



Leicester  
City Council

**WARDS AFFECTED  
ALL WARDS (CORPORATE ISSUE)**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**

Cabinet

30<sup>th</sup> July 2001

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**BEST VALUE REVIEWS - YEAR TWO  
FUNDAMENTAL CHALLENGE, FINAL SCOPE  
AND ROUTING FOR BV REVIEWS –  
SERVICES TO HOMELESS PEOPLE AND HIGHWAYS AND  
TRANSPORTATION.**

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**Report of Martyn Allison, Assistant Chief Executive**

**1 PURPOSE OF REPORT**

To seek Cabinet approval to the outcome of the fundamental challenge stage of the review process, the recommended future routing of the best value reviews, and any revisions to the original scope of the best value reviews, in accordance with the Best Value Review Process, for the reviews of **Services to Homeless People and Highways and Transportation**. Reports on these reviews have been considered by the cross - party Members Best Value Working Group, who are now making these recommendations to Cabinet.

**2 RECOMMENDATIONS**

**2.1 SERVICES TO HOMELESS PEOPLE: specific recommendations to Cabinet**

The original scope for this review was considered by Cabinet on 9<sup>th</sup> April 2001. The review was considered by the cross - party Members Best Value Working Group on 11<sup>th</sup> July 2001 who are now making the following specific recommendations to Cabinet.

**Members are recommended to agree that:**

- i. This service area, which covers Housing Advice and Rehousing, and Hostels and Community Care, follows the performance management route of the Council's Best Value process.

- ii. That the original scope of the review remains unchanged, but that the title of the review is changed from Homelessness to Services to Homeless People to more accurately reflect the issues within the review.
- iii. That no services are recommended for decommissioning at this stage.

### **Summary of issues – Services to Homeless People**

Two Service areas are considered: Housing Advice and Rehousing and Hostels and Community Care.

1. Both services can demonstrate clearly how they contribute to the Community Plan and Housing Strategy objectives of a 'decent home for every citizen in Leicester' and 'to reduce rough sleeping in Leicester'.
2. Both service areas have developed performance indicators as a result of work over a period of time, and the application of the EFQM (European Foundation for Quality Management) model to the services.
3. Both services are actively comparing their performance with other Local Authorities. On many indicators Leicester is performing well, and can demonstrate improvement. Where benchmarking has raised issues (e.g. cost of homelessness assessment) these are being pursued. The work is included in the Improvement Plan.
4. Improvement Plans are in place and are attached. Major 'step change' is taking place within the Housing Advice and Rehousing Services with the introduction of generic "Housing Options Officer" who can give the public a seamless housing advice and homelessness service.
5. There is evidence of continuous improvement and flexibility in the Hostels and Supported Tenancy Service which reflects our growing understanding of how to prevent homelessness.
6. The Best Value Inspection will be carried out by the Best Value Housing Inspectorate in February 2002.
7. Resources are in place to implement most aspects of the Improvement Plan. The Plan identifies where reports will assess the need for new resources.

## **2.2 HIGHWAYS AND TRANSPORTATION: specific recommendations to Cabinet**

The original scope of this review was considered by Cabinet on 9<sup>th</sup> April 2001. This review was considered by the cross- party Members Best Value Working Group on 11<sup>th</sup> April and 2nd May 2001 who are now making the following specific recommendations to Cabinet.

### **Members are recommended to agree that:**

- i. All services within this review are reviewed under the Service Assessment route on the basis that a full performance management framework is not yet in place.

- ii. The scoping exercise be amended and that the review should be concluded within the Year 3 Best Value timescale (see also summary of issues below)
- iii. No services are recommended for de – commissioning at this stage.

### **Summary of issues – Highways and Transportation**

1. The original scope for Highways and Transportation (phase 1) was approved by Cabinet on 9<sup>th</sup> April 2001 subject to further consideration being given by the Members Best Value Working Group to include capital funded services , which would have an impact on the review timescale. The Members Best Value Working Group proposed including capital funded services, on the basis that key areas would be concluded within the Year 2 best value review timescale, the remainder being concluded within the Year 3 best value review timescale.
2. It is therefore recommended that the original scoping exercise be amended and that the review should now include:
  - All revenue funded transport services
  - All capital funded transport services
  - A review to establish what more can be done to provide quality alternatives to the motorcar, particularly in areas where we have introduced disincentives to the private car and to review the efficiency of the transport system with regard to other, particularly environmental, considerations.
  - A review of the timing of highway maintenance and improvement works to establish what scope there is to further reduce disruption to traffic at peak periods.
3. Within the above programme a review of specific areas of the service will commence in the Year 2 best value review period. Due to delays in confirming the scoping it will not be possible to complete all areas in year 2. Those identified at present are:
  - Highway Maintenance (all aspects)
  - Management and maintenance of car parks and St Margaret’s bus station
  - Public transport subsidies (excluding concessionary fares scheme)
  - Working arrangements between clients, consultants and contractors.

