised that if these earmarked reserves were used they would only balance budgets as a stop-gap measure. Permanent ongoing departmental savings needed to be found; otherwise the same cuts would still need to be found in the following year.
- 3.5 The Panel noted that the proportion of the Council's income from Council Tax was approximately 11.3% and asked about the impact that freezing Council Tax for a sixth year had on the Council's finances. Members were advised by officers that around £1m would be collectable from a 1% increase however the Government's Council Tax Freeze Grant had helped offset some of the losses

to the Council. Members noted that the Grant was due to be stopped and this would need to be factored into any Council Tax freeze in the future.

- 3.6 Members asked about collection rates in the borough and were pleased to note that the Council had exceeded its indicators on the collection of Council Tax but were concerned that it had failed to meet its target for the collection of business rates.
- 3.7 In conclusion of the meeting, the Panel asked for further information on:
- Figures which showed the savings as a percentage of total departmental budgets; and
 - Data on rent and business rates collection figures.

4. Panel Meeting 2 – Demand Management Programme

- 4.1 At its second meeting on the 25 September 2014, the panel considered some of the general principles and techniques relating to Demand Management, an overview of how different local authorities were approaching the demand management agenda, and the projects that were being taken forward in Ealing.
- 4.2 In his introductory remarks the Chair stated the importance, in the light of the ambitious savings required, of exploration of the demands faced by the Council, and the methods adopted to meet these demands. Changes to the benefit system, an increasingly ageing population, growing birth rates and myriad other factors were driving an increase in demand, whilst at the same time the resources available to provide the services were decreasing due to budget reductions.

A key question was whether the Council would preside over a gradual decline in existing service models or attempt to move beyond the paternalistic model of local government, towards a more mature and interactive dialogue and relationship with the borough's residents.

- 4.3 Members received a presentation from Jon Ainger, Director at iMPower Consulting Ltd. Demand Management was a term used to define new approaches to looking at how local authorities spend and could save their budgets. Demand for public services was driven by people, and some demand was inevitable. Questions could be asked such as:
- Could escalating needs be addressed earlier?
 - Could negative and costly behaviour be prevented?
 - How could positive and contributory behaviour be encouraged and supported?

It was emphasised that demand management was not to be considered a 'separate philosophy' but was intended to compliment other more traditional cost saving approaches. Costs savings could be thought about in three separate categories:

- Prevention/Future Demand – focussing on helping individuals move towards independence, using shared intelligence to target earlier with more effective interventions
 - Front Door/Current Demand – reducing excess demand, influencing partner organisations and redefining relationships
 - Service Provision/Supply – contract renegotiation, lean systems, staff redundancies, outsourcing
- 4.4 The relevance of behaviour in demand management was also considered. Much of the demand for public services was driven by behaviour and as such there was a financial opportunity in transforming relationships with citizens. Often citizens behaved in a certain way because the public sector likewise behaved in a certain way. To manage down the costs of local services with the support of the public, local authorities would need to engage with citizens and develop a relationship of trust. These more constructive relationships would offer councils the potential to generate savings by:
- Managing expectations in the short term
 - Tapping into citizen led innovation in the medium term
 - Reducing need in the long run.
- 4.5 Members stated that there needed to be a visible return on the investment and time put into schemes, and that too many ‘late stage’ interventions were taking place that didn’t tackle root causes and left politicians unable to demonstrate that something had happened.
- 4.6 Members were informed about the demand management projects being undertaken at Ealing Council, seven projects were highlighted. These were:
- Corporate Projects
 - Special Education Needs (SEN) Transport
 - Housing Repairs
 - High Waste Creators
 - Shared Lives
 - Children’s Services Projects
 - Fostering and Adoption
 - Preventing Looked After Children (LAC)
 - Maximising Independence for Children with Additional Needs (SEND)
- 4.7 Members expressed concern that some projects might have knock on effects further down the line and that short term gains might end up costing more in the longer term.
- 4.8 The Panel discussed the Housing Repairs project and agreed that officers needed to ensure that they kept the bigger picture in mind when considering the issue of frequent repairs, as this might be due to sub-standard patch repairs or work not being carried out correctly therefore requiring frequent visits to put right. It was agreed that there were housing management issues which needed to be considered within the scope of the project and that the problems mentioned were recognised as part of this. It was understood that

people would not simply fit within set demographics of 'good' or 'bad' tenants and that the project was not intended to attribute blame.

- 4.9 The Panel considered what the role of a Councillor could be in demand management, as politicians and as case managers for local concerns. It was considered that Councillors needed to work with the Council to encourage the removal of 'silo thinking' from Council departments and to relay the experiences of local residents to the Council, a Councillor's ability to provide first person testimonies from residents could be a powerful tool for positive changes in demand.
- 4.10 The Chair concluded the discussion by stating that he was struck by the message that the mind-set needed to change from one of "how do we find savings" to one of "how do we reduce demand" and that the Panel looked forward to seeing the progress made by the Council in this area.

