

AGENDA

Cabinet

Date: **Thursday 11 October 2012**

Time: **2.00 pm**

Place: **The Council Chamber, Brockington, 35 Hafod Road,
Hereford**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

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Agenda for the Meeting of the Cabinet

Membership

Chairman

Councillor JG Jarvis

Councillor H Bramer

Councillor PM Morgan

Councillor RJ Phillips

Councillor PD Price

Councillor RB Hamilton

Councillor GJ Powell

AGENDA

Pages

HEREFORDSHIRE COUNCIL - NOTICE UNDER REGULATION 10 OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS (MEETINGS AND ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012

Notice is hereby given that the following report contains key decisions. When the decisions have been made, Members of the relevant Scrutiny Committee will be sent a copy of the decision notice(s) and given the opportunity to call-in the decisions.

The key decision is being taken by Cabinet, with less than 28 days' notice, under Regulation 10 (General exception). The reason is that the decision cannot reasonably be deferred due to the timeframe within which the decision needs to be made. The Chairman of the Overview and Scrutiny Committee has been informed of the matter.

Item No	Title	Portfolio Responsibility	Scrutiny Committee	Included in the Forward Plan Yes/No
4	Root and Branch Reviews – Phase 1	Cabinet	Overview and Scrutiny Committee	Yes

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest by Members in respect of items on the Agenda.

3. MINUTES

To approve and sign the minutes of the meeting held on 13 September 2012.

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4. ROOT AND BRANCH REVIEWS - PHASE 1

To consider the findings and proposals of the Phase 1 reviews in the Root and Branch Review Programme as follows:

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- Older People in Herefordshire
- Customer Services
- Housing, Economy and Regulatory Services (HERS)
- Herefordshire Streetscene

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HEREFORDSHIRE COUNCIL

BROCKINGTON, 35 HAFOD ROAD, HEREFORD.

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HEREFORDSHIRE COUNCIL

MINUTES of the meeting of Cabinet held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Thursday 13 September 2012 at 2.00 pm

Present: Councillor JG Jarvis (Chairman)

Councillors: H Bramer, PM Morgan, PD Price, RB Hamilton and GJ Powell

In attendance: Councillors AJM Blackshaw, JA Hyde, AW Johnson, NP Nenadich, P Rone, MAF Hubbard, LO Barnett, A Seldon, J Hardwick and PA Andrews

23. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor RJ Phillips, Cabinet Member Enterprise and Culture.

24. DECLARATIONS OF INTEREST

There were no declarations of interest made.

25. MINUTES

RESOLVED: That the Minutes of the meeting held on 12 July 2012 be approved as a correct record and signed by the Chairman.

The Monitoring Officer informed Cabinet that the Broadband Contract Agenda item would be dealt with under special urgency as there was a need to finalise the contract negotiations and there had been an unavoidable delay in publishing the agenda within the statutory deadline. Therefore as required by the Council's Constitution the report was being dealt with as an urgent agenda item.

26. BORDERS BROADBAND CONTRACT AWARD AND PARTNERSHIP AGREEMENT

The Cabinet Member Education and Infrastructure presented the report of the Project Director to Cabinet and made the following points:

- Approximately 24% of residents in Herefordshire still did not have access to a broadband service of 2Mb/s, which is the Universal Service Commitment (USC).
- There is currently no superfast broadband in Herefordshire, which if this continues will severely impact on economic development for the county.
- For the next generation of access to broadband, speeds of 30Mb/s will be expected and therefore a future proofed network needs to be built.
- It was announced by the government in October 2010 that South Herefordshire would be one of four national pilot areas for Next Generation Access (NGA) and that Broadband Delivery UK (BDUK) would provide funding for those rural areas unable to receive the service through commercial deployment, or cover those areas where USC is not available.

