

Report to: **Audit, Best Value and Community Services Scrutiny Committee**

Date: **5 November 2013**

By: **Chief Executive**

Title of report: **Reconciling Policy, Performance and Resources (RPPR)**

Purpose of report: **To enable the Committee to continue its engagement in the Council's business and financial planning process (Reconciling Policy, Performance and Resources) for 2014/15 and beyond.**

RECOMMENDATIONS: The Scrutiny Committee is recommended to:

- (1) consider the responses to any outstanding points from the September scrutiny committee deliberations on RPPR;**
 - (2) agree the membership of the RPPR Scrutiny Board to meet on Monday 16 December 2013; and**
 - (2) identify any further work or information needed to aid scrutiny's contribution to the RPPR process for consideration at the RPPR Board.**
-

1. Financial implications

1.1 The *State of the County 2013* report was agreed by Cabinet on 23 July 2013. That report initiated the Council's business and financial planning process known as *Reconciling Policy, Performance and Resources* (RPPR) for 2014/15 and beyond. The Council has also agreed that **four cross-cutting priority outcomes** for the Council as a whole should be reflected in future business and financial plans. These are:

- Driving economic growth;
- Keeping vulnerable people safe from harm;
- Building resilience for individuals and families to live independently; and
- Making the best use of our resources.

2. Scrutiny engagement in RPPR

2.1 When developing portfolio plans for next year, Cabinet Members are focusing on how services we and our partners provide contribute to the four priority outcomes. With diminishing resources available in future, the Council needs to develop ever more innovation in achieving efficiencies and 'providing more for less'. The kinds of strategies that are becoming increasingly apparent include: ensuring fair and effective demand management for the services we wish to provide; and focusing on earlier intervention, where appropriate, to prevent more costly intervention 'further down the line'.

2.2 Scrutiny's engagement in the RPPR process is vitally important. The **September 2013 scrutiny committees** examined the current portfolio and savings plans to become familiar with the scope and functions of the Cabinet portfolios within their remit. The committees assessed how services were performing against previously agreed targets and budgets, and questioned Lead Members and senior officers about the impacts of previous spending decisions. The committee identified a number of questions for further scrutiny. Information relating to these points is contained in the appendices and is presented for discussion.

2.3 Appendix 1 contains information relating to the **Resources Portfolio**. Appendix 2 contains information relating to the **Public Health Portfolio**. Appendix 3 contains information relating to the **Community Services Portfolio**.

2.4 The committee is to agree the Membership of its RPPR scrutiny review board, which will consider the developing portfolio plans and savings proposals in more detail as they emerge in December.

3. Next steps

3.1 Each scrutiny committee will provide commentary and recommendations to be taken into account by Cabinet and Council before a final decision is taken on next year's budget and Council Plan early in 2014. In recent years, the messages sent by scrutiny to Cabinet have predominantly highlighted the *impact* of proposed spending plans on services provided by the County Council and its partners. Increasingly, however, scrutiny has also:

- proposed mitigating action to offset perceived negative impacts of spending reductions in some cases
- recommended shifts in the balance of priorities between different activities, giving prominence to priorities that have emerged from the evidence scrutiny has uncovered;
- made judgements about value for money for areas of above-average costs;
- sought to identify additional efficiencies; and
- challenged performance targets to try to ensure better return on investment through increased performance.

3.2 The **RPPR scrutiny review boards** will meet in December 2013/January 2014 to agree the detailed comments and any recommendations on the emerging portfolio plans and savings proposals to put to Cabinet on behalf of their parent scrutiny committees. The Chairs of all the scrutiny committees are invited to attend all the scrutiny review boards.

3.3 The **March 2014 scrutiny committees** will review the process and their input into the RPPR process, and make recommendations for improvements for the future RPPR process.

BECKY SHAW
Chief Executive

Contact Officer: Paul Dean, Scrutiny Manager (01273 481751)
Local Member: All

Background Documents

None

Resources Portfolio

1. Confirmation whether any of the £10 million planned capital expenditure on “Investment Gaps ICT” came from the reallocated £10 million revenue surplus generated by the 2012/13 revenue savings plan.

