



<u>Committee and Date</u>
Council
19 July 2012

<u>Item</u>
9
Public

Martin Taylor Smith
Portfolio Holder Statement
Service Transformation and Organisational Development

1. Summary

The Council is part way through a 3 year programme to change what it does and transform itself:-

- i. 2011 was focussed on doing things more cheaply; securing the agreed £32 million savings, and pursuing a tactical approach to ensure that the Council is best placed to address the further funding challenges in 2012 and 2013.
- ii. 2012 is focused on redesigning what the Council does and implementing the changes; in doing so identifying how it can fulfil its role by working with our partner local public service organisations and with voluntary/community groups and local businesses more effectively.
- iii. 2013 will mark the move to the new strategic council; doing different things by design.

This transformation agenda needs to be considered in the context of our ongoing commitment to protect the most vulnerable people in our local communities, reducing funding streams in many areas, and legislation that empowers schools and local people to have more control over who provides their services.

Based on these pressures, the Council has prioritised investing resources in transformational activity to achieve our strategic objectives of promoting Economic Growth, ensuring Flourishing Shropshire Communities and Better Health & Wellbeing. Activity focuses on the creation of sustainable local jobs for local people, and by the better engagement of residents to enable them to take control and influence over the major decisions which affect their quality of life.

This paper summarises progress made on the transformation programme as well as specific workstreams including ICT, Organisation Development, Asset Management and Customer Contact, providing information on our key achievements and information on key objectives for the next 12 months.

2. Recommendations

It is recommended that Council approves the Portfolio Holder Statement.

REPORT

3. Risk Assessment and Opportunities Appraisal

Opportunity Risk Management is embedded within the transformation programme governance and monitoring arrangements.

4. Financial Implications

Any financial implications for ICT, Asset Management and/or New Ways of Working have been approved by Cabinet in the context of the Council's agreed Medium Term Financial Plan (MTFP).

5.0 Overall Transformation Programme – Update

5.1 2011/12 involved significant work and investment to establish our transformation plan. The challenging savings target for 2011/12 has been achieved and, perhaps more importantly to meet future challenges, changes that needed to be made to create a sustainable council for the future have been and continue to be implemented. Some examples include:

- The creation of an internally consolidated Shared Services team, brought together the transactional functions from four support services, ICT, HR, Finance and Property. The move of 307 staff was delivered on time, to budget, and achieved £1.8m savings per annum. The outcome is a more effective, joined-up service to both internal and external customers.
- We have successfully accessed external funding to design new ways for local people to be supported to achieve their goals, and to try different models of service provision. For example:
 - Through accessing funding from the Department of Health, one of 6 national 18 month pilots is being tested in Shropshire. Called People2People, it is trying a new way for staff to be more directly involved in their own company that will work with 1,800 people to enable them to maximise their independence, take on more self-responsibility, and develop and maximise the use of community resources.
 - We have also been awarded funding from the Design Council to enable us to design and test an innovative approach to develop community based networking opportunities for older people, called GUSTO. This will support residents to be active, remain independent and reduce reliance on public services. The approach taken to research and design this initiative, and the models being tested, have attracted both local and national interest.
- Shropshire Council has been awarded BDUK funding of £8.2 million from central government, and work is underway to bring superfast broadband to the county. Investing in high-speed and improved broadband for Shropshire will help local

businesses and the economy, as well as improve access to on-line services for Shropshire People. High-speed broadband is also valuable to the council and people who use its services. It combines with putting in place the tools that will support new ways to provide services, improving on-line services, taking advantage of the opportunities to bring services closer to customers and, in doing so, reducing travel costs for customers and for staff, as well as helping us reduce our office accommodation costs.

- Further progress has been made in working with our delivery partners to ensure that they are best placed to respond to the changes that the Council is going through. We have spent a year working with our partners in the Voluntary and Community Sector, developing new, joint approaches to commissioning and performance management. It has been an opportunity to prepare for the changes that new legislation such as the Localism Act and Open Public Services White Paper will bring.

5.2 2012/13 is going to be a year of significant innovation and change, not least responding to the Council moving to be a Strategic Commissioner and the development of a range of new service delivery vehicles, including the Council's wholly owned company, ip&e (group) limited. In terms of Transformation Programme, around 60 key projects are now underway to deliver both the agreed improvement priorities and to generate the savings required (around £20m in both 2012/13 and 2013/14). Examples of these projects are set out below.

