



Cabinet

Date:	Thursday, 25 September 2008
Time:	6.15 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

3. VALUE FOR MONEY (Pages 1 - 30)

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WIRRAL COUNCIL

CABINET

25 SEPTEMBER 2008

REPORT OF THE DIRECTOR OF FINANCE

VALUE FOR MONEY REVIEW

1. EXECUTIVE SUMMARY

- 1.1 This report provides a response to the issues identified from the 2007/08 Audit Commission Value for Money Profile of Wirral compared with its nearest neighbours that was reported to Cabinet on 23 July 2008.

2. BACKGROUND

- 2.1 The Council is required to demonstrate that it provides good value for money and takes steps to manage and improve value for money. The Audit Commission assesses this as part of the Comprehensive Performance Assessment (CPA) process with Wirral presently rated as 2 (adequate performance). The 2008 assessment is presently being undertaken.
- 2.2 The Audit Commission provides value for money profiles that attempt to show how the costs of services compare to other authorities that share a similar make up and demography. This offers an indication to the Council of areas for further investigation when considering value for money. The profiles however are not a definitive judgement of value for money.
- 2.3 The value for money profile tool 2008 included planned spending data for 2007/08 and performance data for 2006/07. Changes included the revised population estimates for 2005 produced by the Office of National Statistics and in the comparison group of nearest neighbours with nine of the sixteen members being common with the 2007 grouping.

3. AUDIT COMMISSION PROFILES

- 3.1 The profiles are only a tool for indicating possible areas for investigation for seeking explanations of cost differentials which may be as a result of alternative cost allocation processes by authorities. They are therefore not a definitive judgement of value for money as they use:-
- Budgeted expenditure rather than actual costs incurred
 - Performance data that does not relate to the same year as expenditure in many of the profiles
 - Population size rather than units of activity. High performance or outputs may therefore explain some of the reasons for perceived high cost.

3.2 Cabinet on 7 February 2008 received reports from Chief Officers on the areas for investigation highlighted by the 2006/07 Audit Commission profiles:-

Finance	Council Tax collection and administration Administration of Housing and Council Tax Benefit Discretionary rate relief
Children & Young People	Special educational needs Children's social care Looked after children
Adult Social Services	Older people's services Adults with learning disabilities Adults with mental health problems Adults with physical and sensory disability Service strategy

3.3 The report to Cabinet on 23 July 2008 identified that the areas for investigation as highlighted by the 2007/08 Audit Commission profiles were similar to those for 2006/07 with additional areas requiring further investigation:-

Children & Young People	Strategic management Pension costs
Adult Social Services	Adults with physical disabilities
Technical Services	Waste collection Emergency planning
Corporate Services	Economic and community development
Cultural Services	Sport and Recreation

3.4 Cabinet was reminded that the Audit Commission tool is one of the ways of helping to address value for money which seeks to measure that :-

- Costs compare well with others as measured through Audit Commission profiles, CIPFA statistics and other benchmarking assessments
- Costs are commensurate with service delivery, performance and outcomes achieved in that the money allocated is producing the best results in terms of service delivery
- Costs reflect policy decisions in that high costs may be recognised as being the result of a Council decision
- The Council monitors and reviews value for money on a regular basis and this is embedded within the culture of the organisation
- The Council has improved value for money and achieved efficiency gains as reported in the Annual Efficiency Statement. From 2008 the gains will be the subject of a national Performance Indicator
- Procurement and other spending decisions take account of full long-term costs
- The Council continually learns from best practice

