

## **Transformation Programme**

### **Year-End Report for 2012/13**

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INVESTOR IN PEOPLE



## **Introduction**

Transformation has played a key part in the Councils response to on-going budget challenges and reductions in government grants. Phase 1 of the Councils Transformation programme will have delivered c. £18.1m; including one-offs, of its £21m savings target by the end of the financial year with approved plans in place to deliver the remaining amount.

Overall the Council has achieved £68m revenue reductions over the last 3 years, and plan to make a further £45m over the life of the new Medium Term Plan ("MTP") to 2016/17.

In 2012/13 alone, the Transformation programme contributed £7.002m in savings.

Over the past year each Service Portfolio and transformation theme has been challenged by AOP Board on its progress. This report brings together and summarises the reports that have been received and scrutinised by AOP on the progress with the Transformation Programme in 2012/13.

The report highlights the key achievements that have been delivered by the Council through transformation in 2012/13 and attempts to convey the key changes, capability developed and benefits achieved in the year as well as giving an indication of the future direction of travel.

We are acutely aware that the government's austerity measures will continue and to help meet the on-going budget commitments we are currently developing the next stages of the Councils Transformation programme.

For this next phase of the Transformation programme to be able to meet the budget challenges ahead, the changes will need to be genuinely transformational. A key aspect to creating the new programme is the development of a future Target Operating Model ("TOM") for the Council that change and transformation can be aligned towards and creating a Council suitable for the challenges of the next 5 to 10 years.

## **Background**

The Council has got a successful track record in transformation. When originally conceived in 2009 the programme comprised 6 key Transformation Programme activities: Redesigning the Organisation, Standardising Business Support, Streamlining Business Processes, Work Styles and Places, Customer service, Managing 3<sup>rd</sup> Party Supply Chains.

We realised during the delivery phase of the initial projects that the structure of the Transformation programme needed to change so we set each service portfolio a challenge to transform their own services and deliver savings. We also retained a number of cross cutting change programmes e.g. Organisational Development and Commercial. As the first phase comes to a conclusion the current shape of the transformation programme is illustrated in the diagram below.

| Transformation Programme Overview         |  |                                   |                          |                   |
|---|--|-----------------------------------|--------------------------|-------------------|
| Children & Young People (CYP)             | <b>CYP</b><br>SEN<br>Learning Trust<br>Munro Programme   | <b>Organisational Development</b> | <b>Demand Management</b> | <b>Commercial</b> |
| Adults & Family Wellbeing (AFW)           | <b>AFW</b><br>Enhancing quality of life<br>Delaying and reducing need for care and support<br>Positive experiences of care and support<br>Safeguarding                   |                                   |                          |                   |
| Communities & Built Environment (CBE)     | <b>CBE</b><br>Place Integration<br>L&SC Projects   |                                   |                          |                   |
| Resources & Business Transformation (RBT) | <b>Support Service</b><br>Technology Developments<br>Service Desk Improvements<br>Phase 2 Support Services<br>Commercialisation<br>Process Improvements<br>Cross Cutting |                                   |                          |                   |

Delivery of this programme and these savings has meant a significant amount of change for the organisation and staff to cope with. At the beginning of the Transformation programme the phase “Rising to the Challenge” was used to frame the transformation work and the task ahead.

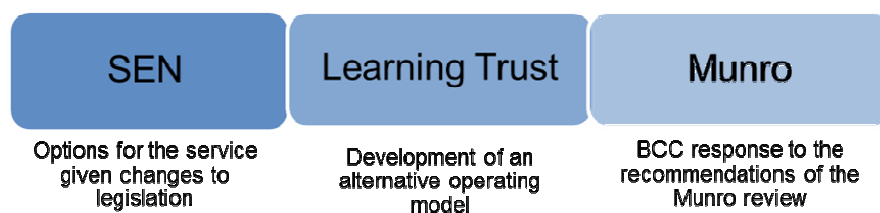
This report illustrates how this challenge has been met and gives an idea of the plans to take the work forward by Portfolio and cross cutting theme.