- To provide broadband access for all commercial investment should be completed by 2014 and the Borders Broadband Contract, to cover those areas that the commercial deployment will not reach, should be completed by 2016.
- By 2016 Herefordshire will have 100% coverage at USC level and 88% coverage at NGA level.
- For future technology and for communities/businesses that do not have NGA at the end of 2016, there will be a bursary scheme to provide additional funding and it is expected that this will be completed by 2018.
- Cabinet was advised that the broadband contract procurement process commenced in June 2011. Eight companies were involved at the pre-qualification questionnaire stage, which has now reduced to a single bidder.
- Cabinet has approved the allocation of £6m to the project, which matches the initial allocation by BDUK. Cabinet is asked to approve an increase to the capital allocation of a further £4.1m (overall total of £10.1m), which matches the revised total allocation of BDUK of £3.75m and a sum of £350k for the bursary scheme.
- Cabinet was advised that the bidder's completion date was 2016, a year later than the government's target of 2015. There was concern that the hardest to reach areas would be left to the end of the project and that the commercial deployment would not achieve the planned coverage, which would reduce the overall coverage in the county.
- Cabinet was reminded that the details of the contract were included in the confidential papers before them, which could not be discussed in open debate in respect to the agreed bidder and any negotiations they might carry out.
- As the lead authority Herefordshire is authorised to conclude contract negotiations.

The Leader of the Council congratulated officers on their work on the project to date.

RESOLVED

THAT:

- (a) **Herefordshire Council's capital contribution to the project be increased to £10,100,000 (from current allocation of £6m) to match fund BDUK's contribution to the deployment of broadband to Herefordshire premises through the proposed contract with the Bidder and via a bursary scheme to the value of £350,000 as part of the match funding required by BDUK;**
- (b) **Cabinet note the terms of contract negotiated to date, the risks identified in this and the exempt report and the outstanding contractual issues;**
- (c) **The Director for Places and Communities in consultation with the Cabinet Member for Education and Infrastructure and the statutory officers be authorised to conclude a contract with the remaining Bidder**
SUBJECT TO
 - (i) **the agreement of Gloucestershire County Council certified in writing by its Chief Executive;**
 - (ii) **this being satisfied that the mitigation of the outstanding risks as identified in this report are the best that can reasonably be achieved;**
 - (iii) **the deal represents value for money, having particular regard to the payment mechanism controls and premises cap referred to in these reports;**

- (iv) the conclusion of a suitable partnership agreement with Gloucestershire County Council;
- (d) The Director for Places and Communities be authorised to negotiate and conclude a partnership agreement with Gloucestershire County Council for the governance of the project, the terms of which are to be subject to the approval of the Statutory Officers;
- (e) Cabinet note the content of the accompanying exempt report.

27. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED: that under Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 2 of Schedule 12(A) of the Act, and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

28. BORDERS BROADBAND CONTRACT AWARD AND PARTNERSHIP AGREEMENT

Cabinet considered the confidential report outlining the financial and legal aspects of the proposed contract with the bidder.

RESOLVED: That the contents of the report be noted.

The meeting ended at 3.30 pm

CHAIRMAN

MEETING:	CABINET
DATE:	11TH OCTOBER 2012
TITLE OF REPORT:	ROOT AND BRANCH REVIEWS – PHASE 1
PORTFOLIO AREA:	ALL MEMBERS OF CABINET

CLASSIFICATION: OPEN

Wards Affected

County-wide

Purpose

This report brings together the findings and proposals of the Phase 1 reviews of the Root and Branch review programme:

- Older People in Herefordshire;
- Customer Services;
- Housing, Economy and Regulatory Services; (HERS)
- Herefordshire Streetscene.

Cabinet is invited to note the progress of the programme since the last update on 5th April 2012, and to approve the recommendations being put forward by the review.

Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure, or making of savings, which are significant whilst having regard to the Council's budget for the service or function to which the decision relates. It is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

This decision is being taken with less than 28 days' notice. The reason is that the decision cannot reasonably be deferred due to the timeframe within which it needs to be made. Notice has been served in accordance with Part 3, Section 10 (General exception) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012, and the Chairman of the Overview and Scrutiny Committee has been informed of this.