4. FINDINGS

- 4.1 Cabinet on 23 July 2008 requested that the findings of the investigations be reported back in September. A value for money pro-forma was produced to assist in providing a coordinated consistent approach to the issues raised by the profiles and to provide an audit trail and evidence for value for money. These are included as appendices and a number of general points can be drawn from the responses.
- 4.2 Improving trends
 - 4.2.1 Areas classed as high spend show an improvement with other authorities between 2006/07 and 2007/08 including children's social care and school transport costs measured on a £ per pupil basis. Wirral has moved from 2nd to 4th highest £ per head cost of adults with physical and sensory disabilities.
 - 4.2.2 Initiatives are being undertaken which will have a beneficial impact in future years. Examples include the work undertaken within the Department of Adult Social Services to reform out of home services, reduce management and support costs and the development of locality based integrated services, savings within the Department of Finance relating to Housing and Council Tax Benefit administration and initiatives by the Children and Young Peoples Department to reduce the number, and costs, of looked after children.
- 4.3 Costs driven by Council Policies
 - 4.3.1 Areas having high costs compared to other authorities as a result of Wirral policies and priorities include the awarding of discretionary rate relief, waste collection costs and the impact of Adult Social Services and Children's Services care policies.
- 4.4 Commentary of the use of population measures
 - 4.4.1 With profiles based solely on cost per population the factoring in of the level of performance may help prove value for money. For example Waste Collection costs per head are high compared to the comparator group but the volume of waste collected is higher as is the recycling rate which reflects the new waste collection arrangements. Council Tax collection rates are also high which results from the high cost of collection.
 - 4.4.2 The profiles are largely based upon a crude measure of cost divided by population and are designed to be a tool for highlighting areas for possible investigation rather than as a judgement of value for money in their own right. Population does not best reflect the circumstances in areas such as Housing Benefit administration when deprivation measures and the factoring in of complexity of caseloads would be a better measure. Wirral will consistently appear as 'high cost' in many areas if cost divided by population is used as the measure of cost.

4.4.3 After investigation it was found that in the areas of Sport and Recreation, Adult Social Services, Emergency Planning and Economic & Community Engagement the different classification of capital financing costs, overheads and ancillary costs made Wirral higher. When appropriate adjustments are made and comparisons made on a like-for-like basis the costs compare favourably.

5. ON GOING ACTIONS AND FUTURE DEVELOPMENTS

5.1 The analysis of the profiles has explained the reasons for some of the perceived high cost areas which include policy decisions, performance levels and the basis of calculation. The analysis has confirmed that a number of areas appear to be high cost and actions are in place to address these areas whilst actions are also being taken across the other areas.

5.2. Areas identified as high cost, although reducing, and where additional work and initiatives are being undertaken to improve costs are primarily within Adult Social Services and Children & Young People in respect of care services.

5.3 Work being undertaken to address these areas which involves the Council working with other agencies including the Wirral Primary Care Trust and external providers includes:-

Adult Social Services

- Reform of out-of-home services
- Review of home care provision
- Renegotiation of residential and nursing home contracts
- Reduction in management and support costs
- Development of locality based integrated services
- Development of individual budgets

Children & Young People

- Continuing reduction in out of borough child placements
- Continuing work on preventative approach for looked after children
- On going budget reviews and programme of cost reduction
- Extension of the child concern model

5.4 The profiles have illustrated that variations can be caused by alternative approaches to cost identification and different organisational structures between authorities. Although this will always be an issue, as each authority will have its own characteristics, work can be done to refine the data supplied. Whilst this will make for greater comparability this will result in the moving of costs between profile areas rather than in reducing overall costs.

5.5 It is intended that the analysis of future Audit Commission profiles will also highlight areas of perceived low cost as well as high cost. This may help identify areas where performance is also low and so value for money is not being achieved. It may also identify areas where the allocation of costs is affecting the comparability measures.

6. FINANCIAL AND STAFFING IMPLICATIONS

6.1 There are no direct financial or staffing implications arising out of this report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1 There are none arising directly from this report.

8. HUMAN RIGHTS IMPLICATIONS

8.1 There are none arising directly from this report.

9. LOCAL AGENDA 21 IMPLICATIONS

9.1 There are none arising directly from this report.

10. COMMUNITY SAFETY IMPLICATIONS

10.1 There are none arising directly from this report.

11. PLANNING IMPLICATIONS

11.1 There are none arising directly from this report.

12. LOCAL MEMBER SUPPORT IMPLICATIONS

12.1 There are no particular implications for any Members or wards arising out of this report.

13. BACKGROUND PAPERS

13.1. Value for Money Profiles - Audit Commission - April 2008.

14. RECOMMENDATION

14.1 That Cabinet considers the summary of findings and actions as detailed in Appendix A.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/219/08

VALUE FOR MONEY

SUMMARY OF FINDINGS FROM INVESTIGATION INTO AUDIT COMMISSION PROFILES 2007/08

Appendix	Area for investigation	Comment	Actions
A1	Council Tax collection and administration	Per dwelling a better measure and collection rates are high. Reflects Council policies on Fair Debt and Pensioner Discount scheme.	Note cost performance. Review policies at the appropriate time.
A2	Administration of Housing and Council Tax Benefit	Caseload a better measure as DWP uses complexity for allocating grant. Level of deprivation impacts upon claimant numbers. Unit costs per claimant are low.	Note performance by caseload.
A3	Discretionary rate relief	Generous policy in support of local groups and organisations that is subject to regular review.	Note position in profiles. Review policy annually.
A4	Special educational needs	Costs are reducing but scope for substantial reductions is dependent upon revising SEN policy.	Note position in profiles. Review policy at appropriate time.
A5	Children's social care	Progress made to reduce the numbers and costs with plans for further reductions.	Note improvements. Request regular updates via Performance Report.
A6	Looked after children	Excellent progress in reducing numbers and costs with Council now in median range.	Note improvements.
A7	Older people's services	Costs are high but plans to reform out-of-home services and renegotiate contracts. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.