### **2.3 Best Value Process**

For each Best Value review Members are therefore recommended to:

- (i) consider the outcome of the fundamental challenge stage for the reviews and assure themselves that the process of Best Value has been met.
- (ii) Consider the recommendations resulting from the reviews.
- (iii) Agree the revisions (if any) to the scope for the reviews
- (iv) Agree the proposed routing for the review themes under consideration.

### 3. **BACKGROUND**

#### 3.1 Introduction

Cabinet approved the scope for all year 2 reviews on the 9<sup>th</sup> April 2001. This report addresses the work undertaken since then, to complete the first stage of the Best Value Review process and covers:

- (i) The results of the fundamental challenge,
- (ii) Final adjustments to the scope of the reviews reflecting any change resulting from the fundamental challenge,
- (iii) The recommended route for the reviews i.e. Performance Management or Service Assessment.

#### 3.2 The Current Review Process

The Councils Best Value Review Process involves five key stages

- (i) Scoping – agreeing exactly which services will be reviewed and the issues to be considered in the review.
- (ii) Fundamental Challenge – which challenges fundamentally why we provide the service, if it helps to achieve our key objectives, how it is performing and what users and stakeholders say about the service.

This stage can lead to one of three outcomes

- (a) De – commissioning - e.g. the service is no longer required
- (b) Performance Management - e.g. the service is generally performing well within the Councils Performance Management framework and only minor improvements are required.
- (c) Service Assessment - e.g. the service needs to undergo a detailed review.

It may be necessary to review the scope to reflect the outcome of the fundamental challenge.

- (iv) Service Assessment - A detailed review of the services covering the issues identified in the scope and building upon the information collected during the fundamental challenge. This may include a review of funding levels where this is an issue.
- (v) Improvement Plan - Sets out the proposal to improve the service.
- (vi) Implementation Plan - Sets out the timetable and responsibilities for implementing the improvements.

This report deals with the Fundamental Challenge stage of the process.

### 3.3 Fundamental Challenge

Fundamental challenge is an essential part of the Best Value process. The nature of the challenge has been broadened reflecting concern expressed by Directors, Members and the BV Inspectorate during year 1 reviews.

The Challenge now addresses not only why the service is provided at all but also, in the case of statutory services, if the minimum service level required meeting statutory requirements should be exceeded.

Review teams have carried out the fundamental challenge to the services covered by the agreed scope of the reviews. They have questioned the continued provision of each service against the authority's published commitments contained in the Community Plan, Best Value Performance Plan and other key strategies, together with stakeholder opinion and other relevant information. In the case of statutory provision the same rigour of connection to the strategic aims has been made in particular isolating those parts of the service that are absolutely mandatory and the minimum requirements that must be applied.

### 3.4 Final Scope and Key issues

This step in the process allows review of the original scope in the light of the fundamental challenge and any direction from Members. In this way both Officers and Members will be clear on the areas and issues to progress to the next stage of the Best Value process.

### 3.5 Choice of Review Route

In the light of the fundamental challenge review teams have considered how the services covered by the scope are responding to the corporate imperatives, implementing the performance management framework and realising service improvement. This judgement is made based upon the ability of each service to identify:

- Key service objectives;
- Key service standards;
- Anticipated service outputs;
- Anticipated service outcomes;
- Performance review – targets and results.

And whether each service can demonstrate that it has and is consistently applying performance management techniques to develop the service in all areas, including in particular the mainstreaming of Equality and EMAS.

Review Coordinators will also ensure

- (i) that the review route recommended can effectively address the issues raised by stakeholders.
- (ii) if the performance management route is recommended, but cross service working is required, clear recommendations on management structure are made to achieve the desired outcomes.

