

AGENDA ITEM 3

POLICY FINANCE & ADMINISTRATION COMMITTEE

6 FEBRUARY 2017

REPORT OF STRATEGIC DIRECTOR

MANAGING DEMAND – INVEST TO SAVE PROPOSAL

1.0 PURPOSE OF REPORT

- 1.1. To seek approval from members for a proposal to develop further our ongoing work in managing demand over the next two years with the ultimate aim being to generate further savings.

2.0 RECOMMENDATIONS

It is recommended that:-

- 2.1 the proposal as outlined at Appendix A to this report is approved.
- 2.2 £65K is allocated from the Spending Pressures Reserve as an invest to save to support the implementation of the proposal.
- 2.3 that officers investigate the best route to secure the additional capacity to support the proposal and ensure that there is no detriment to the Council and that proper HR and Procurement routes are followed.
- 2.4 regular reports on progress are presented to the Transformation and Efficiency Board

3.0 KEY ISSUES

Background

- 3.1 As the financial pressures grow it is important that the Council retains a firm understanding of the demand that we deal with on a daily basis and seeks to reduce it in a sustainable way in order to help to mitigate those pressures. We have been doing this successfully over the last few years or so but we now have real opportunities to drive this work forward. We know that a significant proportion of that demand comes from people who interact multiple times over the course of a year and keep doing that every year.
- 3.2 In 2012 when the Transformation Programme was first established, demand into the Council was approximately 23% higher than it is today. The demand that remains is also easier to deal with because of simpler processes. This work has undoubtedly helped the Council to achieve the cashable savings already achieved of in the region of £139K per annum, with the remaining £61K of the original £200K per annum target built into budgets from April 2017 although the saving has yet to be identified. In addition to the cashable savings figure there has been further added value activity which has contributed in excess of a further £100K per annum to the financial benefit of the Council, but which has not been counted as cashable savings against the original target.
- 3.3 There is no reason why we should not continue to accrue cashable savings subsequent to achieving further reductions in demand, although in order to keep this

momentum going there is a proposal, which is attached at Appendix A, to support the ongoing work with a two year fixed term additional resource. This is particularly important at this stage as there will be capacity issues if not approved and we have additional data available that is very useful in developing our approach. This data identifies frequent contacts for any period over the last 8 years and will help us to set up appropriate systems to measure our impact.

- 3.4 When we were selected as one of the 12 Local Authority Led Universal Credit Pilots in 2012 it enabled the Council to access some funding opportunities. In particular, the Council was able to access £400K from the European Social Fund (Administered by the Department of Works and Pensions), covering the financial year 1st April 2014 to 31st March 2015. This was followed up in the following financial year with the award of a similar amount of money from the Transformation Challenge Fund (Administered by the Department of Communities and Local Government). This money, together with a smaller one year sum provided by the Council, has allowed the Council to develop Me and My Learning, but it also provided capacity for an additional Business Partner resource from May 2014 which has been invaluable during this period, operating at a strategic level to explore all ways of making the service sustainable for the future. On average this resource has been available for around 3 days per week, although this has reduced over the last 12 months due to the reduced levels of funding. There is currently no funding available beyond February 2017 to support the post.
- 3.5 There is no doubt that this resource has helped to reduce demand through the work at Me and My Learning. It has enabled a good grasp of costs and benefits, case management implementation, direction of travel measurement for individuals and monitoring of effectiveness. The resource has also been used to help leverage external support and funding, liaising at a senior level with stakeholders and commissioners.
- 3.6 As we move forward the Council now has money invested in initiatives such as Me and My Learning, Intensive Housing Management, Customer Services Seniors and Supporting Leicestershire Families. Through these services we are investing in more pro-active up front work with customers, tackling the root causes of issues and using a more case management based approach to help people live more independent lives. The Council needs to ensure that we now develop systems and measures to show that we continue to be successful with these initiatives and that they deliver value for money for the Council. This work will provide the framework to ensure that the Council can do this and does not “drift” along assuming that everything is good. At the end of this period the framework proposed to be put in place will enable the Council to manage demand far more effectively moving forward and will ensure that the Council can measure the value being delivered from this more proactive approach. During the two year period regular updates will be made to the Transformation and Efficiency Board.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 There are ongoing targets within the Council’s recently approved Efficiency Plan that will be dependent on continuing to be successful with this ethos and approach.
- 4.2 This proposal will contribute to the Council’s Corporate Plan through the People and Agile Council sections.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 The proposal is to create a 3 days per week opportunity for a fixed term 2 year period to 31st March 2019. It is anticipated that the cost of this will be in the region of £65K for the full period to be funded from the Spending Pressures Reserve on an invest to save basis.

5.2 There may be different ways of obtaining the resource required to lead this work but these will need careful consideration. Officers will explore the best way of implementing this proposal, if approved, which will include the creation of a new fixed term post on the establishment

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Any legal implications of options to obtain a resource other than through direct employment will need to be checked against Inland Revenue Guidance.

7.0 COMMUNITY SAFETY

7.1 The work around the initiatives identified in this report has contributed to the reductions in crime figures in Melton in recent years and the proposal should have another positive contribution.

8.0 EQUALITIES

8.1 The proposal should contribute positively to equalities through ensuring that impact of the resources the Council is investing in pro-active work with customers is fully understood and is delivering value. This will ensure that the Council can maximise return on investment and increase the numbers of people who are able to live their lives independently, including for example people with learning difficulties or mental health issues..

9.0 RISKS

9.1

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant				
	D	Low		3	1,2	
	E	Very Low				
	F	Almost Impossible				

		Negligible 1	Marginal 2	Critical 3	Catastrophic 4

IMPACT

Risk No	Risk Description
1	Cultural issues not addressed
2	Insufficient project support
3	Changing external conditions, such as economic downturn or loss of data through change in IT systems

10.0 CLIMATE CHANGE

10.1 No Direct Implications have been identified.

11.0 CONSULTATION

11.1 Corporate Management Team have been consulted. Management Team will be consulted.

12.0 WARDS AFFECTED

12.1 All Wards

Contact Officer: Keith Aubrey

Date: 24th January 2017

Appendices: Appendix A – managing Demand to Achieve Savings Proposal

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