A8	Adults with learning disabilities	Costs high and reviewing the supported living contracts with providers. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.
A9	Adults with mental health problems	Council costs high whilst Wirral PCT spending less than their comparators. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.
A10	Adults with physical and sensory disability	Costs high and reviewing contracts. Eligibility criteria agreed at substantial and critical.	Request regular updates via Performance Report. Retain current eligibility criteria.
A11	Adult Social Services Service strategy	Costs reflect allocation of management costs which has been revised for 2008/09.	Note actions taken.
A12	Children Strategic management / pension costs	Other measures show costs are slightly above average. Pension costs reflect outcomes of Primary Schools review.	Note actions taken.
A13	Waste collection	Performance improved in waste collection and recycling. Costs reflect policies around free bulky waste and garden waste collections.	Note performance. Confirm policies for bulky waste and garden waste.
A14	Emergency planning	Costs reflect the wider service provided by Wirral which if excluded makes costs compare favourably.	Note.
A15	Economic and community development	Identified costs include additional areas which is excluded the costs are comparable.	Note.
A16	Sport and Recreation	The latest profiles included non-appropriate costs which when removed reduce from high cost area.	Note.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Council Tax Collection and administration.

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

High cost but good collection rates.

Basis of indicator (e.g. cost divided by population)

Cost of Council Tax administration divided by head of population compared with collection rates and deprivation index.

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

BV9 (up to 31/3/08)

Lead Department for indicator

Finance

Any alternative Performance indicators for this area

Cost of collection per dwelling, (a more relevant comparator for a property based tax) and cost of collection ranked against deprivation criteria.

Reasons for performance (e.g. Council policies, definition basis etc)

- Indicator definition is simplistic.
- Deprivation levels impact on collection levels.
- Cost of operating Fair Debt policy is £80,000 per annum and delivers up to £200,000 extra income.
- Cost of local pensioner discount policy to 7,000 over 75's is £260,000 per annum.

Actions undertaken (if any) to improve performance/costs

- New IT system has produced savings of £154,000 IT and £330,000 staffing costs per annum in tax and benefit administration costs
- Member of IPF benchmarking club with 135 members.
- Further increase in Direct Debit take up and use of e-citizen web access will help reduce direct administrative costs.
- Report to Cabinet 7 February 2008 VFM Comparisons benefits service
- High level of collection continues.

Planned future actions to be undertaken

On-going budget review/cost control

Audit Commission Value For Money Profiles 2007/08

Profile Description

Administration of housing and council tax benefit

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

High cost but relatively good processing time

Basis of indicator (e.g. cost divided by population)

Cost of HB administration divided by head of population, compared with speed of processing new HB/CTB claims amongst similar authorities.

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

RA return and BV78 a performance indicator

Lead Department for indicator

Finance

Any alternative performance indicators for this area

A weighted caseload basis as used by the DWP. This reflects additional cost per type of claim. Wirral has higher than average private tenant cases which are more complex.

Reasons for performance (e.g. Council policies, definition basis etc)

- Indicator definition is simplistic and does not take account of complexity of cases.
- Private tenant cases are more complex and costly to administer.
- Deprivation levels impact on claimant levels.
- Statutory Service with extremely limited scope for reducing benefit levels which impact on administration costs.

Actions undertaken (if any) to improve performance/costs

- New IT system has produced savings of £154,000 IT costs and £330,000 staffing costs per annum in benefit and tax administration costs
- Use of e-citizen web access and use of government connect access will help reduce direct administrative costs
- Continued work of anti-fraud team to reduce fraudulent claims will benefit costs of administration
- Report to Cabinet 7 February 2008 VFM Comparisons benefits service

Planned future actions to be undertaken

On-going budget review/cost control

Audit Commission Value For Money Profiles 2007/08

Profile Description

Discretionary Rate Relief

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

Amounts awarded higher than in other LA's

Basis of indicator (e.g. cost divided by population)

Sum of Discretionary Rate Relief awarded

Source of indicator information (e.g. RA return, Sec 52, ONS population,etc)

NNDR 3

Lead Department for indicator

Finance

Any alternative Performance indicators for this area

Collection Levels (BV10 up to 31/3/08). Awards as % of total debit.

