

Report to the Cabinet

Report reference: C-051-2015/16
Date of meeting: 3 December 2015



Portfolio: Leader
Subject: Transformation Programme
Responsible Officer: Glen Chipp (01992 564080).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) That Cabinet agrees the scope of the Transformation Programme;**
- (2) That Cabinet notes the appointment of the Head of Transformation from within existing resources;**
- (3) That Cabinet notes that the programme is likely identify significant changes to the way we deliver services which may require significant capital investment; and**
- (4) That Cabinet agrees that major changes recommended as part of the programme will be the subject of future reports and supported by a fully evaluated business case.**

Executive Summary:

Local Government is facing an unprecedented series of challenges over a sustained period. As Central Government seeks to reduce the budget deficit it is inevitable that departments that are not specifically protected will bear the brunt of spending cuts. Local councils have already been working hard to improve efficiency and effectiveness and are being asked to do even more over this Parliament.

Against this background of severe financial constraint, customer demands are increasing and advances in technology have led customers to expect that their local council will interact with them in very different ways. In addition this council acknowledges there will be increasing pressure on services from an ageing population.

Given this challenging environment even well run Councils with strong reserves like Epping, must face the fact that the current operating model is unsustainable in the long run. We have got to do things differently if we are to maintain frontline services.

The Council is committed to keeping Council Tax low so increasing local taxes to replace ever decreasing Central Government funding is not an option. Growing other sources of funding from commercial and investment activity will help bridge some of the gap – the Langston Road development is a good example of this. Cost saving initiatives will also help, but after many years of cuts it is difficult to identify more incremental savings.

If the Council is to rise to the challenge posed by increasing customer demands and reduced

central grant we must fundamentally review the way that services are delivered. The Transformation Programme will seek to do just that. It will consider how we interact with our customers, how we best use technology to improve service and reduce cost, how and where we work and how we build capacity in our communities to help reduce demand for our services.

This report sets out the broad scope of a programme of work that will fundamentally question what we do and how we do it. The initial programme will last for 18 months and be led by the Council's Leadership Team and be co-ordinated by the Head of Transformation within existing resource budgets. It is anticipated that the programme will recommend investments in technology and changes to working practices that will improve customer service and deliver efficiency savings. Major recommendations brought forward through the programme will be reported with fully costed business cases for either Cabinet or Council to approve any investment required.

After the initial period the programme will be reviewed and consideration given to extending it. Bids for extra resources will be required if the programme is to continue to deliver transformational change.

Reasons for Proposed Decision:

As Government funding continues to reduce, the Council must develop a co-ordinated strategy to deliver the outcomes set out in the Corporate Plan.

Other Options for Action:

No other options are appropriate in this respect. Failure to review the Council's processes and procedures would result in stagnation. Against a background of financial constraints this would inevitably lead to reduced services or increases in Council Tax.

Report:

Introduction

1. This report sets out some of the challenges faced by local Councils over this Parliament. The scale of the challenge is unprecedented and even the very best run councils cannot expect to be able to continue to operate in exactly the same way.
2. In recent years local councils have consistently driven down costs. This Council has balanced budgets without having to cut front line services. However, there is a limit to the amount of incremental savings that any organisation can deliver whilst still maintaining its level of service delivery.
3. The Council is rightly proud of its record of not increasing Council Tax in the depth of a recession. Cabinet have set out an ongoing objective to keep Council Tax low. Consequently, to address the challenges facing the Council, a co-ordinated programme of transformational change is required. Incremental changes will no longer be sufficient.

Drivers for Change

- Technology
4. Existing technology and work patterns place limits on our effectiveness and on our efficiency. Our systems are still not readily available on mobile technology; our files and data are not easy to share; we under-utilise the capability of some of our new technology and we

have a large array of different ICT applications.

5. The pace of technological change is fast and presents us with new opportunities to improve the way we work and the way we serve our customers. This will involve new ways of working and further cultural change.

6. Some Potential Benefits of Investment in Technology:

- (a) 24/7 access to all suitable services via electronic self serve;
- (b) Staff can work on a variety of devices and from any location;
- (c) Public access via website to a range of data sets and information – consequent reduction in Freedom of Information requests;
- (d) Reduction in print and stationery costs if staff has the confidence to adopt paperless and self serve techniques; and
- (e) Potentially easier to share relevant information.

- Accommodation

7. Office space and of all the associated overheads is expensive. Our existing working practices do not optimise the use of floor space. Changing the way we work to adopt more flexible work practices, reducing paper filing and hot desking can all play a part in minimising expenditure on this expensive resource. This will allow us to reduce costs whilst still maintaining front line services. Even if the Council was not facing financial challenges we would still be looking to make better use of offices to improve value for the public purse. It is much preferable to shed office space than to reduce staff numbers.

- Customer Experience

8. Customers have come to expect to be able to access services in the manner that suits them best. One of the Council's Corporate Aims is to adopt a modern approach to service delivery to ensure services are efficient, effective and fit for purpose. To achieve this, the Council must provide a multichannel approach allowing access via telephone, email, personal contact and social media. Customers tell us that they prefer to have their requests handled by the first person they contact rather than being passed between departments. A one stop shop approach, whereby customers can access all services through a single point of contact is expected. The customer contact review is specifically looking at the way we interact with our customers.