5. Panel Meeting 3 – Procurement and Partnerships

- 5.1 The third meeting of the panel on 27 November 2014 considered the work of the West London Alliance (WLA), the Local Strategic Partnership (LSP), and the processes that the Council uses to commission and procure goods, services and works, and manage contracts.
- 5.2 The Chair suggested that the Panel should consider that with so much of local authority service delivery now being done through commissioning and contractual arrangements, how well was the Council equipped to ensure that contracts were effectively implemented and monitored thereafter? How could the Council ensure that it balanced the need to obtain best value for money whilst at the same time supporting businesses, employment, and growth within the borough?

Were partnerships an effective way of securing value for money under the principles of economies of scale? Or were increasingly complex partnership arrangements a recipe for the kind of waste and transactional costs that had plagued other public services, with front line funds being diverted to pay for administration – And with more local authorities combining forces, what accountabilities were in place to ensure that the needs of residents were still met in the respective boroughs?

To what extent could partnerships be effective when there was little or no money left to share? In an age of public sector financial restraint, and with organisations keen to protect what little budget they had left would joint objectives be enough to get people working together? Or would further steps need to be taken?

- 5.3 Dan Gascoyne, Director, WLA provided the Panel with an overview of the work of the WLA, which is made up of the six borough councils of Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow, and governed by the borough leaders and steered by the chief executives. The WLA runs a wide series of programmes including finding efficiencies, promoting growth, jobs and skills,

and providing support and integration. Underpinning the programmes was an emphasis on being able to provide demonstrable outcomes for local people and by extension the businesses that supported them.

- 5.4 The Panel received a presentation from Kate Graefe, Head of Strategic Procurement on the processes that the Council uses to commission and procure goods, services, and works and how the resulting contracts are managed. Service Directors were responsible for procurement and management of contracts within their own areas which allowed the departments to react efficiently to the needs of residents with an in-depth knowledge of the requirement of the function. To try and minimise the costs of procurement and maximise potential economy of scale, national, regional and sub-regional framework contracts were used by the Council if appropriate.
- 5.5 John Dimmer, Head of Policy, provided a brief overview of the LSP which had been formed in 2002 with a primary function of supporting development and implementation of the borough's Neighbourhood Renewal Strategy. One of the key achievements of the LSP had been the Southall Partnership, whose successful model of partnership working was now being replicated with similar projects in East Acton. There was now no dedicated partnership budget available to fund the projects of the LSP; however the Council had decided to keep it active as it provided a forum for discussing the new Corporate Plan and bringing together key stakeholders.
- 5.6 The Panel commented that while it was relatively straightforward to make savings of scale on bulk purchases of smaller items (such as office stationary), complexities became apparent when it came to services directly affecting residents. The market for Council services has consolidated, and now only the same bigger companies were bidding for Council contracts. Members asked how in this kind of market could cost savings be found and how could the Council benchmark and be sure it was getting good value.

Officers stated that many considerations were taken in to account before decisions were taken. Such as was bigger always better, what was the condition of the market and what would be the best option in the long run for the Council? Housing Repairs was raised as an example of a contract which was brought back in house as only one firm in London had the resources available to take on the contract and had essentially monopolised the market. By bringing the service back in house, it meant that the Council could work with smaller local suppliers, build up relationships and create more competition at a localised level.

- 5.7 Members highlighted the need for continued active market management by local authorities in light of shifts towards personal budgeting in social care, which would lead to the loss of collective power to demand a particular type of service and support. Local authorities would need to ensure sufficient quality, quantity and diversity of provision was available, as well as a responsive provider sector ready to alter its offer to consumers.

- 5.8 Members asked whether ‘through life-costs’ received full consideration in the procuring of goods, where the most-cost effective purchase might not be the cheapest in regards to initial outlay, but better in the long-run due to the need for less maintenance. It was confirmed that the need to consider quality versus cost issues was raised with managers. From April 2015, new regulations would determine that whole-life costs always needed to be considered as part of the process.
- 5.9 Members asked officers how confident they were that benefits could be realised through demand management. From an LSP perspective it was considered that demand management could not only realise benefits, but in an environment of serious economic pressure, it was seen as the only way forward to find the substantial scale of reductions needed. It was considered that the six projects currently being taken forward as part of demand management would yield economic benefits for the Council. This was corroborated from a procurement perspective. ‘Salami-slicing’ simply would not suffice anymore, and demand management would help to realise the fundamental changes to structure that were required. From a WLA perspective, it was considered that demand management was now the ‘only show in town’ for coping with challenges in the public sector. It was about finding assets within communities, working on holistic approaches with families and making necessary behavioural changes.
- 5.10 Members expressed concerns about the potential conflict between policies of demand and statutory arrangements. For example, with regards to individual care packages, would there be a conflict if the market could not supply at the budgets delineated by the local authority? Officers agreed that there were potential issues around this that would need planning to create clear terms of approach. If suppliers were unable to supply to a sufficient standard at the rates set, then budgets would have to be looked at again.
- 5.11 Responding to questions on whether the WLA was working on synergies and finding alignments across organisations, Dan Gascoyne explained that conversations did regularly happen with regards to this, with mapping across contracts and looking at where organisations could potentially come together.
- 5.12 The Panel considered apprenticeship schemes and raised concerns that with some companies training was limited with the apprentice simply being used as extra labour, and that the reduced costs involved in taking on apprentices might be used to drive down the costs of contracts. It was suggested that usage of apprentices could require provision of a benchmarked NVQ level qualification to ensure that the apprenticeship was handled correctly. Concerns regarding the use of apprentices to drive down the cost of contracts were shared by officers, though it was noted that Ealing Council itself had a well-regarded apprenticeship scheme. There was a need to avert the risks of an increasing number of young people not in education, employment or training within the borough, and apprenticeships provided a good pathway away from such risks. It was stated that the LSP was in the process of looking at why the strong apprentice scheme at Ealing was not being replicated elsewhere.