Reasons for performance (e.g. Council policies, definition basis etc)

- Indicator definition simplistic and not recognising local policy decisions or level of occupation by relevant organisations
- Council policy to award maximum level for top up relief to mandatory relief organisations and discretionary relief awards reflects government view of being generous to small clubs and voluntary organisations.
- Low level of take up of Community Amateur Sports Club status which would move 80% of award into government paid for mandatory relief (this is also a national issue)

Actions undertaken (if any) to improve performance/costs

- 10 January 2008 decision to remove some organisations from discretionary rate relief is now in effect .
- Report to Cabinet 7 February 2008 VFM Comparisons NNDR Discretionary Rate relief awards

Planned future actions to be undertaken

On-going budget review/cost control

Audit Commission Value For Money Profiles 2007/08

Profile Description

Special Education Needs (SEN)

Performance per Audit Commission Profile

High cost

Basis of indicator

Cost / 3:19 pupils

Source of indicator information

Section 52

Lead Department for indicator

CYPD

Any alternative Performance indicators for this area

Comparison with OFSTED statistical neighbours – Wirral's spend is similar to above

Reasons for performance

- There is a high level of central provision in Wirral.

Actions undertaken (if any) to improve performance/costs

- Consultation with schools regarding statement values and delegation levels

Planned future actions to be undertaken

- Implementation of outcome of consultation as agreed by Cabinet.
- This will result in increased costs over the 3 year funding period.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Children's Social Care

Performance per Audit Commission Profile

At the median

Basis of indicator

Cost / 3:17 population

Source of indicator information

RA return

Lead Department for indicator

CYPD

Any alternative Performance indicators for this area

None

Reasons for performance

- Performance has improved during the year as a result of actions taken.
- Planned reduction in the number of Looked after children whilst ensuring their safety.
- Placement of more children within borough and with families.

Actions undertaken (if any) to improve performance/costs

- Further efficiency savings arising from the above have significantly reduced costs.

Planned future actions to be undertaken

- Continue to safely reduce numbers looked after to an acceptable level when benchmarked with comparators.
- Earlier intervention through changed approach to service delivery.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Looked After Children

Performance per Audit Commission Profile

High number / high cost

Basis of indicator

Children Looked After (0 -17) per 10,000 population.

Source of indicator information

903 return

Lead Department for indicator

CYPD

Any alternative performance indicators for this area

None

Reasons for performance

- Historically low levels of Social Workers and high levels of child protection

Actions undertaken (if any) to improve performance/costs

- Implement Child Concern model
- Increase staffing levels
- Early intervention
- Bring back and reduce children placed in care out of borough

Planned future actions to be undertaken

Extension of Child Concern Model

Planned safe reduction of LAC to local authority average over 3 years.

Audit Commission Value For Money Profiles 2007/08

Audit Commission VFM Profile Description

Older People Services

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

In 2007-08 Wirral spent £842.93 per person aged over 65 compared to the 'nearest neighbour' average of £875.37 per person. Wirral currently ranks 10th out of 16. In 2006-07 Wirral ranked 9th out of 16, spending £828.85 compared to the group average of £845.92.

Wirral supported an average of 32.3 older people in residential/nursing care per 1,000 aged over 65 compared to the group average of 30.8. Wirral currently ranks 8th out of 16. In 2006-07 Wirral ranked 9th out of 16 with an average of 31.2 compared to the group average of 32.0.

The unit cost of residential/nursing care for older people ranks 3rd out of 16 at £449 per week compared with a group average of £414.50. In 2006-07 Wirral ranked 10th with a unit cost of £388.17 against an average of £400.96.

The level of Intensive home care provided by Wirral per 1,000 population aged over 65 was 32.6 in 2007-08 compared to an average of 39.2. Wirral ranked 14th out of 16. In 2006-7 Wirral were ranked 4th out of 16 with 46.5 people supported compared to the group average of 40.6.

The average cost of home care provided by Wirral in 2007-08 was £11.40 compared to an average for the group of £14.04. Wirral ranked 15th out of 16, the same ranking as 2006-07. The unit cost in 2006-07 was £10.00 compared to the average of £13.13.

Basis of indicator (e.g. cost divided by population)

Cost divided by population aged 65 and over.