## Service Area Achievements

### Children & Young People Services

The Children and Young People's Services portfolio (CYPS) was the first service area to undertake the Rising to the Challenge Programme. Following the delivery of £xxx savings through this programme, the portfolio launched a number of major change programmes to deliver further MTP savings.

There are 3 key change programmes for Children and Young People Services which have been monitored by the AOP Board as well as a number of other projects including the Confederation of the Outdoor Education and a number of demand management projects.



### Special Educational Needs (“SEN”)

- Implement the SEN Review recommendations and legislative changes through the development of a new SEN Strategy which will shift resources from statutory assessment to earlier intervention and prevention. There has been a full consultation with all stakeholders on the draft Strategy and the final document is due for publication in June 2013.
- A new School Funding Formula for SEN has been developed and launched in response to the legislative changes.
- Savings in excess of £500k were secured in 2012/13 in relation to the Independent Schools budget (DSG) and a further £1.3m of savings (DSG) are anticipated over the next 4 years as an outcome of this project.

### Learning Trust

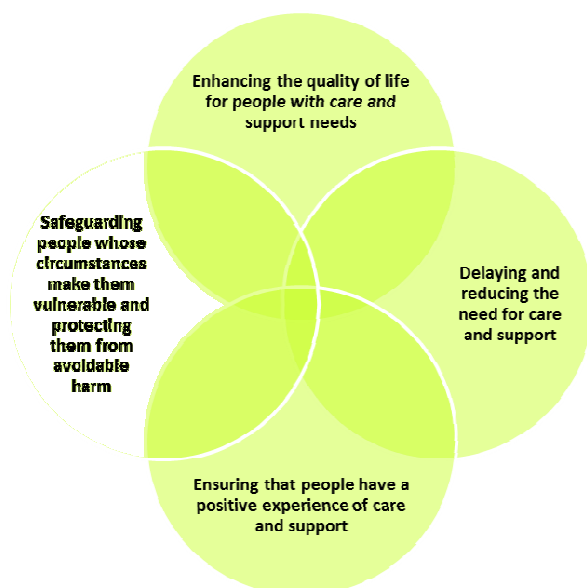
- Meet the changing relationship between the LA and schools through the development of not for profit Learning Trust in Buckinghamshire in partnership with schools and other stakeholders.
- The company and charity has now been established and the Chief Executive Officer appointed. The staff TUPE consultation is currently underway with a proposed transfer date of 1<sup>st</sup> July 2013.
- The delivery of the Learning Trust is forecast to deliver £587k of savings (LA) in 2013/14.

## **Munro**

- A whole systems redesign to Children's Social Care Services to deliver better outcomes for children and young people within the available resources in response to the Munro Review. The aim of the programme is to release social work professionals to spend more time with children and families.
- Following full consultation, the new operating model was launched on 1<sup>st</sup> April 2013 introducing a unit and specialist team model. Units will operate on a geographical area basis ensuring relationships with other service providers in the area are enhanced.
- A Family Resilience Service has been introduced to the model providing support and intervention to children and families as a 'step up step down' service to social care.
- Changes to the children's information system (ICS) are underway and a new module for Family Resilience is planned.
- The programme delivered over £1m of savings in 2012/13 with a further £4.5m forecast over the next 4 years.

## **Adults & Family Wellbeing**

A revised change programme in Adults & Family Wellbeing (“AFW”) has been developed clustered around 4 themes. £2.230m has been saved through the programme of work in 2012/13.



### **Enhancing the quality of life for people with care and support needs**

- Deliver efficiencies and improved services through accommodation and support options which reduce the dependence on residential and nursing care. Overall the My Life My Home project across adults will generate savings of £2.9m per year by 2016/17.
- Deliver efficiencies and improved services through the Day Opportunities Programme. Overall the day care project (facilitated in the main through establishing a Local Authority Trading Company (“LATC”)) will deliver a further £1.25m of savings per year by 2016/17.
- Deliver efficiencies and improved services through the delivery of domiciliary care and reablement. The decommissioning of the internal home care service will yield net savings’ of £1.25m per year from 2014/15 and the development of the reablement service will deliver net efficiencies of over £1.2m per year by 2014/15.
- Category Review of the Care Home Market Place. The project to manage supplier relationships and make better use of existing contracts will deliver £870k of savings per year in 2013/14.