Recommendations

That:

- (a) **The proposals from the Phase 1 Root and Branch reviews be approved as set out in the Appendices and summarised in paragraphs 11-14 of this report;**
- (b) **The principles for future service delivery emerging from the Phase 1 reviews be approved as set out in paragraph 17 and be built into the refreshed Corporate Plan and future Root and Branch reviews; and**
- (c) **The relevant Directors be authorised to jointly produce and implement the programme of Business Case development and Delivery Plans for the four Reviews and report to Cabinet as appropriate; and**
- (d) **The potential savings opportunities as outlined in section 34 are approved as the basis for further financial modelling; and**
- (e) **A further report on progress against implementation targets for the Phase 1 Reviews is submitted to Cabinet alongside the Phase 2 Review output recommendations in April 2013.**

Key Points Summary

- The Root and Branch review programme, which forms part of “Rising to the Challenge”, was included within the Council’s Medium Term Financial Strategy, approved by Council on 3rd February 2012. The Council also agreed to allocate £1.16m of the 2012/13 Council Tax grant as a one-off Transformation Fund to support the Reviews and other transformational activity, in particular Adult Social Care.
- Cabinet approved the programme, including a detailed project mandate, on 5 April 2012. The programme includes all services provided by the Council, with strong links to other agencies and sectors as appropriate. The programme consists of 12 review areas, based on cross cutting themes, undertaken in three phases from April 2012 to September 2013. Further information is set out in Appendix 1.
- The aims of the programme are to:
 - Redefine the role of Herefordshire Council and other public services;
 - Set out the priorities for the next decade;
 - Rebuild budgets, with clear links between spend and results.
- Through the Root and Branch reviews we will:
 - Build on the Rising to the Challenge framework;
 - Seek to “blend” delivery of current projects with more fundamental thinking about what we provide in the future;
 - Place engagement (resident, Member, employee, partner) at the core;

- Follow a common methodology for rigour, challenge and consistency, using five gateways for quality assurance purposes;
 - Ask fundamental questions about why we provide services at all, not just how we would do things differently and save money;
 - Ensure that programme support will be developed, where possible, using existing skills and knowledge, working in partnership with Hoople.
- To support the objective of engagement, a community engagement exercise has been undertaken. *Your Community, Your Say*, has incorporated the Quality of Life Survey (last undertaken in 2008). A number of local engagement events and the use of the website and social media have been implemented to seek views. This has run alongside other initiatives to ensure employee and Member engagement. Appendix 1 contains further information about engagement undertaken.
 - The first four Phase 1 reviews, Older People, Customer Services, Housing, Economy and Regulatory Services (HERS) and Streetscene, have now been completed and a summary of the approach, findings and conclusions are set out in Appendices 2-6.
 - This report sets out the recommendations from these reviews for approval by Cabinet, following which detailed work will commence on implementation. The report also comments on lessons learned from the programme so far (with further detail in Appendix 1) and makes a number of further recommendations that cut across all the Reviews to inform the Council's future strategic direction for service delivery and partnership working.

Alternative Options

- 1 Alternative options have been considered as part of the Root and Branch process and the details of individual reviews are summarised in the Appendices. Cabinet may decide to adopt a different approach to the proposals or may wish to identify other courses of action for further analysis.

Reasons for Recommendations

- 2 The Root and Branch programme has been agreed by Council as an essential element of our medium term planning, to set the future direction of the Council and to address the financial challenges ahead. The recommendations from the Phase 1 reviews are the first stage in the delivery of this programme.
- 3 A number of other recommendations are made about our future approach to service delivery, engagement and partnership working which cut across all the reviews so far and the programme as a whole. It is considered that these principles should underpin our future strategy and form an integral part of everything that we do. As such they will form part of the refreshed Corporate Plan.

Introduction and Background

- 4 The Root and Branch Review programme has been developed to respond to the many challenges that the Council and other public services are facing over the next decade.
- 5 The programme forms part of the Rising to the Challenge programme, closely linked to the Better Services workstream. The reviews were incorporated into the Council's

Medium Term Financial Strategy at Council on 3 February 2012. The reviews will seek to deliver the Council's vision, as set out in the Joint Corporate Plan and will also help to shape the future vision of Herefordshire 2020.