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

RA and PSSEX1 return, ONS Population stats.

Lead Department for indicator

DASS

Any alternative performance indicators for this area

See above

Reasons for performance (e.g. Council policies, definition basis etc)

- Growth agreed 3 years ago to increase the unit cost of Residential and Nursing Home care aligned to quality premiums to stabilise and develop the market.
- Council policy to set eligibility criteria for services under FACS at *substantial and critical*
- Intensity indicator high as a result of reviewing our low level support and people electing to make their own arrangements following an increase to the Council's charging policy.
- Demand for services for older people continues to rise and this is evident in the Trust's reporting of increased activity in hospital.

- Contracts for domiciliary care creates budget efficiencies through E-Monitoring and economies of scale by reducing number of providers to 8.

Actions undertaken (if any) to improve performance/costs

- 3 year stepped increase in the Fairer Charging policy for non-residential support will increase assessed income and motivate some people to make their own arrangements as it becomes more cost effective for them to do so.
- Reform of out-of-home (day) services will reduce the budget by £700,000 in 2008-09.
- Reduction of Social Workers and change of skill mix in Access and Assessment Teams (fieldwork) will reduce assessment costs by £250,000 in 2008-09.
- Reduction in management and support costs will reduce the budget by £425,000 in 2008-09
- £1.295m is taken out of the costs of home care through the transfer of in-house long term support to the Independent sector (£550k in 2008-09 and £750k in 2009-10.
- The development of Individual Budgets will see further improvements and cost reductions, but this will not be evident until 2009-10.
- The development of Locality based, integrated services will mean more people access low level, preventative support rather than rely on statutory services. Financial impact is uncertain but the plans are to reduce spending by £3.7m over three years.

Planned future actions to be undertaken

On-going budget review/cost control.

Renegotiation of contracts for residential and nursing home to reduce fees by £900,000 from 1 April 2008

Re-alignment of Quality premiums to match CSCI assessment

Recovery of 'windfall' gain to Nursing Homes as a result of new RNC rates paid by Department of Health

Audit Commission Value For Money Profiles 2007/08

Audit Commission VFM Profile Description

Adults with Learning Disabilities

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

In 2007-08 expenditure in Wirral on people with learning disabilities was £95.60 per person aged 18-64 compared to the group average of £94.81. Wirral ranks 7th out of 16, the same ranking as 2006-07. In 2006-07 Wirral spent £95.08 per person against an average of £90.80.

Wirral is below average for the number of people supported in residential/nursing care at 11.6 per 10,000 population aged 18-64 (average is 12.2) but is ranked 2nd highest in terms of the number helped to live at home at 1.0 per 1,000 population aged 18-64 compared with the group average of 0.6.

Basis of indicator (e.g. cost divided by population)

Cost divided by population aged 18 to 64

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

RA and PSSEX1 return, ONS Population stats.

Lead Department for indicator

DASS

Any alternative performance indicators for this area

See above

Reasons for performance (e.g. Council policies, definition basis etc)

- Incidence of learning disability is higher in Wirral than its comparators (source: Joint Commissioning Strategy). This may, in part, be due to services being available (eg day services, special schools) that are not as available in neighbouring authorities.
- Council policy to set eligibility criteria for services under FACS at *substantial and critical*
- Council policy to support people in their own home rather than residential care - which can be less cost effective but has better outcomes for people.
- Wirral has been successful in implementing the CHC criteria for joint funding with Health. A further £300k is expected in 2008-09.
- Demand for services for people with learning disabilities continues to rise as a result of older carer breakdown and transition of young people with disabilities into adulthood.

Actions undertaken (if any) to improve performance/costs

- Reform of out-of-home (day) services will reduce the budget by £700,000 in 2008-09.
- Reduction of Social Workers and change of skill mix in Access and Assessment Teams (fieldwork) will reduce assessment costs by £250,000 in 2008-09.

- Reduction in management and support costs will reduce the budget by £425,000 in 2008-09
- The development of Individual Budgets will see further improvements and cost reductions, but this will not be evident until 2009-10.
- The development of Locality based, integrated services will mean more people access low level, preventative support rather than rely on statutory services. Financial impact is uncertain but the plans are to reduce spending by £3.7m over three years.

Planned future actions to be undertaken

A new Team has been established as part of the Reform agenda to review services for people with a learning disability. This will entail a re-negotiation of Supported Living contracts which is the main area of overspend.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Adults with Mental Health problems

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

In 2007-08 Wirral spent £42.60 per person aged 18-64 on Mental Health Services compared with an average of £31.92. Wirral currently ranks 3rd highest, an improvement on last years ranking of 2nd highest. Spend per person in 2006-07 was £43.55 against an average of £31.37.