- Financial Constraints

9. The financial pressure facing all Councils has been mentioned already in the report. Whilst it is true that this Council is well run and well placed financially, this simply means we have the luxury of a measured transformation programme where we can take the right decisions to reduce costs in a controlled and organised manner. Much effort is being put into developing other income streams to replace central government grants but we also need to attack processes and procedures which cause waste and inefficiency. It makes sense for the Council to use its strong reserves to finance fundamental changes in service delivery that will improve efficiency and reduce costs rather than using reserves to plug revenue budget gaps.

Approach to Transformation

10. Transformation is an ongoing process rather than a one-off project. It cannot be delivered by one person but requires all of us to fundamentally question the way we work. A small Transformation has been created using existing budgets. The team comprises the new Head of Transformation and the Council's Graduate Trainee supported by the Chief Executive's Assistant.

11. The Transformation Team will report to the Chief Executive and work with Management Board and Assistant Directors to manage projects that will deliver the cultural changes we need. A number of projects have already started and others are being identified. The Customer Contact Review was already underway and is a good example of how the multi-disciplinary teams involved in transformation will work.

12. A report has already been presented to Management Board scoping the Customer Contact Review (copy of available with the background papers to this report). In short this project will seek to identify and quantify existing customer contacts across the Council. Research will be undertaken to inform understanding of options for:

- Development of a single centralised reception for each of the district's town centres;
- A customer relationship management (CRM) system; and
- Channel shift to ICT customer contact points through choice.

13. Another key work stream will be to review the Council's office accommodation to ensure that we are making best use of the space available. This will consider all options including relocating from the office space in Epping. The findings of this work stream will be fundamental in shaping the overall transformation strategy so it is important that it is tackled early in the programme. The first stage will be an analysis of the current situation to establish a base line. An assessment will then be undertaken to estimate potential space saved if flexible working practices are adopted and technology is used to reduce filing requirements. It may then be possible to release some of the site either for development or for sub-letting. It's likely that external experts may be needed to assist with this.

14. Any cultural change takes time and if change is to be implemented effectively it is essential to involve all relevant stake holders in the process. A major role of the Transformation Team will be to engage with customers, staff and partners promoting the benefits of change and listening to valid concerns of stakeholders.

15. Service improvements and savings from Transformation Projects will be collated by the Transformation Team and reported monthly to Management Board.

16. It is not possible to identify every potential element of any Transformation Programme at the start. This report has focussed on a number of high level themes and seeks to explain why fundamental changes are needed. It is inevitable that additional ideas will be generated as work progresses so the initial scope is necessarily fairly wide.

17. Business cases will be presented for all major recommendations made and Cabinet have specified that, whilst major investment will be contemplated, it is important that the business cases show reasonable pay back for the Council.

Resource Implications:

At this stage it is not possible to be specific about the resources required. It is implicit that a high performing council continues to review its processes and procedures in order to remain efficient and effective. Consequently much of the work will be business as usual for the whole of the Council's management team.

That said, the Council has appointed to a Head of Transformation post, funding the role from existing project budgets for a period of 18 months. The role will be supported by the Executive Assistant to the Chief Executive and the Council's Graduate Trainee, again funded from within existing resources.

Cabinet have specified that projects coming forward under the banner of the Transformation Programme must have sound business cases and show a reasonable payback for the Council. Clearly significant transformational changes will require radical thinking and significant investments. As the changes are not yet specified in detail the scale of investment cannot be quantified accurately. However, major proposals will be set out with a full business case as required by Cabinet.

It is anticipated that the transformation programme will deliver considerable net benefit to the Council. Should this prove to be the case it is likely that the Head of Transformation role and the associated support will be required beyond the initial 18 month period. A report will be brought to Cabinet prior to the end of the period to consider this.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report. Any such implications arising from recommendations made through the Transformation Programme will be dealt with in the specific reports. There is considerable potential to improve access to council services as and when current working practices and locations are reviewed.

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the Corporate Safer, Cleaner, Greener initiative, nor any crime and disorder issues within the district. Any such implications arising from recommendations made through the Transformation Programme will be dealt with in the specific reports. There is considerable potential to improve access to council services as and when current working practices and locations are reviewed.

Consultation Undertaken:

Initial scoping sessions have been undertaken with Cabinet and the Council's Leadership Team. Other Councils that have initiated transformation programmes have also been visited. It is envisaged that wide consultation will be undertaken with all relevant stakeholders as proposals emerge from the programme.

Background Papers:

The Corporate Aims and Key Objectives 2015 – 2020.
The Customer Contacts Review

Risk Management:

Customer satisfaction may be affected if expectations for service delivery are not met. The Council's capacity to continue to provide high quality services will be tested through the change process. Staff morale and engagement with new working practices are also likely to be significant factors.

Early engagement with staff and other relevant stakeholders is critical. On-going communication and explanation of the benefits of transformational change will be necessary. Inevitably some staff will find change more difficult than others.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

There are no equality implications arising from the recommendations in this report. The transformation programme will, however, inevitably recommend changes to the way the Council provides services in the future. A key principle in the redesign of services will be to focus on the customer. The provision of services in accessible ways will continue to be a prime consideration.