The excess of £10m savings identified through the 2012/13 budget round was designed to give Members some flexibility and choice. It was ultimately used in two ways. Firstly to mitigate or remove some savings and secondly to provide for new investment in some priority areas. None of the £10m was used to support the Capital Programme.

2. More details of how the proposed revenue savings for the Business Services Department are on course to be delivered. In particular, those savings that are expected to be made from the Corporate Consolidation review.

We are on target to deliver the savings from consolidation of resources functions that are required in 2013/14 and 2014/15. There is a bit more to find in the third year (2015/16) which we expect to be able to do as a result of further rationalisation of transactional activity and new opportunities that will accrue from our strategic partnership with Surrey County Council.

3. How Agile Working and, separately, SPACES are projected to achieve savings in each of the portfolios across the Council, and whether there is any danger of double counting.

Agile Working:

The savings and benefits from the Agile Programme are:

- a) Staffing productivity savings as a result of different ways of working. These would include:
 - Reduced travel;
 - Reduced administration and duplication; and
 - Increased capacity.
- b) Revenue savings as a result of leased property release;
- c) Revenue savings as a result of reduced facilities management costs;
- d) Capital receipts as a result of the sale of buildings;
- e) Revenue efficiencies as a result of improved business processes; and
- f) Revenue savings as a result of reduced consumables due to increased electronic working

The scope of the business case is currently defined by the rationalisation of the corporate property estate. This means that only staff who are based within the identified corporate buildings have been considered as in scope for the business case.

The Agile Programme is evaluating and developing a plan for the timing for services to engage with the programme. This plan will then be used to refine the profile and timing of savings linked to the RPPR.

The Agile Programme reports to CMT as an executive programme board every 4 weeks in order to maintain visibility and links and dependencies with other plans.

The Agile Programme is expected to deliver £9 million of savings by 2016/17:

	Agile savings in comparison to 2013/14 budget (£000)		
	2014/15	2015/16	2016/17
Adult Social Care	1,017	2,034	3,051
Economy, Transport and Environment	256	512	768
Business Services	242	484	726
Governance and Community Services	329	658	987
Children’s Services	1,156	2,302	3,468
Total	3,000	6,000	9,000

A more detailed breakdown of these figures will be provided during the tour of the Agile office.

SPACES:

There are no savings in RPPR from the SPACES programme. We have savings targets for Capital receipts and continually evaluate opportunities for delivering efficiencies on buildings maintenance and running costs. The SPACES programme can assist ESCC in the delivery of its priorities but does not determine any of these priorities.

4. A breakdown of the number of staff on long term sick leave compared to short term sick leave.

This is the target in the 2013/14 – 2015/16 Portfolio Plan.

Performance Measure	Outturn 12/13	Target 12/13	12/13 RAG	Target 13/14	Target 14/15	Target 15/16
The number of working days lost per FTE (Full Time Employee) due to sickness absence	7.7	7 days per FTE	R	No more than 6.95 days lost per FTE employee	No more than 6.95 days lost per FTE employee	No more than 6.95 days lost per FTE employee

- excludes medical appointments + temp contracts <1 year's service
- historical department breakdown has been retrospectively adjusted to match current structure

2012/13									
	<i>days lost</i>		<i>absence count</i>		<i>days lost %</i>		<i>absence count %</i>		
<i>department</i>	<i>short</i>	<i>long</i>	<i>short</i>	<i>long</i>	<i>short</i>	<i>long</i>	<i>short</i>	<i>long</i>	<i>days/FTE</i>
Adult Social Care	8,120.77	11,247.44	3,129	222	41.9%	58.1%	93.4%	6.6%	14.31
Business Services	1,328.40	571.65	530	14	69.9%	30.1%	97.4%	2.6%	5.17
Children's Services	6,109.40	5,992.71	2,779	134	50.5%	49.5%	95.4%	4.6%	8.29
Economy, Transport and Environment	1,054.71	533.50	494	15	66.4%	33.6%	97.1%	2.9%	4.74
Governance & Community Services	1,091.85	1,153.51	543	22	48.6%	51.4%	96.1%	3.9%	7.06
Schools	19,720.26	15,639.21	11,891	447	55.8%	44.2%	96.4%	3.6%	6.27
<i>ESCC total:</i>	<i>37,425.38</i>	<i>35,138.02</i>	<i>19,366</i>	<i>854</i>	<i>51.6%</i>	<i>48.4%</i>	<i>95.8%</i>	<i>4.2%</i>	<i>7.70</i>