5.3 A more strategic approach to commissioning of services will include:-

- Establishing a new Shropshire Commissioners Forum (under the framework of the Shropshire Partnership) to ensure joined up thinking and use of resources.
- Utilising the Marches Local Enterprise Partnership to put in place a new local supply chain framework.
- Strengthening dialogue with the local Voluntary and Business sectors, and with Town and Parish Councils, to invite new providers, partners, and investors into our local marketplace.
- Improving accountability to local people (including moving to establish Community Budgets and integrated local service provision).
- Using outcome based contracts for all service provision (including payment by results where appropriate), based on the newly defined outcomes for all local people in Shropshire.

5.4 We will be delivering further efficiencies by moving to multi agency integrated service delivery models with our partners in Health, Police, and other Councils (e.g. working with the new Police Commissioner from November on Crime prevention). This may include pooled or community based budgets.

5.5 We will put in place a stronger focus on prevention services and customer self-serve options that will help reduce long term reliance on public services and reduce unnecessary demand.

- 5.6 We are empowering Members to be more effective as community leaders, for example through our Member Development programme and their new roles in the strategic and local commissioning process.
- 5.7 To enable the swift delivery of Transformation related projects, invest to save ‘seed funding’ of £2.9m Revenue and £1.1m Capital for 2012/13 has been earmarked. £2.4 m of the Revenue funding and all of the Capital funding has been committed to projects. Bids against this funding require a business case detailing expected outcomes, benefits and return on investment (financial and non- financial).
- 5.8 In order to ensure the Council’s Transformation Programme remains as effective as it can be, regular reviews are held to ensure arrangements and frameworks in place are still in line with priorities and deadlines, and will deliver the benefits required.
- 5.9 It is timely to consider how services are transformed against the background of outcome-based commissioning and the opportunities new models of working provide. In addition, the Corporate Peer Challenge in July, that includes a review of Transformation progress and direction, will also help to shape the future delivery of the programme.

6.0 Update on Key Enablers

The following sections set out progress and next steps for ICT, Customer Contact, Organisation Development and Asset Management – all of which are key enablers in the progression and success of the transformation programme outcomes.

7.0 ICT – Progress

- 7.1 The Council’s ICT Strategy has been refreshed to respond to the our strategic vision and to harnesses the power of ICT to facilitate the transformation of Council services, providing greater value for money, supporting a more flexible workforce, and making services more accessible to the community of Shropshire. This revised document was approved by Cabinet in June 2012. The ICT Governance model is now well established within the Council, ensuring a corporate approach to ICT investment.
- 7.2 There has been a significant reduction in expenditure as a result of renegotiation and cessation of ICT software maintenance contracts realising £480,000 savings. Additional savings were also achieved through the restructure of ICT Services as part of the shared services internal consolidation.
- 7.3 There has been the successful implementation of a range of mobile devices for both Members and front-line staff that are improving productivity. For example, building control officers use tablet computers to access files onsite, which cut down on travelling time and reduce the need for them to drive back to the office in-between jobs. Also another area of the council which is seeing the benefits of using mobile devices is the dog warden service. The dog wardens have used mobile devices instead of desktop computers, which mean they can cover a greater area, because they no longer need to come back to the office to file reports.

- 7.4 Shropshire Council has achieved accreditation status for Public Service Network (PSN). This will play an important role in assisting agencies share information confidentially and securely between professionals both within the council and with partner agencies such as the Shropshire Fire & Rescue Service.
- 7.5 The Microsoft Exchange roll-out to Outlook from Louts Notes was completed for all 4,200 staff on time and within budget.
- 7.6 There has been unified communications roll-out to 350 staff providing desktop access to instant messaging, voice and video conferencing using the “Shropshire Cloud” facility, enabling secure mobile and flexible solutions. This is part of a wider enterprise licence agreement that will mean we can take advantage of a range of technologies which can flex depending on the structure of the organisation.
- 7.7 A Virtual Desktop Infrastructure is being installed, together with cloud based “desk top anywhere”, enabling access from any device, including home PCs, and mobile devices, allowing greater mobile and flexible working for Members and staff.
- 7.8 A new Customer Relationship Management infrastructure and solution is being installed to provide a platform for understanding our customers and to underpin modern, knowledge based service delivery.
- 7.9 **ICT – Next Steps.**
- Continue to develop mobile and flexible working technology solutions, to transform the way we work in delivering frontline services across Shropshire. Projects currently underway include functions in Landlord and Planning Services.
 - Support the development of Community hubs throughout Shropshire using wi-fi and “smarter” office facilities.
 - Develop relationships with partners across the public sector within Shropshire and elsewhere to improve efficiencies or generate income, for example federate unified communications with Staffordshire and Worcestershire Councils, as part of the new tri-council initiative, maximising the benefits of a secure PSN.
 - “Federate” unified communications with Health and other public service organisations within Shropshire.
 - Further review and consolidate ICT maintenance contracts to deliver additional £200k savings.
 - Achieve further efficiencies by adopting user profile license models to reduce the cost of the Microsoft Enterprise Agreement.
 - Implement a new council-wide Electronic Document Management System (EDMS) to organise business processes.
 - Extend ICT Services provided to Shropshire schools, including an in-house information management, teaching and learning platform, to replace the externally provided Shropshire Learning Gateway (SLG); providing a replacement email