- 5.13 Discussion took place around the use of online portals for bidding on projects. This was increasingly becoming a primary way for companies to bid for contracts, and the Panel considered that local companies should be encouraged to make best use of the portals.
- 5.14 In conclusion of the meeting, the Panel asked for the WLA to provide a report on the outcomes from the WLA meeting in December which was due to consider devolution opportunities and modelling of sub-regional governance options.

6. Panel Meeting 4 – Demand Management Projects

- 6.1 At its penultimate meeting, on the 10 February 2015, the Panel considered three projects from the Demand Management Programme in detail; Shared Lives, Housing Repairs, and Children’s Services Brighter Futures Programme.
- 6.2 Matthew Booth, Director of Policy and Performance reminded the Panel that the Demand Management Programme was about reducing demand where possible. It was designed to complement the more traditional approaches to strategy and saving money rather than replacing them. The Programme was considered to be experimental and innovative; there would be an element of trial and error, though the work was being underpinned by a strong evidence base.

The reduction of demand was not about the ignoring of demands and resident needs – it was about working with residents to understand what their current demands were and how such demand could be managed down through new and resourceful ways of working. Many of the projects were scalable, the more resource that was put in, the more return that would be seen. Councillors’ opinions were sought on which areas should be ‘scaled up’.

Shared Lives

- 6.3 Panel members received an overview of the Shared Lives Service, which recruited and supported paid carers to provide family based placements for adults with learning disabilities within the carer’s home. These could be long-term, with the adult living with the carer as part of their family, or as respite care which could range from a few hours a week, to overnight or longer stays and provided an alternative to institutional care. In recent years there had been an increased demand for support from vulnerable adults and cost issues had inevitably arisen from these demands. Shared Lives represented a cost effective way to provide support to people who might otherwise require residential care.
- 6.4 The RSA publication ‘Beyond Nudge to Demand Management’, considered by the panel, states that Shared Lives, as a method of care, outperforms other forms of residential care in many aspects, with greater satisfaction from people who live in Shared Lives arrangements and significant cost savings for each placement. Cost benefit modelling carried out for a business case by Shared Lives and Efficiency South East demonstrates that using Shared Lives rather than other forms of support creates

per person, per annum savings to the local authority of between £23,400 (for older people) and £517,400 (for those with learning disabilities).

- 6.5 Present for the Shared Lives item were Myrna Odeyale and Mary Kendall. Ms. Odeyale signed up to the scheme in 2008, with Ms. Kendell having lived with her since then. Both of them agreed that the scheme had enriched their lives, Ms. Kendall felt very much like part of Ms. Odeyale's family. Ms Odeyale stated that if she had access to the capacity required she would have happily extended her involvement in the scheme.
- 6.6 The Panel commended the scheme and stated how the importance of the work being done could not be measured in simply monetary terms. Members asked whether, in expanding the scheme, officers were sure that potential carers were 'out there' and available to get engaged with the scheme. Officers responded that they were confident that potential carers were in the community. Initial benchmarking carried out by IMPOWER had suggested that there was significant potential for Ealing to recruit more carers and grow its service. It was hoped that ten additional carers/placements could be arranged.

The Shared Lives Services was working with officers on the foster carers' campaign with a view to collaboration. IMPOWER had been helping officers to draw out the recruitment features that would help encourage people to come forward. Surveys have found that most carers share a common set of values and that they are principally motivated by a desire to 'do the right thing' and to contribute to improving society. These motivations have powerful consequences for how the service is targeted, developed and positioned. Work was taking place on a significant canvassing campaign of leafleting, advertising, word of mouth and working with targeted cohorts of local community/faith groups.

Housing Repairs

- 6.7 The Panel heard why Housing Repairs was making use of demand management to improve its service. Some of the key figures related to the current 'excessive' demands placed upon the service were highlighted:
- 7% of appointments are not kept by residents
 - 40% of contact with the customer service centre does not result in a repair
 - 33% of the budget is spent on 5% of the stock
 - 4,000 homes have had no repairs carried out over the last 3 years
 - 85% of repairs are 'right first time' fixes
 - 21% of repairs are completed out of hours or on the same day
 - £330k of rechargeable repairs identified and only 56k collected

The Demand Management hypothesis was that through a range of interventions a number of behaviours that drive high housing repairs demand can be reduced. Potential savings of £1.2m were identified. Case studies

sampling the high repair properties so as to be able to understand the nature of and reason for the repairs were being carried out.