2013/14 Q1									
	<i>days lost</i>		<i>absence count</i>		<i>days lost %</i>		<i>absence count %</i>		
<i>department</i>	<i>short</i>	<i>long</i>	<i>short</i>	<i>long</i>	<i>short</i>	<i>long</i>	<i>short</i>	<i>long</i>	<i>days/FTE</i>
Adult Social Care	1,865.26	2,019.13	694	29	48.0%	52.0%	96.0%	4.0%	2.81
Business Services	288.06	195.76	119	6	59.5%	40.5%	95.2%	4.8%	1.42

Children's Services	1,555.97	1,627.45	657	25	48.9%	51.1%	96.3%	3.7%	2.17
Economy, Transport and Environment	203.76	248.32	102	1	45.1%	54.9%	99.0%	1.0%	1.40
Governance & Community Services	240.93	400.38	112	4	37.6%	62.4%	96.6%	3.4%	2.12
Schools	4,400.48	3,678.81	2,718	81	54.5%	45.5%	97.1%	2.9%	1.50
<i>ESCC total:</i>	<i>8,554.46</i>	<i>8,169.85</i>	<i>4,402</i>	<i>146</i>	<i>51.1%</i>	<i>48.9%</i>	<i>96.8%</i>	<i>3.2%</i>	<i>1.81</i>

Days lost: the average number of days lost due to sickness absence per Full Time Employee (FTE).

Absence count: the number of separate periods of sickness absence (one period of absence may be made up of more than one day lost).

Public Health Portfolio

1. To provide the Committee with a wider range of Public Health performance measures than those included in the current Portfolio Plan

Current Portfolio Plan Performance Measures

The current Portfolio Plan includes the performance measures as detailed below.

Performance Measures	Outturn 12/13	Target 12/13	Target 13/14	Target 14/15	Target 15/16
Proportion of the eligible population offered a NHS Health Check	9%	18.9%	10%	20%	20%
Number of persons attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date	2,862	3,340	3,043	3,135	3,229
Access to genito-urinary medicine (GUM) clinics % of first attendances at a GUM service who were offered an appointment within 2 days	99.99%	98%	98%	98%	98%
Rate of positive tests for Chlamydia in young people aged 16 to 25 years per 100,000 population	1,743 young people	2,400	2,000 young people	2,200	2,400
Number of persons from routine and manual groups attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date.	638 people	N/A	10% increase to 728	10% increase to 801	10% increase to 881
Number of	124	N/A	10% increase	10% increase	10% increase

pregnant women attending East Sussex NHS Stop Smoking Services who quit smoking four weeks after setting a quit date.			to 141	to 155	to 170
---	--	--	--------	--------	--------

Wider Range of Performance Measures

A wider range of performance measures is proposed, informed by the Public Health Outcomes Framework, and which also take into consideration:

- The Portfolio Plan commitment to a 3 year programme to review and re-commission public health services, which is divided into two tranches, and where Tranche 1 includes the majority of the larger Health Improvement services including Weight Managements Services and Health Trainer Services.
- NHS Health Checks, a service which was previously not sufficiently funded nor established by the Primary Care Trusts but, is a mandated service for the Council.