Wirral ranks 2nd highest in the group in terms of the average number of people supported in residential/nursing care at 7.7 per 10,000 population aged 18-64 and 3rd highest for the number receiving home care at 0.6 per 1,000 population aged 18-64. The comparator group average is 4.6 and 0.3 respectively.

Basis of indicator (e.g. cost divided by population)

Cost divided by population aged 18 to 64

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

RA and PSSEX1 return, ONS Population stats.

Lead Department for indicator

DASS

Any alternative performance indicators for this area

See above

Reasons for performance (e.g. Council policies, definition basis etc)

- Council policy to set eligibility criteria for services under FACS at *substantial and critical*
- Health Services in Wirral show a different pattern with Wirral PCT spending less on Mental Health Services than its comparators.
- Wirral still funds too many people in residential care, but many have been resident for many years so it will take time to change the profile.

Actions undertaken (if any) to improve performance/costs

- Reform of out-of-home (day) services will reduce the budget by £700,000 in 2008-09.
- Reduction of Social Workers and change of skill mix in Access and Assessment Teams (fieldwork) will reduce assessment costs by £250,000 in 2008-09.
- Reduction in management and support costs will reduce the budget by £425,000 in 2008-09
- The development of Individual Budgets will see further improvements and cost reductions, but this will not be evident until 2009-10.
- The development of Locality based, integrated services will mean more people access low level, preventative support rather than rely on statutory

services. Financial impact is uncertain but the plans are to reduce spending by £3.7m over three years.

Planned future actions to be undertaken

The Adult Accommodation Strategy is being developed which will offer more choice to people where they receive support.

DASS intends to roll out a Fair Price Model for negotiating a reduction in the unit cost of residential care.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Adults with Physical & Sensory Disabilities

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

In 2007-08 Wirral spent £55.58 per person aged 18-64 on services for people with Physical Disabilities against an average of £43.52. There has been an improvement in the ranking from 2nd highest in 2006-07 to 4th highest in 2007-08. Expenditure in 2006-07 was £56.67 against an average for the group of £42.93.

Wirral ranks 2nd highest (the same ranking as 2006-07) in terms of the average number of people supported in residential/nursing care at 5.8 per 10,000 population aged 18-64 compared to a group average of 4.3. Wirral also ranks 7th highest in terms of the number of people helped to live at home per 1,000 population aged 18-64 at 3.0 compared to a group average of 3.1.

Basis of indicator (e.g. cost divided by population)

Cost divided by population aged 18 to 64

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

RA and PSSEX1 return, ONS Population stats.

Lead Department for indicator

DASS

Any alternative performance indicators for this area

See above

Reasons for performance (e.g. Council policies, definition basis etc)

- Council policy to set eligibility criteria for services under FACS at *substantial and critical*
- Wirral still funds too many people in residential care, but many have been resident for many years so it will take time to change the profile.

Actions undertaken (if any) to improve performance/costs

- Reform of out-of-home (day) services will reduce the budget by £700,000 in 2008-09.
- Increased use of assistive technology is likely to impact in this area
- Reduction of Social Workers and change of skill mix in Access and Assessment Teams (fieldwork) will reduce assessment costs by £250,000 in 2008-09.
- Reduction in management and support costs will reduce the budget by £425,000 in 2008-09
- The development of Individual Budgets will see further improvements and cost reductions, but this will not be evident until 2009-10.
- The development of Locality based, integrated services will mean more people access low level, preventative support rather than rely on statutory

services. Financial impact is uncertain but the plans are to reduce spending by £3.7m over three years.

Planned future actions to be undertaken

The Adult Accommodation Strategy is being developed which will offer more choice to people where they receive support.

DASS intends to roll out a Fair Price Model for negotiating a reduction in the unit cost of residential care.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Service Strategy

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

Wirral was reported as spending £617,000 on Service Strategy in 2007-08 and was ranked 2nd out of 16. The figure included some central services costs that were not apportioned to operational areas. The actual cost of service strategy should have been reported as £405,000. This correction reduces the cost per head to below average for the comparator group.