system for schools to ensure continuity of service when the SLG contract expires; and procuring new Schools and Education Management Information Systems (MIS).

- Investigate and roll-out cloud based services, for example Office 365 (phase 1- Elected Members, due December 2012).
- To develop an ICT Enablement Strategy and Implementation Plan to support the Shared Services Centre and, in turn, council and ip&e systems development.

8.0 Customer Contact – Progress

Revenues & Benefits:-

- 8.1 New schemes have been introduced, including a Registered Social Landlord verification scheme to Severnside, Meres and Mosses, South Shropshire HA Bromford, Sanctuary, Shropshire Rural and Wrekin Housing Trust; as well as the introduction of the verification scheme to Landlord Services.
- 8.2 We have seen a reduction in Housing Benefit payments which use cheques from 489 to 17. In April 2011, the Welfare Reform changes were implemented and all customers were informed of the loss of £15 top up and 5 bedroom Local Housing Alliance rate. The transitional scheme was implemented and all staff trained.
- 8.3 Collection Rates for 2011-12 improved further to Council Tax (98.2%) and Non Domestic Rates (97.8%). Arrears are still being substantially reduced - Gross Council Tax arrears have reduced by **£548,260.96** from 1 April 2011 to 1 April 2012 and Gross Business Rates arrears have reduced by **£1,561,680.38** from 1 April 2011 to 1 April 2012.

Customer Services:-

- 8.4 The Customer Service Centre is now the First Point of Contact for Adult Social Care (May 2011) and Vulnerable Adult and Children's Concerns Calls (Nov 2011). The service is now leading on processes and implementation for a Single Reporting Number for Anti-social Behaviour on behalf of the Stronger Communities Partnership established (June 2011). Advisors have successfully piloted taking services to customers in conjunction with Mobile Library Service and Shropshire Link Service. In addition, the service took over the Community Council signposting project, making an expected saving of £40,000.
- 8.5 The team have worked closely with the Council's Waste team on Channel migration, to achieve the introduction of the Waste Collection Finder – everyone can search on postcode and find their address, to see the date of collections and types of waste to be collected;
- Registrars:-
- 8.6 Survey results show customer satisfaction at 99% across the year 2011/12. Performance shows 99% of births registered within 42 days, 100% of still births registered within 42 days, 91% of deaths registered within 5 days and 100% of certificates issued within statutory time frames.

8.7 In October last year we were awarded the regional “budget buster” award by the Deputy Registrar General for our savings performance in the previous year.

8.8 **Customer Contact – Next Steps**

- Migration of key lines of business to a new Customer Relationship Management system. This will enable the provision of enhanced business critical intelligence and integration with the Council’s operational systems, allowing increased resolution at first point of public contact;
- Implementation of E-services to enable self-serve on elements of Council Tax and Business Rates;
- Implementation of E-Mobile to reduce the need for visiting officers to travel to and occupy a permanent desk space;
- Continue to encourage the migration of Customer Service Centre calls to the Web, as a more efficient way of delivering services;
- Continue to expand the use of the Customer Service Centre as a single point of contact, by enabling its use with a triage system for calls to children’s social care service;
- Implementation of localised Council Tax Benefit Scheme for 01 April 2013;
- Undertake Direct Payments Demonstration Pilot in advance of the introduction of Universal Credit to June 2013;
- Prepare for Housing Benefit capping process of £500 per week from 01 April 2013;
- Registrars will move in late 2012 to the Guildhall, where much better facilities will be offered to customers and resources will be reallocated.