The following additional five performance measures are proposed:

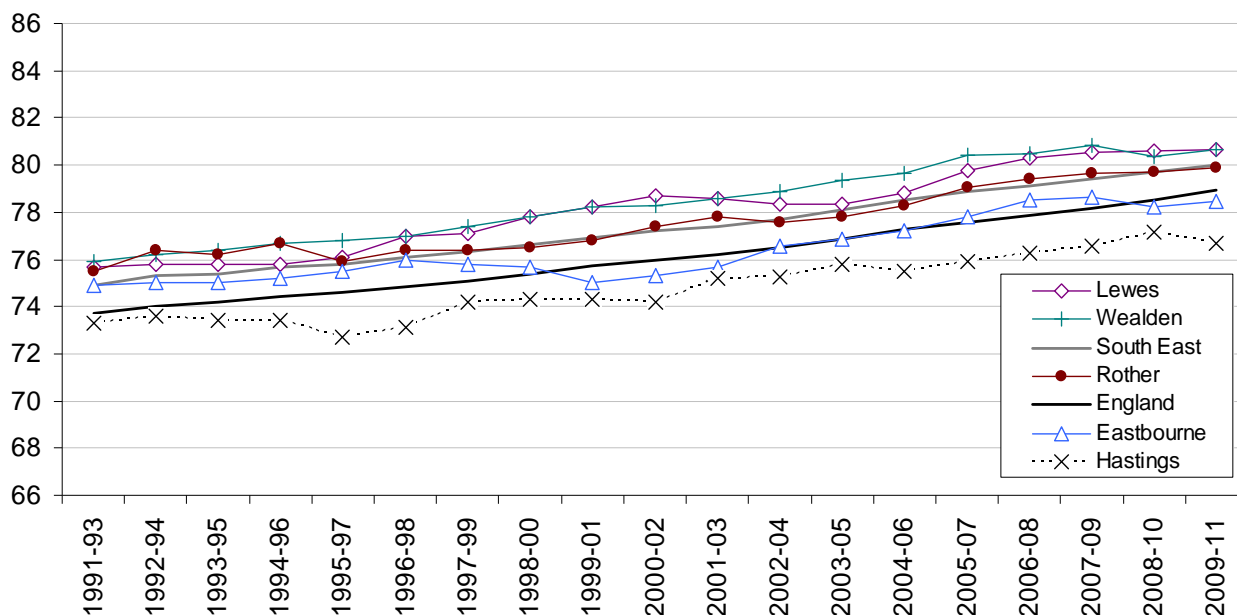
Performance Measure	Target 14/15	Target 15/16	Target 16/17
Health Checks - Take up of NHS Health Checks by those eligible	36%	48%	50%
Health Trainers* – Percentage of people completing a Health Trainer intervention who achieve their primary goal	40%	45%	50%
Health Trainers* – Percentage of people completing a health trainer intervention who achieve their primary or secondary goal	70%	75%	85%
Weight Management Services - Percentage of adults who successfully complete the programme who achieve 5-10% weight loss within 12 weeks	40%	45%	50%
Weight Management services – percentage of children who successfully complete the programme who achieve their BMI centile target within 12 weeks (maintaining their weight or achieving weight loss)	40%	45%	50%

* Health Trainers help people to develop healthier lifestyles in their own communities. They offer practical support to change their behaviour to achieve their choices and goals.

2. The life expectancy statistics for East Sussex showing the difference within districts and boroughs, not just between districts and boroughs.