The challenges faced by the Housing Repairs Service were to therefore:

- Reduce ‘no access’ by residents
- Reduce avoidable and failure contact with the customer service centre
- Reduce the high users of the service
- Identify why low users don’t use the service
- Increase number of repairs completed right first time
- Reduce the high volume of emergency repairs
- Identify more tenant responsible repairs and collect more recharges

6.8 Members expressed concern regarding the level of tenants not keeping appointments and were advised that tenants were reminded on the morning of the appointment and despite this some tenants were still not at home at the allotted appointment time. Members felt that fines should be put in place for tenants who did not provide access at the time of appointment, rising each subsequent time a tenant failed to keep an appointment, unless they had a valid justification for not being available,

6.9 The Panel asked if there were some housing repair issues which could be alleviated through better education, such as guidance on proper ventilation to assuage condensation and damp issues. It was agreed that education for tenants was vitally important, especially with an aging stock of properties.

6.10 Members agreed that it was necessary to manage tenant expectations, so that there was further understanding that out of hours repair work should only take place in the case of an absolute emergency and should not be allowed to reach a point whereby it became considered as the ‘norm’. Members also expressed concern regarding the high monetary cost to the Council for non-collection of rechargeable repairs.

Members asked whether the staff undertaking the repairs were also instructed to engage in conversation with tenants about their rights and responsibilities in looking after their properties. It was advised that in-house repair staff were instructed to do this, but it was conceded that external contractors were unlikely to engage in such conversations.

The Panel agreed that Councillors themselves also needed to look at how they could aid in managing tenant expectations.

Children’s Services – Brighter Futures Programme

6.11 Judith Finlay, Director of Children and Families informed members how her service was using demand management to look at behaviour changes and the transformation of the fostering service in the form of ‘The Brighter Futures Programme’.

At present, in-house foster carers covered 54% of all Looked After Children placements covered by the service. A target of 80% had been set for 2017/2018, a tough challenge, but one that could deliver £1.4m in net savings per year. Key strategies to achieve this would include taking different approaches to marketing, recruitment and retention by using behavioural insights (values modes model).

- 6.12 iMPOWER's projects with specific local authorities have revealed a significant majority of existing foster carers with a particular set of values. Many fostering services issue recruitment information packs as a first action following an enquiry from a prospective foster carer. People with this particular value set, however, appreciate the opportunity to have an open conversation to discuss and ask questions on what fostering entails in order to decide if fostering is the 'right' thing for them to do. Clearly it isn't practical or a good use of resource to provide a home visit to every enquirer; however the service would structure information sessions to make best use of the opportunity for two-way dialogue.

Work undertaken so far had been based around different work streams including support groups by carers for carer, re-launching the foster carer association, reviewing the foster carer handbook, holding a whole service event – attended by 50 foster carers, extending the buddying scheme and redesigning the journey to approval process. The next steps involve the launching of a foster carer recruitment campaign, the recruiting of staff to in-care and edge of care pilot teams, and the refocusing of early intervention and prevention work to focus on LAC prevention.

- 6.13 In summing up the work of the Demand Management Programme, the Director of Policy and Performance stated that many of the projects going forwards were 'high stakes' and involved significant risk. He welcomed views on how to manage these risks going forward. He also stated that he would like the Panel to give a clear steer on what they considered to be the most concerning aspects of the projects. Demand management would not work without full member backing, and that all within the Authority needed to be 'working from the same script' to ensure positive outcomes.

- 6.14 The Panel agreed that scrutiny should be involved throughout the whole process so that they could ensure that the departments were going in the right direction for meeting targets and finding savings and that it would be useful to allow the Chair and Vice-Chair of the Panel to attend some key meetings as 'outside minds looking in'.

- 6.15 In conclusion the Panel asked for:

- 'Shared Lives' service benchmarking information across other local authorities
- Case studies sampling the high repair properties so as to be able to understand the nature of and reason for the repairs.

7. Panel Meeting 5

Impact of Demand Management on the Medium Term Financial Strategy

7.1 The Panel received a report updating them on progress made with the Demand Management programme. The Panel was reminded of how the programme was vital to changing cultures and behaviours. With demand management savings estimated at around £11.6m in the Medium Term Financial Strategy (MTFS), a lot was at stake in ensuring its success.

Key achievements since inception included the Brighter Futures programme starting, work commencing on changing approaches to recruiting foster carers, adopters and Shared Lives carers, High Waste Creator pilots commencing and Housing Repairs initiating frequent user reviews and surveys of properties which placed high levels of demand upon the service.

Areas for improvement were also highlighted. These included some pilots running later than planned due to officers being unused to the pace of delivery that the programme required of them, issues around officers needing to manage the projects around their 'day job', the need for strong up front messages from service directors and the initial resistance of some staff to communicate the appropriate messages.