9.0 **Organisation Development – Progress**

- 9.1 Changes to staff terms and conditions have been made, including a 2.7% pay cut in October 2011 and a further one planned (at a reduced level of 1.7% or less subject to Council approval) for October 2012. The changes to Terms and Conditions, whilst difficult for staff are still on track to make the projected savings of £7.046m by 2013/14 as planned, and have helped the Council avoid large scale redundancies.
- 9.2 ‘Rewarding People’, the new staff reward scheme, was successfully launched last year, and to date, we have over 50% of staff using the scheme and total expenditure through the scheme has reached over £1 million. Staff have saved a total to date of nearly £62,000.
- 9.3 In our commitment to attracting and retaining talent within Shropshire, we are now initiating the third year of our successful Graduate Programme. So far, over the past two years, we have recruited 12 graduates, and due to the success of the programme, the first cohort of graduates have gone onto secure permanent roles within the authority. It is envisaged that the second cohort of graduates will be supported over

the next 12 months to identify relevant opportunities within the organisation for them to also move into permanent roles. In addition to this, we have recently recruited 12 local graduates onto our new Internship Programme, aimed at providing recent local graduates crucial paid work experience and exposure into working in a rapidly changing with local government environment for the duration of the summer.

- 9.4 We are also looking to expand our apprenticeship programme which, to date, has created over 100 apprentice opportunities across the council, by looking at skills and experience to sustain employment and working with specific groups such as Looked After Children and those Not in Education, Employment or Training.
- 9.5 In our wider work, we have successfully developed a generic talent toolkit and framework which is being used across the local authority and also the health sector in Shropshire (Robert Jones and Agnes Hunt and also Shropshire Community Health Trust). This is a great example of us sharing ideas, technology and resource to provide tools for three different public sector organisations.
- 9.6 We successfully launched our new Core Skills Framework and, since September 2011, we have delivered 250 training courses, supporting approximately 3000 staff across the organisation in the following areas:
- Managing People and Relationships
 - Managing Change
 - Health, Safety and Wellbeing
 - Managing the Business
- 9.7 The focus of our delivery has been very much on creating a High Performance Culture and preparing managers and staff for the introduction of our new performance review system, training for which sits within the Managing People and Relationships segment of our core skills offer. Delivery of our high performance culture training programme started in January 2012 and approximately 652 managers have attended to date. Feedback from managers has been very positive.
- 9.8 As part of our on-going journey to engage staff more effectively in service change, we have delivered Open Space Inductions. They are an opportunity for staff to hear key messages and to explore how roles may change and what this means for them. Sessions commenced on 9 January 2012 and will be completed by 29 June 2012; a 6 month window. We will have delivered a total of 90 sessions and 3500 staff will have attended. Alternative arrangements have been made for staff who work less than 10 hours a week; for Facilities Management staff, and for staff within the Shared Service Centre (approximately 1500 staff). It is anticipated that we will finish on target.
- 9.9 One of our commitments was to develop on-line systems which support re-deployment and re-skilling and, in addition, to improve our recruitment processes. We launched a new Redeployment system, allowing displaced staff to quickly access redeployment opportunities across the council and to help us support them into those roles quickly. This helped us support over 200 staff into new roles during the year, rather than make them redundant.

- 9.10 We also moved to on-line payslips and on-line expenses, which have saved on printing costs and allowed access for individual (via intranet and internet) to their information, encouraging a more self-serving culture.
- 9.11 We have created a new skills assessment tool which helps staff assess what skills they have and areas where they need to develop. We have introduced an E-bulk Criminal Records Bureau (CRB) system, which has reduced the time taken for CRB processes from an average of one month to five days, with a saving to the council of £30,000 over three years.
- 9.12 'PO Manager Forums' were introduced, so that our middle managers now meet to hear about the key organisational issues on a monthly basis, and then cascade messages through their teams, ensuring a consistent flow of information through the organisation and increasing staff engagement in our service changes.

9.13 **Organisation Development – Next Steps**

- We are developing our Core skills framework further to include training for managers and staff which will provide them with the skills, knowledge and behaviours required to function in a commercial environment. This training will be launched from the end of August 2012 and will prioritise services which may be moving into ip&e (group) limited in the first tranche.
- Flexible working – expand on the work done in revenues and benefits area, as other areas now embrace flexible working with targets to reduce costs in the use of office accommodation and travel time by staff working differently.
- A Workforce Planning toolkit has been developed to enable delivery of change. The framework provides an integrated tool kit for the implementation of the preferred option or outcomes for service re-design. This toolkit links the work of the HR Business Change team and Design team.
- We will continue to engage staff with our transformation journey, by responding to the key areas of focus following this year's staff engagement survey, (output will be available in September). Alongside this work, we will continue with our communication and engagement forums for staff and managers.
- Support the Council as it moves towards becoming a strategic commissioning council, in all areas of organisation design and development.
- We have been working on a range of pay and reward activities to support the Council's new operating model. Our approach is being reviewed and modified to meet new, emerging business requirements.