Basis of indicator (e.g. cost divided by population)

Actual costs

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

RA and PSSEX1 return

Lead Department for indicator

DASS

Any alternative performance indicators for this area

None

Reasons for performance (e.g. Council policies, definition basis etc)

- Unapportioned overheads

Actions undertaken (if any) to improve performance/costs

- The correction apportionment of overheads from Service Strategy to operational areas will reduce the reporting of this VFM profile to below the comparator average from 2008-09

Planned future actions to be undertaken

None

Audit Commission Value For Money Profiles 2007/08

Profile Description

Strategic Management / Pension Costs

Performance per Audit Commission Profile

High quartile

Basis of indicator

Cost / 3:19 pupils

Source of indicator information

Section 52

Lead Department for indicator

CYPD

Any alternative Performance indicators for this area

Comparison with OFSTED statistical neighbours – Wirral's spend is slightly above average and DCSF Local Authority Benchmarking Tables – Wirral's spend is similarly slightly higher than the Met. average for 2007-08

Reasons for performance

- Strategic management includes pension costs, these are high and have continued to increase as part of the primary review
- The overall increase in Strategic Management year on year is less than 2%

Actions undertaken (if any) to improve performance/costs

- Efficiency savings have significantly reduced costs in 2008-09

Planned future actions to be undertaken

- Continued efficiency savings
- Achieve consistency of approach in the assignment of Pension Increase costs

Audit Commission Value For Money Profiles 2007/08

Profile Description

Waste Collection

Performance per Audit Commission Profile

Second highest costs when compared to our “nearest neighbours”. The profile has Wirral £25.63 per head in 2007/8 against an average of £20.79. The lowest cost reported was £13.60 and the highest was £27.92.

Basis of indicator

Cost of waste collection divided by total population

NB. BV86 is the Best Value indicator used to report cost of waste collection (Up to 2007/8) This is the cost of waste collection per household.

Source of indicator information

ONS Population statistics / refuse collection out turn (uploaded to Waste Data Flow).

Any alternative performance indicators for this area

None although BV87 (Waste disposal costs per head) should also be considered.

Lead Department for indicator

Technical Services

Reasons for Performance

- Investment in waste infrastructure to improve recycling and composting performance to include for supply of recycling containers. Some councils will have lower annual costs of waste collection as they have no revenue implications due to past capital investment in infrastructure.
- New Environmental Streetscene Contract to deliver improvements in environmental quality and waste collection is an additional £3 million per year. This recent procurement exercise demonstrated value for money.
- Wirral does not charge residents for some waste services that we may legally levy a charge eg garden waste and bulky waste. Other Councils in the nearest neighbour group charge for these services, or have limited services available.
- Waste collection costs are typically calculated differently by different LA's, meaning it is not a true comparison. Wirral can demonstrate that the reported figure of £25.63 could be reduced to £19.63 when making direct comparisons moving Wirral to 6th.

Actions undertaken to improve performance

- The new Environmental Streetscene Contract has resulted in a stepped improvement in recycling performance that has already resulted in positive impacts on the waste disposal levy. The increase in the Merseyside Waste Disposal Levy was 15.4% Wirral's proportion increased by 11.4%.
- Merseyside Districts have developed an inter authority agreement that will allow us to review the levy mechanism. Wirral are keen to examine whether districts gaining from the sale of recyclates from kerbside sort operations are

costing the partnership more as they are not making use of facilities available to them through the disposal contract. This becomes an issue when the next MRF is built as the financial benefits can only be maximised if all districts opt to use the MRF (or capacity is secured from elsewhere). Districts collecting co-mingled recycling share their income via the levy, in order to offset MRF running costs.

- Since the award of the new Streetscene and Waste Contract £250k of waste collection efficiency savings have been achieved despite experiencing a growth in demand for some core aspects of the service.
- As part of a North West Consortium for joint procurement of wheeled bins this secured the lowest possible price for bins saving Wirral over £500k.

Planned Future Actions to be undertaken

- When comparing recycling and composting performance of our Nearest Neighbour Group, only five out of 16 authorities reported a higher recycling performance for 2007/8. Continuing to improve recycling rates will realize benefits in reduced waste disposal costs.
- Currently tendering for a new service provider for the treatment of garden waste. By locating a closer delivery point the service can operate to the same number of households with less collection resources with costs expected to reduce.
- The demand for bring sites has dropped due to the effective kerbside scheme and the provision of bring sites is to be reviewed in 2009/10. Similarly the assignment and re-processing of all bring site materials will be reviewed to secure better “prices” for materials collected.
- Most local authorities operate some form of trade waste collection service with net income being used to offset household waste collection costs. Wirral Council does not operate a commercial waste collection service and may wish to consider offering this service in future, especially for the collection of recyclable waste. The tonnage of waste sent to landfill, disposal costs and LATS risk linked to this service will need to be considered.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Home Office Services – Emergency Planning

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

Emergency planning costs are within Home Office services along with Police, Fire and Court services' costs because they relate to spending by the council on activities that support spending on protecting public safety by other public bodies.