### **Delaying and reducing the need for care and support**

- Implement the Prevention Matters project to help manage demand and save the Council over £2.4m per year by 2016/17.
- Implement Assistive Technology Action Plan and Retail Model for Equipment

### **Ensuring that people have a positive experience of care and support**

- The delivery of this priority will be achieved by a series of ‘business as usual’ requirements in the Portfolio Plan. Whilst there are some significant areas of improvement particularly around Customer Care delivery these are related to business improvements and not transformational priorities.

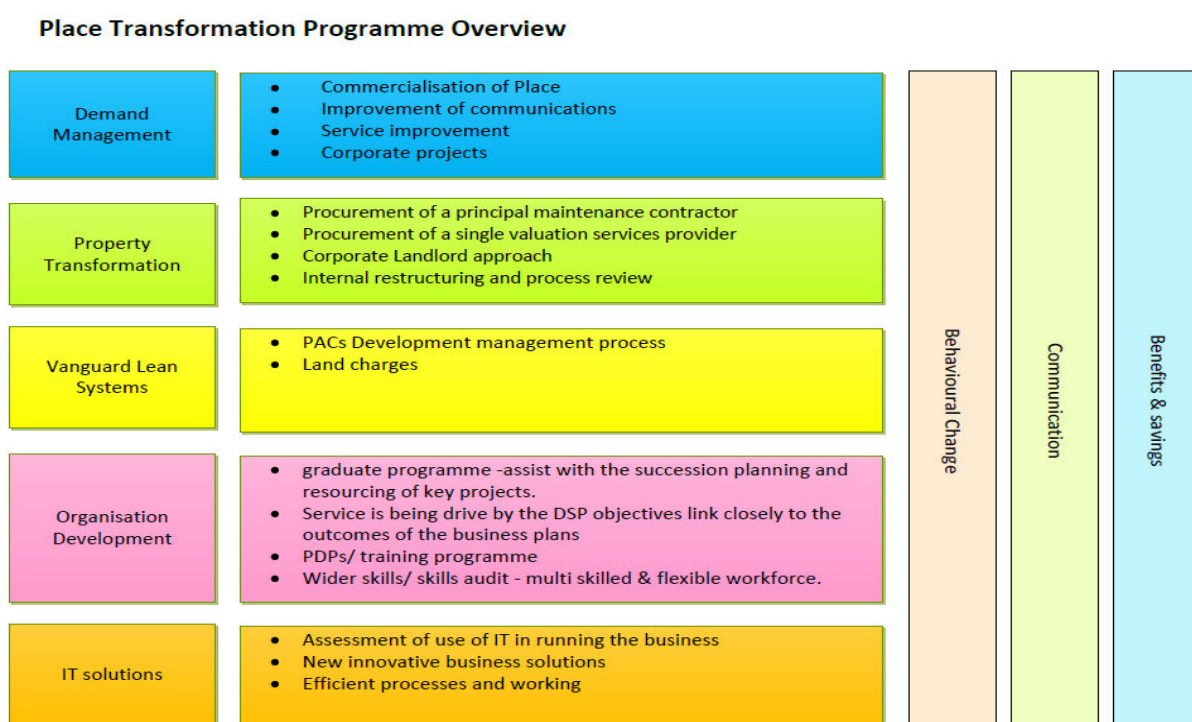
## Safeguarding people whose circumstances make them vulnerable and protecting them from avoidable harm

- Strengthening Approved Mental Health Practitioner (“AMHP”) and Out Of Hours Services

## Communities & Built Environment

An integrated **Place Service** was launched in April 2012, bringing together similar activities and functions and exploiting synergies across the former services. The associated restructure has contributed £500k transformation savings in 2012/13.