- 6 The aims, scope and methodology for the Reviews were approved by Cabinet on 5 April 2012 in the form of a programme mandate. The key points from the mandate are set out in Appendix 1.
- 7 The programme consists of twelve reviews (based on cross cutting themes) with four reviews in each phase and each phase lasting six months.
- 8 All reviews have used the same gateway methodology to ensure rigour, challenge and consistency. The process includes the following stages and identifies key questions which have been asked as part of the process.
 - **Discovery** - What is the core purpose of the service or function? Are we good at delivering the service? How do we compare against other local authorities or organisations?
 - **Challenge** - What would be the impact if we didn't provide the services? Who else could provide the service?
 - **Options** - What are the different delivery model options for the services? Is there an option to stop providing this service altogether? What would be the impact of any changes to the services?
 - **Proposal** – What are the key changes? What would be the benefits of the change? What do we need to do to deliver the change?
- 9 Phase 1 started in April 2012 and concludes with this report to Cabinet on the findings from the first four reviews.

Key Considerations

Phase 1 Review

- 10 A one/two page high level summary setting out the recommendations from the Phase 1 reviews are set out in appendix 2, Paragraphs 11-14 below highlight the key strategic proposals from each review.

Older People in Herefordshire

11. Building on the Older People's Strategic Delivery Plan agreed at Cabinet on 12th July 2012, the Root and Branch Review proposes that we go further by:
 - Requiring all areas of the Council and its partners to focus efforts and resources to deliver the strategy. This will be reflected in the refreshed corporate plan coming to Council for sign off in November;
 - Diverting demand. This is a critical activity that requires the customer services function to lead on changing public behaviours and accountability. This recommendation is picked up in the Customer Services review;
 - Establishing a sustainable budget for older people;

- The HERS review also proposes aligning key Herefordshire Council resources to meet the needs of vulnerable people better whilst also driving an improved economy.

Customer Services

12. The Customer Services Root and Branch review has recognised that the current model designed to provide accessible and timely response to customer queries has served us well but. A step change is now required to dynamic management of a locally based network of contact that also manages demand and prevents the need for services. We will also embed the changes we have made so far and respond to customer feedback to improve the experience of contacting the Council and its main contractors

Cabinet is asked to endorse this direction of travel so that the model can be developed, with an initial focus on Older People and then, the Business sector.

Housing, Economic and Regulatory Services (HERS)

13. The HERS Root and Branch review is proposing to shift the focus of these services to driving a thriving economy and supporting vulnerable people. Cabinet is asked to:

1. Endorse this strategic direction as it has implications for:

- Reviewing the criteria for development requiring planning permission;
- Access to housing support.

Assuming Cabinet agreement to this direction of travel, further work will be carried out and specific policy changes brought back to Cabinet as appropriate.

2. Agree that a programme of work (through to March 2013) takes place across all services which will review the core purpose from a customer perspective, design a perfect flow system for this new purpose and then propose the best model of delivery. This is because not all services have been reviewed during phase 1.

Herefordshire Streetscene

14. The retender for the Amey contract has already been agreed by Cabinet 12th July 2012. The review will lead to improvements to better meet customer expectations with a greater emphasis on locality working to tailor the delivery and implementation of service to meet local needs. Streetscene services will also deliver better value for money and savings.

15. The details supporting the proposals from the phase 1 reviews are set out in the Appendices as follows:

- Individual Review Executive Summaries – Appendix 2;
- Older People in Herefordshire – Appendix 3;
- Customer Services – Appendix 4;
- Housing, Economy and Regulatory Services (HERS) – Appendix 5;
- Herefordshire Streetscene – Appendix 6.

Cross Cutting Themes

- 16 In addition to the specific recommendations, a number of cross cutting themes have emerged, which reflect the obvious interdependencies between the Reviews and the strategic nature of the review programme itself.
- 17 These themes have been developed into a number of high level principles which it is proposed form part of the Council's future service delivery strategy:

HEREFORDSHIRE COUNCIL

PRINCIPLES FOR FUTURE SERVICE DELIVERY

- **Delivering Corporate Priorities**
 - All services will prioritise their resources towards contributing to the top priorities of the Council/County (eg: vulnerable people, economic growth)
 - If current efforts do not support this then continued provision will be challenged through a business case process
- **Prevention and early intervention (links to diverting demand)**
 - The Council will develop, in partnership, a comprehensive and long term preventative strategy, with the aims of:
 - Supporting people to be independent, including capacity building;
 - Improving outcomes for individuals, families and communities;
 - Reducing the demand for services in the longer term.
 - As part of this, the Medium Term Plan will consider the investment required, based on evidence- led business cases
- **Diverting demand**
 - The Council will develop, in partnership, a strategy for demand management, including:
 - Behavioural change (customers, council staff, partners, suppliers and elected members);
 - Channel shift towards more self-service;
 - Reviewing "statutory" thresholds;
 - Reviewing existing policies;
 - Lean Systems Thinking to develop customer journeys and reduce the failure demand on services (demand where we didn't get it right first time or can avoid the demand);
 - Better signposting to services and solutions including those services outside the Council;
 - Direct contact and targeting residents;
 - Using community assets (buildings, land, people and skills);
 - Workforce changes.
 - The recommendations from the Customer Services Root and Branch Review will form the basis of this strategy
- **Local delivery**
 - All services will review their approach to local delivery, including opportunities

for:

- Locally based multi- agency partnerships;
- Increased integration of support services;
- Joining up front facing delivery.
- Devolution to local groups
- The Council's strategic aims for locality and partnership working will be reviewed as part of the Safer and Stronger Root and Branch Review

Community Empowerment

- To ensure that we support and enable the empowerment of local communities to work together to design and deliver local solutions for local issues by:
 - Making every contact count to listen to residents' views;
 - Building capacity in the community for self reliance, local action, prevention;
 - Promoting different service delivery models where this makes sense eg: social enterprise; devolution to parish councils;
 - Employing a new approach to using community assets;
 - Employing a renewed partnership with the Third Sector to deliver this.

• Partnership Working

- The Council will develop a new approach to partnership working designed to support the delivery of better outcomes for Herefordshire that reflects the changing landscape locally and nationally, including the new Health and Wellbeing board.

We will develop a common understanding of Herefordshire's partnership objectives by all partners across all of our partnerships by:

- Using *Understanding Herefordshire*, our Integrated Needs Assessment, as the basis for setting partnership priorities and commissioning plans;
- Finding opportunities to integrate service planning, delivery and support across different agencies;
- Developing a common approach to community engagement and empowerment;
- Using a partnership approach to workforce planning, recruitment and development.

• Commissioning and Market Development

- A new whole Council Commissioning and Commercial Strategy will be developed in partnership
- This will include:
 - A market development statement;
 - Our approach to market testing and intelligence, in particular within the County;
 - Additional opportunities for personal budgets and increased control for customers;
 - Collaboration with other partners in the County and with other local authorities where this makes sense;
 - Expressions of interest from the Community Right to Challenge process being considered and utilised to inform future service delivery strategy.

- 18 Subject to Cabinet approval, the themes will be developed further as part of the refreshed Corporate Plan and as part of the Phase 2 and 3 Reviews, in particular the Herefordshire 2020 Review.

Key Points from *Your Community, Your Say*

- 19 A summary of the findings from the Quality of Life Survey is included in Appendix 1 (and has been circulated to all Members). The survey objective is to provide a statistically robust understanding of the views of residents within the county and to provide some insight regarding how these vary across the localities. It is based on the Place Survey conducted in 2008, but also contains significant changes to support the needs of the Root and Branch review programme.
- 20 The survey was a postal survey to 4,125 households in the county, stratified to reflect the three sub-localities of Hereford and the eight other localities. Fieldwork started on 21st May 2012 and at the time of the cut off for replies, 16th July, 1,346 valid responses had been received, giving a responses rate of 33%.
- 21 Reports have been produced for the 9 localities to inform the Your Community, Your Say meetings and the other engagement activities that will take place during September and October 2012
- 22 At the time of writing there have been seven *Your Community, Your Say* events. The headlines so far are as follows:
- Events to date have taken place in Ross-on-Wye, Ledbury, Ewyas Harold Leintwardine, Dorstone, Weobley, Hereford South with approximately 210 attendees in total.
 - 3 additional thematic events are being held for young people, people with disabilities, BME individuals and additional parish based events planned in response to requests in participate in the process.
 - Residents have recognised and acknowledged that in a time of austerity, things will need to change and have come up with a range of ways that services 'could be done differently'.
 - General consensus that the priorities and areas most in need of improvement identified through the Quality of Life survey are right.
 - Where it does not already feature as a priority Road and Pavement repairs have consistently been raised as an area in need of improvement across both urban and rural areas.
 - High levels of dissatisfaction about the services provided by Amey have been consistently raised.
 - Residents would like greater control over services at a local level, providing the resources are available to allow adequate implementation.
 - Process of small group discussions and focus on 'listening' has been well received with some very positive feedback.

