



Leicester
City Council

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

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

30th July 2001

**BEST VALUE REVIEWS - YEAR TWO
FUNDAMENTAL CHALLENGE, FINAL SCOPE
AND ROUTING FOR THE REVIEWS**

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 reviews and any revisions to the original scope of the reviews, in accordance with the Best Value Review Process.

2 RECOMMENDATIONS

Members are recommended to:

- (i) To carry out a review of 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 review routing for the following themes.
 - Services to Homeless People
 - Highways and Transportation

3. **BACKGROUND**

3.1 Introduction

Cabinet approved the scope for all year 2 reviews on the 9th 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 to meet 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

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