Throughout 2012/13 Place service has been progressing various transformation work streams detailed in the diagram below:



## Examples of key achievements by Portfolio are:

### Resources Portfolio:

#### Property Transformation Programme

- The Property business area has been subject to an in-depth review of its structure, processes and procurement methods, with savings per annum expected to be at least £185k. This programme includes adoption of the Corporate Landlord approach which centralises the Council’s asset base to ensure it is sufficient and suitable for its purpose, cost effective in its provision and used within a strategic rather than single service context. This is estimated to save £350k by 2016/17.

#### Office Accommodation strategy

- Rationalising the use of office space, including area offices has enabled savings of £400k.

### **Electronic Resource Booking**

- Designed to allow self-service for meeting room and hot desk booking, improving customer outcomes and reducing staff costs.

### **New Ways of Working**

- Moving the emphasis away from a property centric focus on physical environment, to a focus on the need for behavioural change, reducing the need for office space, improving staff choice and productivity.

### **Environment Portfolio:**

- **Integrated HWRC Contract** - Combining different procurement strands such transport and management into a single performance based contract which has the potential to realise further savings in excess of £300k.
- **Energy from Waste** – an important project to change the way the authority manages its residual waste more sustainably in the future. By utilising Energy from Waste technology the solution will save over £150m over the life of the contract (30 years) compared to continuing to landfill.
- **Green Spaces** - Divesting the leasehold to communities retaining use under the lease as a community space. £180k banked.

### **Planning and Transportation Portfolio:**

- **Contract - Efficiency Savings 3% PA** - As part of the contractual arrangement in Place with Ringway Jacobs, there is the need for them to provide 3% efficiencies per year. Work is being undertaken with RJ to look at the possibilities of providing different delivery models to bring the benefit of these efficiencies forward sooner in the life of the remainder of the contract.
- **Civil Parking Contract** – historical agreements were in place with Districts related to the provision of parking enforcement. A new contractual arrangement with NSL to provide on street parking enforcement has reduced the liability of the authority. The historical arrangements were running at a deficit of circa £250k per annum. Additional efficiency savings will be achieved but the full detail is yet to be understood as we are still in year one of the new contract arrangement
- **Planning, Advice and Compliance Team Systems review** – The PACs team has undertaken a systems review to support a transition from Development Control to Development Management. This requires an understanding of demand and redesigning the workflow to create a customer focussed approach by introducing pre-application advice and developing standing advice for simple applications. A design guide is being drafted to enable more self-help for developers and the general public to reduce the officer time and speed up the processes.

### **Leaders Portfolio:**

- **Superfast Broadband project** which aims to support economic growth. This project supports the Governments 'Digital by Default' aspiration and will help us able to migrate more services to internet delivery to improve connectivity.

### **Localities and Safer Communities**

- Substantial transformation savings (£150k in 2011/12) have already been realised by the Localities and Safer Communities service, with the remaining £12k savings delivered in 2012/13.



- Notwithstanding this, there are a number of transformational projects / programmes across all 3 political portfolios that continue to help us deliver our MTP targets, as detailed below.

#### **Developing our approach to localism:**

- Developing a new Communities and Localism Strategy, integrating an updated Voluntary and Community Sector Strategy and Community Cohesion and Equalities Strategy
- Leading the Chesham Community Wellbeing Project - over 90 existing / planned interventions have already been identified
- Integrating the 7 Community Links Officers into our service under the Prevention Matters programme
- The Equalities Advice Project, now being delivered through Citizens' Advice

#### **Transforming community safety**

- Leading the 18 Thames Valley authorities to prepare for the Police and Crime Commissioner and Panel
- Systems thinking review of Anti-Social Behaviour, focusing on Aylesbury Vale

#### **Public Health**

- Ensuring that all our services are aligned and better responding to the Public Health agenda
- Reviewing the governance and officer arrangements for the Drug and Alcohol Action Team

#### **Working with other authorities (especially, but not exclusively upper tier):**

- Safer Communities
- Resilience / Emergency Planning
- Trading Standards
- Cohesion and Equalities

#### **Income generation**

- Resilience / Emergency Planning / Business Continuity
- Trading Standards
- Cohesion and Equalities

### ***Resources & Business Transformation***

The Support Services transformation programme commenced in 2010. At that time a comprehensive market test was undertaken to look at all outsourcing options and compared in detail a major sole provider outsourcing option with an internal Transformation proposal. In comparing the options, the analysis established that both would deliver similar benefits. However, the payback period for the outsourcing option was longer due to significantly higher investment required. The proposed internal transformation option was supported by Cabinet for those reasons.