7.2 The Chair and the Vice-Chair updated the Panel regarding visits recently undertaken by them in relation to the Demand Management programme. They had met with foster carers and the following points arose from that meeting:

- The best recruiters appeared to be existing foster carers, who were in a good position to influence likeminded people.
- There was generally a lot of enthusiasm around for foster caring, but there were issues that discouraged people from becoming involved in fostering.
- Allegations of mistreatment were a concern and could skew good outcomes. Most allegations proved to be false but the authority were considered to take an inordinate amount of time in investigating and concluding these allegations.
- It was considered that having two children in a home was optimum as each of them could feel they were being treated equally, and it minimised the risk of allegations of mistreatment.
- The need for permissions often proved to be a stumbling block. Holidays, and particularly everyday essentials such as visiting GP's and hairdressers were a concern. There was a lack of clear definitions on this, and a review of decision making would help.
- Some foster carers would have liked to foster more children but were limited by the amount of bedrooms they had. It was stated that some would be willing to take more children in; if they were provided with monetary aid for building an extension to their properties. It was considered that the cost of the extensions in relation to the through life costs would allow such a scheme to prove cost effective.

- 7.3 The Chair and Vice-Chair also advised the Panel of a visit made together with the Assistant Director of Street Services to study commercial waste disposal in the borough. Local business owners were met with, and discussions took place considering how people could take ownership of their local environments. They were also shown examples of the measures taken by some businesses to avoid undertaking proper disposal.
- 7.4 Responding to the update on the Demand Management Programme, members expressed concerns regarding its progress. It was considered that there was little evidence of any 'meat' to the strategy and no proof of real savings taking place. It was felt that there was not a strong enough operational plan of direction considering the financial risk involved. Demand Management projects needed to be shown clearly within the MTFs so that progress could be monitored.

Officers explained that not all of the planned programmes could be included within the MTFs at the current stage as whilst they had been provisionally agreed, they were not ready to 'step up' to the level of inclusion within the MTFs. It was stated that items which were not within the remit of the Demand Management programme had been included within the report as evidence of Demand Management principles already being adopted within the Council in other areas.

Going forward the Council would look at whether a specific Demand Management strategy needed to be in place, though it was assured that at the present time, many existing strategies (such as the Customer Service Strategy) were being refreshed and taking heed of Demand Management principles.

- 7.5 Members also expressed concerns around initial targets not having been met. It was explained that the initial target was not met due to an overestimation of how quickly savings could be procured from the Shared Lives programme. Extra recruitment to the scheme was taking longer than initially measured and extra set-up time had been necessary.
- 7.6 In response to questions officers agreed that the Council did risk not driving projects enough to find sufficient savings if it acted too averse. It was felt that as projects progressed, assumptions could gradually be replaced with real hard facts which would help in giving a true measure of the risk and reward levels involved. It was appreciated that saving money would not be possible without an element of risk. The Council was committed to exploring and testing projects to see if they could deliver the high levels of savings needed.
- 7.7 The Panel agreed that to truly embrace the aims of Demand Management there needed to be a deep corporate embedding of its principles, preferably within the Council's Corporate Plan. Officers needed to embrace a complete cultural shift - considering appropriate management in the interests of the tax payer at all stages.
- 7.8 Members expressed concern that officers considered Demand Management projects to be in addition to their 'day job'. How could it be ensured that officers

did not feel like this was extra work 'on top' of their role, but rather, incorporated within the role itself? Officers agreed that Demand Management could only work if the cultural attitude was right. Whilst it was not uncommon to 'mentally file' anything new as a 'project' that was separate from the 'day job'; this would be challenged so that the principles could become entrenched within the roles.

7.9 The Chair asked whether there was a sufficient market available for the Council to theoretically remove itself as the key provider in some areas. It was stated that whilst overall, this was a question too wide ranging to be considered within Demand Management, an example could be seen in the Shared Lives programme, where Foster Carers had expressed an interest in also providing services.

7.10 The Chair then asked how officers would recommend Councillors to approach Demand Management. How could it be ensured that they were able to exercise their responsibility to the residents whilst also aiding the Council in finding the necessary savings? And what sort of role could Councillors play in ensuring that proper oversight was undertaken?

It was advised that officers updated the Budget Steering Group on Demand Management regularly and that Cabinet members were kept informed of all progress. It was agreed that regular standing scrutiny engagement would be beneficial to all parties.

7.11 In conclusion of this item, the Panel asked for the risk management evaluation documents for each of the Demand Management projects to be provided. The Chair thanked Officers for their update and suggested that at a fundamental level, Demand Management needed to be about braver and more honest discussions between the authority and its residents.

Devolution, Governance and the West London Alliance

7.12 The Director of the West London Alliance (WLA) presented a report highlighting the WLA work taking place in relation to governance and devolution. Since the Scottish referendum in September 2014, the concept of devolution had been moving at a great pace on the national stage, with the devolution of health services in Manchester being a key example. With the national election looming, all of the main political parties were talking about how they would approach devolution issues.