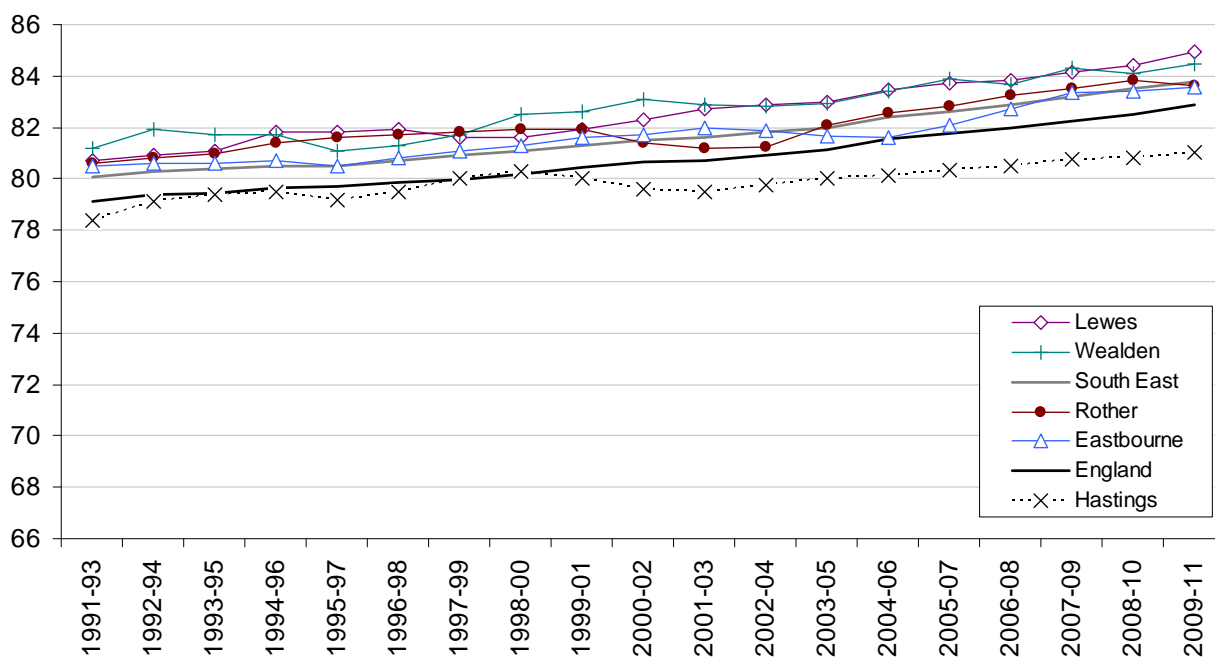
It is now possible to update the life expectancy charts within the current Portfolio Plan with the latest figures

Male life expectancy, East Sussex districts and boroughs, 1991–1993 to 2009–2011



Source: Compendium of Population Health Indicators

Female life expectancy, East Sussex districts and boroughs, 1991–1993 to 2009–2011



Source: Compendium of Population Health Indicators

For males, life expectancy in Hastings and Eastbourne remain below the England average. However, whilst Eastbourne has shown a small increase, Hastings has shown a further decrease. For females, life expectancy in Hastings remains below the England average but has shown an increase. Rother, whilst remaining above the England average has shown a decrease for 2009/11.

The current Portfolio Plan also included statistics on disability-free life expectancy but these cannot be updated as they are based on census data and the relevant 2011 census data is not yet available.

The most up-to-date life expectancy gap between wards within district and boroughs is as follows:

Local Authority	Life expectancy gap between the ward with the highest life expectancy and the ward with the lowest life expectancy
East Sussex County Council	16.5 yrs
Eastbourne	6.2 yrs
Hastings	12.9 yrs
Lewes	10.7 yrs
Rother	10.5 yrs
Wealden	10.2 yrs

This shows that the life expectancy gap across East Sussex is 16.5 yrs between wards and at district/borough level, Hastings has the biggest life expectancy gap at nearly 13 yrs.

However, individual ward level life expectancy figures are subject to significant fluctuation year on year so a different approach is now advocated, and one which is being used for the Public Health Outcomes Framework, which gives more robust calculations.

The 'slope index of inequality' for life expectancy at birth is calculated by grouping Lower Super Output Areas (LSOs) within each local authority into deciles based on the Index of Multiple Deprivation score of each LSOA. This represents the gap in years of life expectancy between the most and least deprived areas within the local authority, split for males and females.

The indicator uses 5 years pooled data to enable more robust calculations. The latest data available is for 2006 to 2010 and uses the Index of Multiple Deprivation 2010.

The Slope Index of Inequality for East Sussex local authorities for 2006 to 2010 is presented in the table below.