10.0 **Asset Management – progress**

- 10.1 £8.3m of capital receipts were achieved in the financial year 2011/12, including the highly successful land and property auction in October 2011, which raised £2.34M, (£1m in excess of the reserve estimate). The funds raised from the sale allowed the

Council to finance its capital programme and achieve revenue savings of £1.3m in the financial year 2011/12.

- 10.2 The Council set up, and leads, the Shropshire Estate Partnership; one of several successful outcomes of the Capital & Asset Pathfinder programme, where a range of local partners are now working collectively to identify, rationalise, share and transfer assets, to improve service delivery and realise financial savings. This includes town and parish councils, blue light services, and senior representatives from the VCS.
- 10.3 The asset disposals protocol and procedures have been revised and implemented in accordance with the recommendations of Scrutiny. This provides a transparent consultation and decision making process. This has been welcomed by elected Members, partners and stakeholders.
- 10.4 An Asset Review Board has been formed, involving three Cabinet Members and a deputy Cabinet Member, to ensure that members of the Executive are briefed and have input to the decision making process at an early stage.
- 10.5 The asset management work stream is aligned with inter-dependent transformation work streams, to ensure that asset requirements are aligned with the Council's ICT and transformation strategies, and delivery plans.
- 10.6 The asset management plan ensures that assets provide a catalyst for rationalising and improving the use of space and property, reducing costs to the public purse and enabling front line staff to work in mobile and flexible ways. This, in turn, increases productivity for front line workers whilst reducing back office costs.
- 10.7 A multi-disciplinary team of officers has been formed, who act as an asset disposals team. They ensure that the disposals programme is appropriately planned, resourced and implemented without undue delay. The team work closely with local land and property agents to inject local market knowledge and client intelligence.
- 10.8 Property information has been improved for managers, including a review of office accommodation recharges, as the Council implements its accommodation moves programme. In doing so, managers will become more accountable for the accommodation that they occupy and be challenged to reduce their costs by at least 20%.
- 10.9 Financial and asset disposal information is monitored and reported on a monthly basis, to track achievement against targets which have been set quarterly.
- 10.10 Commissioning and providing responsibilities have been specified within new service level agreements between the Property Client and Shared Services Property provider teams.
- 10.11 **Asset Management – Next Steps**
 - In the financial year 2012/13, the position at Period 2 is that £21.5m of capital receipts are required to fund a revised corporate capital programme valued at £74.8m. The Council has brought forward £9m and has identified a list of assets that will achieve this target, subject to the approved consultation process.

- In the financial year 2012/13, revenue savings amounting to £0.120m in terms of property running costs and £1.15m relating to prudential borrowing finance costs will be achieved as part of the medium term financial plan.
- Further land and property auctions will be held this year, to ensure that the best value and price is achieved for publically owned assets. This will include local auctions to help boost and protect the local economy.
- Vacant land and property will be developed and brought back into use, with outline planning consent provided by the Council to meet housing demand and stimulate new business growth and local economic development. This, in turn, will increase funds raised through the New Homes Bonus and business rates.
- New customer service hubs will be created in our market towns to rationalise, integrate and improve public services for local people. This will involve partners, including the voluntary and community sector, allowing premises costs to be reduced and front line delivery to be enhanced.
- Specialist and commercial skills and knowledge is being developed amongst staff to ensure that the new ip&e (group) company becomes a successful profit making concern as quickly as possible.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

- Strategic Commissioning - Our Preferred Response To New Challenges (Council, May 2012)
- Delivering Change, Changing Delivery, A New Trading Company For Shropshire Council (Council, May 2012)
- Revised ICT strategy (Cabinet, June 2012)
- Year End Performance (Cabinet, June 2012)
- Arrangements for Strategic Commissioning and the creation of a new council owned company for service delivery (Cabinet, June 2012)

Cabinet Member(s):

- Martin Taylor-Smith (Portfolio Holder)
- Tina Woodward (Deputy Portfolio Holder)
- Rob Tindall (Deputy Portfolio Holder)

Local Member: N/A

Appendices: None