Devolution could not work in London in the way it has in places like Manchester due to the Mayoral and GLA make-up of governance. Therefore a broader sub-regional approach, such as that being practiced by the WLA, was required. WLA authorities were in the process of piloting new schemes in relation to the growth agenda. There was also a focus on governance and the strengthening of it. The WLA had a strong track record of using efficiency programmes to deliver real savings, though the levels required now were significantly higher than previously.

One key area of focus for the WLA at the present time was the agreement in principle that West London Leaders and Chief Executives would establish a non-statutory West London Economic Prosperity Board, in order to deliver the WLA growth programme in support of the WLA vision for growth. A final formal decision to establish the Board was subject to a final approval of the terms of reference and the outcomes of any appropriate decision-making process within boroughs.

The Board would be a formal, politically accountable, decision-making body, better able to influence the strategic direction of resources relating to prosperity and growth in West London than the current informal partnership arrangements.

7.13 Panel members asked about purchasing powers, and whether it was considered that working from a seven borough position allowed for greater bargaining on price? It was agreed that the alliance did allow for this, though most procurement still had to take place within each authority's individual procurement teams. Going forward it was hoped that strategies would be developed in relation to this with an analysis of what could, and should, be procured at a multi-borough level.

7.14 In conclusion the Chair suggested that a series of possible questions arose from discussion of devolution and partnership working including:

- How do we manage our relationships with voluntary and community groups?
- How do we bring other authorities 'on the journey'?
- How could social impact be properly monitored by any businesses or voluntary groups who have taken over delivery of a service?

8. Conclusions and Recommendations

The following recommendations have arisen from the Contracts, Demand and Partnership Scrutiny Panel's review into the ways in which measures relating to demand, supply and partnership can help the council to achieve major savings, how well those savings were being made, and how best value was being achieved for Ealing's residents:

Contracts and Procurement

1. The Council should seek to be an active facilitator of markets for service delivery, and ensure quality, quantity and diversity of provision and aligning contracts with other WLA authorities to open more joint procurement opportunities
2. The Council should ensure that job opportunities developed for Ealing residents through its contracting powers are of a high quality and benchmark level of NVQ for apprentices
3. Planning is required around risk mitigation in case suppliers unable to supply to a sufficient standard at the rates set
4. Local companies should be encouraged to make best use of the online

- portals for bidding for contracts.
5. The Council should continue to pursue greater devolved powers and funding in skills and training, working with neighbouring boroughs where possible to strengthen bids.

Demand Management Programme

6. Significant risk safeguards should be put in place to monitor the success of the demand management programme.
7. Demand Management should take a formal role within any future Star Chamber process. All departments should be expected to demonstrate a clear commitment to tackling demand before proposing to cease aspects of their activity.
8. Savings within the MTFs that are badged to Demand Management projects should be clearly grouped to provide transparency of risk.
9. In order to provide political accountability, the Cabinet Member for Finance and Resources should be a member of the Demand Management Programme Board.
10. The Programme Board should seek to identify a new round of Demand Management projects for the forthcoming year.
11. Demand Management Programme to be presented to the party groups so all members can enhance knowledge and awareness of programme
12. Councillors to support implementation of programme by acting as influencers in the community and reinforcing messages around behaviour change.

Demand Management Projects

13. Role of councillors to include managing tenants' expectations about the repairs service and emphasising the tenant's rights and responsibilities in looking after their home.
14. The Panel suggest introducing an increasing scale of charges for missed housing repair appointments.
15. Call centre staff to update information held on property database regarding tenant's vulnerability – help to understand whether repair should be carried out by repair service.
16. Management of repair contracts needs to be tighter – need to ensure that a repeat repair call is not because of failure to get it right first time.
17. Consideration should be given under invest to save in cases where minor home improvements would facilitate foster carers who wish to provide a further placement being able to do so. .

Partnerships

18. Workshops and training to be provided to Councillors on devolution and partnership working.

9. Attendance

9.1 Panel Members

The Panel met five times in the year

| Name | Attended | Apologised |
|-----------------------------------|-----------------|-------------------|
| Councillor Peter Mason (Chair) | 5 | |
| Councillor Ian Proud (Vice-Chair) | 4 | 1 |
| Councillor Natasha Ahmed-Shaikh | 5 | |
| Councillor Gary Busuttil | 5 | |
| Councillor Joanna Dabrowska | 4 | 1 |
| Councillor Steve Hynes | 4 | 1 |
| Councillor Swarn Kang | 3 | 2 |
| Councillor Anthony Kelly | 5 | |
| Councillor Sarfraz Khan | 3 | 1 |
| Councillor Gurmit Mann | 5 | |
| Councillor Dee Martin | 4 | 1 |
| Councillor Ciaran McCartan | 5 | |
| Councillor Ray Wall | 4 | 1 |
| Substitutes | Meetings | Comment |
| Councillor Munir Ahmed | 1 | |
| Councillor Theresa Mullins | 2 | |
| Councillor Lauren Wall | 2 | |