Local Authority	Gap in life expectancy for males	Gap in life expectancy for females
East Sussex	8.2 yrs	6.2 yrs
Eastbourne	9.7 yrs	4.6 yrs
Hastings	10.3 yrs	8.5 yrs
Lewes	5.2 yrs	3.1 yrs
Rother	7.7 yrs	7.3 yrs
Wealden	3.6 yrs	3.5 yrs

In East Sussex there is a gap of 8.2 years in life expectancy in males between the most and least deprived areas, and a gap of 6.2 years in females. At district/borough level, Hastings has the biggest gap in life expectancy for males and females (10.3 yrs and 8.5 yrs respectively).

Community Services portfolio

1. Details of the income generation schemes developed by the Libraries and Information Service to offset the required savings.

Background

The Library and Information Service constantly seeks new ways of generating income to contribute towards savings and to meet the gap between income targets and declining income for fees and charges.

Income generation for the service includes:

- Traditional means of raising income through the collection of fees and charges
- Income raised through the offer of additional services which fall outside of the statutory required provision e.g. hire of DVDs, charge for Reading Groups
- Maximising the sales of items withdrawn from stock when they reach the end of their shelf life
- Income raised through sales of items such as greetings cards
- Income from delivering services on behalf of another department or authority, achieving savings for the other party at the same time as income generation for the Library and Information Service
- Bidding for grants/funding to allow us to offer value added services

Traditional means of raising income through the collection of fees and charges

Fees and charges, such as fines for overdue items and reservation charges are reviewed every year, however it is believed that we have reached the upper threshold for most of these charges. At 17p per day per item and the potential to borrow 20 items, the charge for overdue fines can soon become onerous and sometimes results in customers giving up their usage of libraries. Fines income is also declining as we are making it easier for people to avoid fines through the introduction of our 24 hour automated telephone renewal line and the facility to extend loan periods on our webpage.

Income via fees and charges:

2010/11 £376,445 of which £71,081 was book fines

2011/12 £370,235 of which £68,942 was book fines

2012/13 £340,023 of which £62,834 was book fines

Income raised through the offer of additional services which fall outside of the statutory required provision for library services e.g. hire of DVDs, charge for Reading Groups

The hire of DVDs provides profit of approximately £50,000 per annum which feeds into the base budget. It is envisaged that this income will decline over the next few years as streaming of film becomes more available, however we still have customers who prefer to watch a DVD, often because they don't have internet access.

In April 2013, we introduced a charge of £60 per annum per Reading Group. We are keen to support Reading Groups and feel this charge is fair given the added value the groups receive.

We also sell a small range of local history photographs.

Maximising the sales of items withdrawn from stock when they reach the end of their shelf life

Traditionally, withdrawn stock has been offered for sale in libraries in an ad hoc fashion. To maximise the potential for generation of income and to provide a better customer experience we recently launched a second hand bookshop run by volunteers in Eastbourne Library. The shop has been well received and Initial indications are that this will deliver improved sales.

Please see: <http://www.eastsussex.gov.uk/libraries/usingyourlibrary/sales.htm>

We have also begun to sell items of higher value via Amazon.

Income raised through sales of items such as greetings cards

We sell a range of low value items such as greetings cards, magnifying readers, stamps and USB sticks. This provides a service for customers but once staff time has been accounted for, does not contribute in a significant way to income generation.

Bidding for grants/funding to allow us to offer value added services

We make bids to achieve funding for services we couldn't otherwise deliver. For example, we have been successful this year in achieving £10,000 from Uk Online to deliver basic ICT courses to help people to go online.

Income from delivering services on behalf of another department or authority,

This is a developing area for the Library and Information Service and allows us to generate income, whilst helping partners to reduce their costs. Examples include working with ETE to take applications for concessionary bus passes in libraries and working with ASC to take applications for East Sussex Carers' Cards This has an added benefit for residents as it gives them access to these services from any of the county's libraries. We will soon be extending our offer as community help points by delivering a range of services on behalf of a district council, allowing them to reduce staffing in that area and embedding the library as a community hub, offering access to both County and District Council services. We are about to begin a trial at one library and will receive £5000 per annum for this service.