Since then, the internal transformation programme has successfully delivered £4.8m savings, on time and at a fraction of the investment costs suggested by outsourcing companies. By the end of 2013/14 Support Services will have exceeded the original £4.8m savings target by delivering a total of £5.07m towards the MTP.

The support services provided by the Council are now much leaner and are delivered via an operating model which includes support service centres, self service via an intranet based portal and digitised via SAP.

To support the approach to provide best value for money and the highest quality to its customers, a Support Services Centre (“SSC”) will be implemented from 1<sup>st</sup> April 2013. Currently, the Council is a commissioner and provider of a range of services. In future it is envisaged that the Council will commission many more services than it provides. In line with this the delivery of this centre will initially be in-house to allow the services provided to both bed in and be optimised but it is likely that many of these functions will be outsourced over time. Therefore its shape will start to evolve from the date of implementation to anticipate this.

The continuing financial squeeze on the organisation has meant that we need to focus on how to grow and optimise the new business model in order to achieve further savings. An outline business case for this next phase of Support Services Transformation was presented to Members in the second half of 2012.

### ***Organisational Development***

In summary this transformation programme stream has reviewed the structure of the organisation alongside staff rewards and benefits to ensure most effective working practices and consistency in performance management.

The work stream has included a **redesign of the organisation** project that has saved circa £3m over the period of the programme. This has involved changes to spans of management control across the organisation and redesign of service areas delivery models to provide efficiencies.

Key to the organisational development work stream has been changes to the **terms and conditions of service** renegotiations which have led to savings of £1.9M. The changes have included mileage rates, removal of lease cars and private medical insurance and changes to the subsistence policy and regular car user allowance.

This cross cutting theme of transformation has introduced new business processes including new technologies, centralised meeting room booking system, Electronic Document Management System (“EDRMS”), more e-Learning, new photocopying systems and printing systems.

There is now a more effective **Contact Centre** which deals with more customer contact on a one stop shop basis and more efficient customer access channels such as more online transactions.

**Delivering Successful Performance** (“DSP”) is the Council’s revised automated performance management framework that was introduced for the performance year 2011/12. The framework was developed to support the organisational Transformation Programme to increase levels of productivity and improve the ‘what’ and ‘how’ we deliver services.

**Contribution Based Pay** (“CBP”) is the Councils new approach to pay which comes into effect from 1<sup>st</sup> April 2013. CBP provides a mechanism linking an individual’s contribution to their pay via their performance assessment.

Both DSP and CBP projects were set up as cost neutral initiatives with no financial savings targets attributed to them. Rather, they are seen as key enablers for our overall organisational transformation agenda, increasing the focus on improved productivity, streamlining processes and providing greater control and flexibility around how we distribute the available pay budget.

Automating our performance process has enabled us to monitor compliance and at the end of the first performance year (2011/12) 80% of employees had an end of year rating on the system. At the mid-year stage of the 2012/13 performance year over 90% of employees had a rating on the system.

It is expected that 89% of employees will be on a CBP contract on 1<sup>st</sup> April 2013. Please note this excludes schools.

**Electronic Document and Records Management System** (“EDRMS”) is used to describe a way of holding the Council’s information electronically, allowing business processes to be streamlined and in some cases automated. The EDRMS used by BCC is a system called Livelink.