- Member representation at these meetings has been patchy however where members have extended personal invitations to residents this has had a significant impact on attendance levels, for example in Ledbury
 - 8 organisations enlisted to support the consultation with their client groups: Age UK, West Mercia Womens Aid, WM Housing, Redcross - Village Wardens, Homestart and Herefordshire Mind, Barton Hill, Kemble Housing
 - Young / community researchers have been recruited to undertake consultation with their peers
- 23 The results from the preliminary events are currently being collated and a summary will be available from week commencing 1st October 2012. The summary will reflect the services residents feel must be continued and those they feel are not required along with how we could look to deliver services differently. The overall findings from the survey and the locality based engagement will be fed into the remaining Root and Branch reviews, budget setting process for 2013/14 and the next Integrated Needs Assessment, along with other feedback and information.

Lessons Learned

- 24 A key aim of Phase 1 has been to learn from the process so far so that we can improve the way in which the Phase 2 and 3 Reviews are managed in order to increase the improvement opportunities coming out of the reviews.
- 25 Learning to date and the resultant changes are covered in more detail in Appendix 1. The bullet points below highlight the most significant points so far that will be built into the programme going forward:

Project Planning and Governance

- Plan and scope reviews earlier

Project Team Resource

- Build in more Project Management and Project Advisory/Challenge support

Project Tools

- Workshops require independent facilitation

Lean Systems Thinking

- Apply Lean Systems Thinking at the outset of the discovery stage

Stakeholder Engagement

- Target engagement with partners, Members and employees to match their interests and needs

Data Collection

- Maintain a single (electronic) accessible data library for background information, report writing and challenge links

Methodology:

- Greater consistency in the application of the methodology and process across all reviews

Implementation

- 26 The approved methodology includes Implementation as the next phase of each Review. Development of detailed proposals, including project plans, resources required and financial modelling will be completed once the key recommendations from each review are agreed.
- 27 Just as the Root and Branch programme is intended to be radical and challenging in approach, so should delivery. Accordingly, we need to develop the concept of excellence in service delivery alongside these reviews. Key features of this will include:

<p>ROOT AND BRANCH REVIEWS</p> <p>EXCELLENCE IN DELIVERY</p>
<ul style="list-style-type: none">• Assured Delivery:<ul style="list-style-type: none">○ Benefits realisation and impact assessment;○ Project management discipline;○ Correct capacity and capability;○ Performance management;○ Risk management. •• Finance Linked to Outcomes<ul style="list-style-type: none">○ Robust activity costing and insight on comparative costs○ Outcome based budgeting – a medium term goal○ Return on investment • Dynamic Communications:<ul style="list-style-type: none">○ 30 day plans○ Effective use of the Change Champions○ Clear expectations on senior managers to positively promote Root and Branch transformation○ Pro-active and appropriate engagement○ Intelligent targeting partners with what matters to them and us

Community Impact

- 28 The Root and Branch review programme is likely to have a significant impact for Herefordshire residents and public services. It is expected that there will be changes to the delivery of services, which will have some impact on all, or parts, of the community. During the review process, community engagement will be paramount to ensuring that decisions are informed by residents’ views and that the impact of change is understood and is acceptable.
- 29 As part of the review business case and delivery process a Community Impact Assessment will be undertaken to ensure that sustainability, affordability and social responsibility are considered.

Equality and Human Rights

- 30 As public sector service providers we must protect and respect equality and human rights in all that we do, and we have a responsibility to promote and implement equality when we:
- provide services;
 - purchase services;
 - employ staff;
 - work in partnership;
 - engage with our communities.
- 31 An Equality Impact Assessment will be undertaken during the feasibility and business case development stage of the reviews in order to ensure a clear understanding of the potential impact on equality and inclusion.