### 3.6 Scrutiny

Director's Board advised by the Lead Scrutiny Director have considered the outcome of stage 1 of the review and ensured that the process has been properly followed and the outcomes recommended can be justified. Members are now invited to consider the results of Stage 1 reviews and carry out their own fundamental challenge to ensure themselves that the principles of Best Value have been followed.

## 4 **REPORT**

Best Value Review teams addressed the fundamental challenge, final scope and routing for the reviews by applying the following series of questions. The information required relates to the current way in which the services are delivered, through Business Units. The reports obtained from business units have been used as reference documents informing the review reports attached.

Q1 Which services are statutory (current or anticipated) where a minimum standard of services is defined? Identify:

- the key activities carried out?
- Whether the service
  - exceeds minimum statutory requirements and in what way?
  - could be delivered at minimum statutory level?  
State cost and reasoning.
- What would be the impact of reducing the service level to the minimum statutory level? Consider community/social impact, resourcing including staffing, the likelihood of alternative providers filling the gap etc.

Q2 What are the remaining services, within the scoped services, not covered by Q1 and therefore discretionary? Identify:

- The key activities carried out?
- Whether the service is provided to meet the authorities published commitments e.g. Community Plan, Performance Plan, Key Strategy and Partnership commitments etc? State links.
- Whether the level of service:
  - should continue unchanged
  - could be reduced
  - is recommended to cease  
State costs and reasoning.
- What would be the impact of reducing the service level? Consider community/social impact, resourcing including staffing, the likelihood of alternative providers filling the gap etc.

Q3 How is each service, within the review scoping, commissioned (directly indirectly, partnership etc)?

Q4 Is the service operating within the Councils performance management framework? Identify

- Key Services Standards used
- Key Services Objectives
- Anticipated Service Outputs
- Anticipated Service Outcomes
- Does the service have performance indicators for
  - Customer satisfaction
  - Staff performance
  - Financial performance
  - Crime and Disorder
  - Income Generation
  - Equality action plans
  - EMAS
  - National and Local PI's
  - Other significant plans
- How is the service performing against the targets set by these performance indicators?

Q5 For services recommended to continue, will the proposed review route i.e. management performance or service assessment, properly address:

- the issues raised by stakeholders?
- the Member/Corporate imperatives identified?
- the intent of the theme scope?

## 5 **FINANCIAL AND LEGAL IMPLICATIONS**

Best Value reviews are designed to interface with the Councils budget process. Reviews are carried out within the context of the Councils three-year budget strategy and the outcome from the reviews will inform the next budget process. This may include demands for additional resources to fund improvements or identify savings being redirected to meet other priorities.

The Chief Financial Officer has set out specific financial objectives for consideration in each review – these are:

- (i) Full consideration of the expectations of Revenue and Capital Budget Strategies and the Income Generation Strategy.
- (ii) Setting out of financial options to include consideration of
  - (a) the implications of a 2% reduction in costs (how? what? impact?)
  - (b) the option for re-investing 2% in the service area (how? what? impact?)
  - (c) the implications of re-aligning overall spend to comparator data where this is available.
  - (d) utilising the information found at (a) to (c) above, plus any other financial objectives attached to the review to make specific financial proposals, for recommendation to Directors Board.

In addition to these there may be financial imperatives from the budget strategy or the scoping of the review to be considered. The Authority is required to show a 2% efficiency saving over the five year Best Value Review Programme.

At this stage in the process Members have the opportunity to consider, in the light of information provided and the recommendations of Directors Board, if they wish to attach to reviews, continuing into either service assessment or performance management, specific financial objectives.

6 **EQUALITIES**

Equal Opportunities is a key policy priority for the Council and should be a central feature in each review. In considering each review Members may wish to question how all sections of the community have been consulted, what performance indicators exist to measure equality performance and fundamentally how the service assists the Council meet its equality objectives.

7 **SUSTAINABLE AND ENVIRONMENTAL IMPLICATIONS**

As the first “Environment City” and “European Sustainable City” in Britain, Best Value must enhance the Councils strong reputation for its commitment to sustainable development. In considering each review Members may wish to question how each service has set performance indicators to further improve the life of citizens living within the City.

**REPORT AUTHOR/OFFICERS TO CONTACT**

Martyn Allison, Assistant Chief Executive.  
Ext : 6001