Basis of indicator (e.g. cost divided by population)

Cost of Local Authority Emergency Planning provision divided by head of population.

Source of indicator information

No national indicator for emergency planning. Spend taken from estimates submitted by councils, the Department for Communities and Local Government (DCLG).

Lead Department for indicator

Technical Services

Any alternative performance indicators for this area

National Performance Indicator NI37. This is part of the new Place Survey. The new indicator will provide a % return ranging from very well informed to not very well informed.

Reasons for performance (e.g. Council policies, definition basis etc)

1. The indicator is based on planned spend for the entire Health, Safety & Resilience Team which includes corporate health and safety, Construction, Design and Management Co-ordinators, Legislative Compliance and Environmental management officers as well as Emergency Planning Officers.
2. The actual costs of the emergency planning service have been assessed as £259,901. An attempt has been made to gather as much comparison data as possible from the Comparison Group and the 7 returns show a range of Emergency Planning spend from £102,000 to £492,000 (this is for a unit that services 3 other LA's). Wirral's costs appear to be in line.
3. Wirral's costs reflect the Chief Executive and Health, Safety & Resilience Operations Manager representing Merseyside at Regional and Local Resilience Fora and respective Working Groups and the fact that Wirral has 3 top tier COMAH sites within its district and these require an increased amount of budget to ensure that we are legally compliant.

Actions undertaken (if any) to improve performance/costs:

1. Review underway of the possibility of a merged (shared-service) emergency planning function for Merseyside.

Planned future actions to be undertaken

On-going budget review/cost control

Audit Commission Value For Money Profiles 2007/08

Profile Description

Economic and community development

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

Cost per head is £39.38 and is in the 87th percentile of the nearest neighbour group. Of this group, four authorities are not NRF authorities.

Basis of indicator (e.g. cost divided by population)

£ cost per head correlated with deprivation

Source of indicator information (e.g. RA return, Sec 52 ONS population, etc)

Lines 595 and 596 of the RA return

Lead Department for indicator

Split between Corporate Services and Regeneration.

Any alternative Performance indicators for this area

National indicators: NI151 employment rate, NI153 worklessness which are priorities in the Local Area Agreement and Corporate Plan.

Local indicators: jobs created, jobs safeguarded, business starts. Past performance in these areas has been excellent and they are priorities in the Corporate Plan.

Reasons for performance (e.g. Council policies, definition basis etc)

- Included in the figures are £6.2m of NRF, £0.650m of performance management costs, and £0.963m of engagement and grants which could be classed outside of the definition. When excluded the spend per head reduces to £15.57, the 47th percentile.
- The Council's Corporate Plan is founded on an overall vision of "Building a more prosperous and equal Wirral" and identifies as a strategic objective the need to create more jobs, achieve a prosperous economy, and regenerate Wirral. This is a key priority for 2008/09 and the Authority has agreed an ambitious Investment Strategy which has been backed up by investing approximately £1 million in additional capacity. The improvement of the economy has also been identified as a key priority in the Local Area Agreement.

Actions undertaken (if any) to improve performance/costs

- Cost in this area is not considered high, and this area is likely to be subject to additional investment as it is a key priority for the council and LSP.

Planned future actions to be undertaken

See above.

Audit Commission Value For Money Profiles 2007/08

Profile Description

Sport and Recreation

Performance per Audit Commission Profile (e.g. high cost, highest quartile etc)

Shown as high cost.

Basis of indicator (e.g. cost divided by population)

Cost of Sport and Recreation service divided by head of population.

Source of indicator information (e.g. RA return, Sec 52, ONS population, etc)

CIPFA returns

Lead Department for indicator

Regeneration

Any alternative performance indicators for this area

None – see comment below

Reasons for performance (e.g. Council policies, definition basis etc)

Figures supplied to CIPFA included capital and other allocations that should have been classified differently on the return.

Actions undertaken (if any) to improve performance/costs

Corrected figures show a reduction in expenditure and a Wirral average expenditure of £16.17 per head.

Planned future actions to be undertaken

CIPFA sent correct figures for the year and procedures amended to ensure consistency in approach for future years.

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