9.2 Invited Witnesses

The Panel invited the following representatives of other organisations to attend their meetings. The Panel are very grateful for their help.

| External Attendees | Organisation |
|---------------------------|--------------------------------|
| Jon Ainger | Director, iMPower |
| Dan Gascoyne | Director, West London Alliance |
| Mary Kendall | Customer, Shared Lives Service |
| Myrna Odeyale | Carer, Shared Lives Service |

9.3 Council Officers

The Panel also wish to thank the following Ealing Council officers who attended to assist the Panel in their work programme.

| Ealing Council Officers | Job Title |
|--------------------------------|--|
| Maria Christofi | Director of Finance |
| Sonia Khan | Finance Strategy Manager |
| David Lillicrap | Head of Programme Management |
| John Dimmer | Head of Policy |
| Kate Graefe | Head of Commercial & Procurement and Greenford Business Service Centre |
| Cheryl Batt | Head of Disabilities Service |
| Matthew Booth | Director of Policy and Performance |
| Judith Finlay | Director of Children and Families |
| Martin Crank | Resident Involvement Manager |
| Kathryn White | Scheme Co-ordinator, Shared Lives |

10. Background Reading

Further details can be found in the agendas and minutes for the Panel meetings which are available on the Ealing Council website at

<http://ealing.cmis.uk.com/ealing/Meetings.aspx>

11. Recommendations

| Rec No: | Recommendation |
|------------------------------------|---|
| Contracts and Procurement | |
| 1. | The Council should seek to be an active facilitator of markets for service delivery, and ensure quality, quantity and diversity of provision and aligning contracts with other WLA authorities to open more joint procurement opportunities |
| 2. | The Council should ensure that job opportunities developed for Ealing residents through its contracting powers are of a high quality and benchmark level of NVQ for apprentices |
| 3. | Planning is required around supply chain resilience in case suppliers unable to supply to a sufficient standard. |
| 4. | Local companies should be encouraged to make best use of the online portals for bidding for contracts. |
| 5. | The Council should continue to pursue greater devolved powers and funding in skills and training, working with neighbouring boroughs where possible to strengthen bids. |
| Demand Management Programme | |
| 6. | Significant risk safeguards should be put in place to monitor the success of the demand management programme. |
| 7. | Demand Management should take a formal role within any future Star Chamber process. All departments should be expected to demonstrate a clear commitment to tackling demand before proposing to cease aspects of their activity. |
| 8. | Savings within the MTFs that are badged to Demand Management projects should be clearly grouped to provide transparency of risk. |
| 9. | In order to provide political accountability, the Cabinet Member for Finance and Resources should be a member of the Demand Management Programme Board. |
| 10. | The Programme Board should seek to identify a new round of Demand Management projects for the forthcoming year. |

| Rec No: | Recommendation |
|-----------------------------------|---|
| 11. | Demand Management Programme to be presented to the party groups so all members can enhance knowledge and awareness of programme |
| 12. | Councillors to support implementation of programme by acting as influencers in the community and reinforcing messages around behaviour change. |
| Demand Management Projects | |
| 13. | Role of councillors to include managing tenants' expectations about the repairs service and emphasising the tenant's rights and responsibilities in looking after their home. |
| 14. | The Panel suggest introducing an increasing scale of charges for missed housing repair appointments. |
| 15. | Call centre staff to update information held on property database regarding tenant's vulnerability – help to understand whether repair should be carried out by repair service. |
| 16. | Management of repair contracts needs to be tighter – need to ensure that a repeat repair call is not because of failure to get it right first time. |
| 17. | Consideration should be given under invest to save in cases where minor home improvements would facilitate foster carers who wish to provide a further placement being able to do so. |
| Partnerships | |
| 18. | Workshops and training to be provided to Councillors on devolution and partnership working |

12. Recommendations with Officer Comments

| Rec No: | Recommendation | Service Officer Comments (including any resource and legal implications) | Recommended Response to Cabinet (Accept/Reject) |
|----------------------------------|--|---|--|
| Contracts and Procurement | | | |
| 1. | The Council should seek to be an active facilitator of markets for service delivery, and ensure quality, quantity and diversity of provision and aligning contracts with other WLA authorities to open more joint procurement opportunities. | <u>Tim Smith, Head of Procurement Operations</u> This is something that the Council does currently, with collaboration the first option always to be considered when devising a commercial strategy for procurement. | Accept – as already done. |
| 2. | The Council should ensure that job opportunities developed for Ealing residents through its contracting powers are of a high quality and benchmark level of NVQ for apprentices. | <u>Tim Smith, Head of Procurement Operations</u> Having apprenticeships as a standard requirement is to be inserted into the Legal Contracts team's standard terms and condition and be part of standard method statement questions in tenders. Monitoring of opportunities and engagement with local businesses to promote employment opportunities is currently already done by the Council's Employment and Skills Team. | Accept |
| 3. | Planning is required around supply chain resilience in case suppliers unable to supply to a sufficient standard. | <u>Tim Smith, Head of Procurement Operations</u> <u>Donna Wootton, Head of Emergency Management</u> Business Continuity Management is a key aspect of managing a contract. Commercial and Procurement have just introduced an online toolkit for managing contracts which will help with this, whilst the Emergency Management / Business Continuity team have also been working on | Accept |