EDRMS is an enabler project which supports other BCC projects / initiatives in realising their savings. The primary links are:

- Productivity – some processes can be automated, improving accuracy and efficiency
- Corporate Business Support – workflows and integration with existing systems allow processes to be automated, therefore reducing manual administration
- New Ways of Working – documents are available from any location which supports flexible working
- Managed Print Service – more information can be shared electronically which reduces the volume (and therefore cost) of printing
- Corporate Landlord – less space will be required for storage of paper records, allowing us to increase the capacity of existing offices
- Information Governance – improved information security delivered through comprehensive audit trails and reporting

The capability and service change that has been delivered includes:

- Digitisation of client files for Children & Families
- Automation of processes through the use of workflows
- Development of the current folder setup to support process changes in CYPS
- Re-design of the scanning process to support the new Transaction Hub in CBS
- Full Implementation of EDRM in Youth Offending Service
- Major system upgrade to Version 10 and updates to improve system performance

**Managed Print Service** (“MPS”) has been introduced to provide an efficient, cost effective managed print solution for the Council, delivering c. £70k transformation savings and the following benefits:

- More environmentally friendly – less power consumption, fewer and more efficient devices, less paper/toner wastage
- More efficient processes - automatic toner ordering, central management of paper supplies

- Reduction in devices and provision of standard models / multi-functional devices
  - To date, over 520 devices have been removed and 141 MPS devices installed
  - The number of models have been consolidated down from 58 to 5
- Increased reliability and improved support processes
- Secure printing, with less waste
- Enabling NWoW, through 'Follow Me' printing from any MPS device
- Centralised asset management – maximising the asset base through redeployment of devices as printing demand changes
- Usage based charging and Management Information – we now know how much is being printed and who is printing

**Corporate Business Support** ("CBS") Centre model was launched in April 2012 to provide administration support across the organisation. It has since delivered overall savings of £960k within its first year, including £180k transformation savings for 2013/14.

CBS continues to deliver further improvements in Performance Management. It has also identified that further migration of roles can result in even greater achievements against key performance indicators ("KPI") and deliver greater efficiencies. An example of this was the performance increase in the SEN team, where statements; excluding those with exceptions, rose from 16.1% to 90% between August 2012 and January 2013.

Responding to the Munro and Bucks Learning Trust programmes will have a significant effect on the shape of the service moving into 2013/14.

CBS will be launching a new bulk reprographics service to all areas of the authority and a Transaction Hub to pick up and complete CYP business support activities, creating a centre of expertise, achieve less wasted resource by targeting customer needs / demand and reduce operating costs for administrative services.

### **Commercial**

This Programme leads a number of major projects to reduce external expenditure and provides commercial support to Service Area projects where savings are dependent on external suppliers or contracts.

The Council has been keen to work collaboratively and innovatively with its supply base, co-creating efficiency solutions that have been mutually beneficial. Rather than simply seeking aggressive price reductions from our suppliers, this partnership approach to reducing our third party expenditure ensures that we continue to build a sustainable supply chain, managing the impact of reduced public sector expenditure on the local and national economies.

The savings total for 2012/13 is £5.7m (95% of the £6m target).

Examples of key savings initiatives:

- £113k reduction in spend on advertising and public notices through demand management and rethinking our needs
- Around £300k of savings over the next two years from collaborative purchasing of gas and electricity
- £130k reduction in office printing spend through the introduction of a managed print service
- Category review of domiciliary care identifying up to £3m of cost avoidance through better market intelligence with which to negotiate prices

Going forward, the Commercial strand will also be looking at opportunities to relieve budget pressures through revenue generation. This includes selling our expertise where we are a 'leading authority', such as in contract management.

We are developing a new **Contract Management Application** that will provide a central repository and complete visibility of contracts across the Council. This is a cloud based solution to support the Contract Management Framework and Complaints procedure. The system will give us the value of better management of contracts and the ability to commoditise and sell-it on, as the Intellectual Property Rights are owned by the Council.

## Financial Savings

The Council have achieved £68m revenue reductions over the last 3 years, and plan to make a further £45m over the life of the new MTP to 2016/17.

Phase 1 transformational savings; including one-offs, up to 31<sup>st</sup> March 2013 totalled £18.1m. In 2012/13 alone, the transformation programme contributed £7.002m.

Overall projected revenue reductions are £18m for 2013/14, although this may have to increase as future funding settlements may worsen compared to that currently modelled.