| Rec No: | Recommendation | Service Officer Comments (including any resource and legal implications) | Recommended Response to Cabinet (Accept/Reject) |
|---------|---|--|---|
| | | supporting service areas with this. The 2015/16 Business Continuity Management programme will be implementing a supply chain resilience strategy in conjunction with procurement. Adults Services have done a lot of work for the Care Act around this too, as the Council would now have to step in should a private Care Home become bankrupt for example. | |
| 4. | Local companies should be encouraged to make best use of the online portals for bidding for contracts. | <u>Tim Smith, Head of Procurement Operations</u> The Government now mandates the use of Contracts Finder for all procurements and this has been communicated nationally already so local companies should already know this. However, where appropriate, service areas should run open days before procurements begin to go through the bidding process if the market involved are not used to bidding. | Reject – everything is advertised on at least Contracts Finder now. |
| 5. | The Council should continue to pursue greater devolved powers and funding in skills and training, working with neighbouring boroughs where possible to strengthen bids. | <u>Simon Brooke, Employment and Skills Manager</u> The Council is working with neighbouring boroughs. The West London Alliance and through London Councils to seek greater devolved powers in relation to the use of skills funding. | Accept |

| Demand Management Programme | | | |
|------------------------------------|--|---|----------------------------|
| 6. | Significant risk safeguards should be put in place to monitor the success of the demand management programme. | <u>Matthew Booth, Director of Policy and Performance</u> The Demand Management programme is registered on JCAD, the council's main strategic risk management system. A risk log relating to all projects within the programme is monitored each meeting by the DM board. | Accept – already in place. |
| 7. | Demand Management should take a formal role within any future Star Chamber process. All departments should be expected to demonstrate a clear commitment to tackling demand before proposing to cease aspects of their activity. | <u>Matthew Booth, Director of Policy and Performance</u> Questions relating to effectiveness of demand management approaches in each service will figure in the budget setting process as appropriate | Accept – already in place. |
| 8. | Savings within the MTFS that are badged to Demand Management projects should be clearly grouped to provide transparency of risk. | <u>Maria Christofi, Director of Finance</u> | Accept |
| 9. | In order to provide political accountability, the Cabinet Member for Finance and Resources should be a member of the Demand Management Programme Board. | <u>Matthew Booth, Director of Policy and Performance</u> The portfolio holder and leader are briefed on progress with the demand management programme as part of discussions at the budget steering group. The Portfolio Holder is welcome to attend meetings of the DM board. | Accept |
| 10. | The Programme Board should seek to identify a new round of Demand Management projects for the forthcoming year. | <u>Matthew Booth, Director of Policy and Performance</u> | Accept |
| 11. | Demand Management Programme to be presented to the party groups so all members can enhance knowledge and awareness of programme | <u>Matthew Booth, Director of Policy and Performance</u> | Accept |

| | | | |
|-----------------------------------|---|---|---------------------------|
| 12. | Councillors to support implementation of programme by acting as influencers in the community and reinforcing messages around behaviour change. | | |
| Demand Management Projects | | | |
| 13. | Role of councillors to include managing tenants' expectations about the repairs service and emphasising the tenant's rights and responsibilities in looking after their home. | <u>Greg Birch, Head of Repairs and Maintenance</u> Updated Repairs Handbook to be launched in September. Councillors to be sent a copy and invited to launch workshops in their wards. | Accept |
| 14. | The Panel suggest introducing an increasing scale of charges for missed housing repair appointments. | <u>Greg Birch, Head of Repairs and Maintenance</u> Pilot programme in place warning tenants if they miss more than one appointment in a rolling year. If multiple missed visits continue – recharges will be introduced. | Accept – pilot in place. |
| 15. | Call centre staff to update information held on property database regarding tenant's vulnerability – help to understand whether repair should be carried out by repair service. | <u>Greg Birch, Head of Repairs and Maintenance</u> Already in place | Accept – already in place |
| 16. | Management of repair contracts needs to be tighter – need to ensure that a repeat repair call is not because of failure to get it right first time. | <u>Greg Birch, Head of Repairs and Maintenance</u> Recall process in place when initial repair has failed to resolve the fault. | Accept – already in place |
| 17. | Consideration should be given under invest to save in cases where minor home improvements would facilitate foster carers who wish to provide a further placement being able to do so. | <u>Judith Finlay, Director of Children and Families</u> | Accept |
| Partnerships | | | |
| 18. | Workshops and training to be provided to Councillors on devolution and partnership working | <u>Matthew Booth, Director of Policy and Performance</u> Agreed, potentially as part of a broader briefing or programme on future policy/value for money | Accept |