Financial Implications

- 32 The anticipated financial benefits of this Programme are as follows:
- **Cashable:** a reduction of in- scope budgets is able to be assessed at the proposal stage of each Review and contained in the final report to Cabinet;
 - **Non Cashable:** increased efficiency and productivity from a flexible, resilient organisation that quickly adapts to market demands and delivers relevant and appropriate services to customers to the level of quality agreed by the Council.
- 33 A Transformation Fund of £1.16m has been established to ensure that the Root and Branch Review programme and other transformational change can be delivered. A breakdown of the spend to date can be found in Appendix 1.
- 34 Indicative targets were set for each Review based on spend within scope. The recommendations indicate the extent to which these targets can be met:

REVIEW	SPEND IN SCOPE £000	TARGET SAVINGS £000	SAVINGS OPPORTUNITIES £000
Older People	13,641.5	2,728.3	The actions from this review will enable the delivery of existing targets
HERS	6,997.3	1,399.5	1,119
Street Scene	12,539.5	2,507.9	2,000-2,700
Customer Services	2,943.0	588.6	500

Legal Implications

- 35 Legal advice has been taken in relation to each review proposal. This has covered, in particular, UK and EU procurement rules

Risk Management

- 36 Risks will be identified and monitored as part of the programme governance and regularly reviewed at the Rising to the Challenge Programme Board.

The key risks identified as part of the set of proposals for Phase 1 are:

- Complex set of messages to for users, partners and staff to understand full implications of and how they can support the change;
- Lack of ownership of the proposals at all levels of the Council;
- Capacity and capability of staff to deliver required amount of transformational change;
- Transformation takes time to deliver whilst budget pressures are in the system now.

Consultees

- 37 Involvement and consultation to date is set out in the individual review reports. Key stakeholders involved have been:

- Residents: Quality of Life Survey and Your Community, Your Say events;
- Employees: staff workshops, briefings, Encore, Why Ideas scheme, Change champions;
- Members: seminars, focus groups, weekly bulletin;
- Cabinet Members: sponsorship of Phase 1 Reviews;
- Overview and Scrutiny Committee: recommendations to Cabinet from meeting held on 3 October 2012;
- Leadership Team;
- Senior Management Team;
- Leadership Academy;
- Partners: bulletins and updates to Herefordshire Partnership; bulletin to town and parish councils

Appendices

Appendix 1 – Phase 1 Overview Report

Appendix 2 – Individual Review Executive Summaries

Appendix 3 – Older People in Herefordshire

Appendix 4 – Customer Services

Appendix 5 – Housing, Economic and Regulatory Services (HERS)

Appendix 6 – Herefordshire Streetscene

Background Papers

Council Budget Papers, 3 February 2012

Cabinet Report, 5 April 2012

APPENDIX 1



Root and Branch Reviews

Phase 1 Overview Report

Version 1.0

VERSION HISTORY

Version	Date Issued	Brief Summary of Change	Author
0.1	20.09.2012	First draft	Donna Etherton
0.2	21/09/2012	Second draft	Donna Etherton
0.3	25/09/2012	Revisions following circulation	Donna Etherton
1.0	27/09/2102	Final version	Donna Etherton

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1 PURPOSE OF THIS DOCUMENT

The purpose of this document is to:

- Summarise the background to the Root and Branch Review Programme based on the Project Mandate approved by Cabinet on 5 April 2012
- Describe the approach that has been taken in the first phase of the Programme
- Outline the approach to engagement and the key findings from the *Your Community, Your Say* exercise
- Report on the use of the Transformation Fund so far
- Set out lessons learned for Phase 2 and 3 of the Programme

Individual review findings and proposals from the Phase 1 Reviews are contained in separate appendices to the Cabinet report.

2 BACKGROUND TO THE PROGRAMME

2.1 Why the Reviews are required

The Root and Branch Review Programme, which forms part of Rising to the Challenge, has been included within the Council's Medium Term Financial Strategy, approved by Council on 3rd February 2012. The Council also agreed to allocate £1.2m of the 2012/13 Council Tax grant as a one-off Transformation Fund to support the Reviews and other transformational activity.

The programme mandate was approved by Cabinet on the 5th April 2012.

The Root and Branch Review Programme is required for the following reasons:

- **Building on our achievements** - Rising to the Challenge has helped us to reduce operating costs and to make significant improvements to the way that we work, whilst also protecting front line services. It will remain the framework for the next two years. We will continue to deliver what we have said we will – but we must go much further. We will also continue to strengthen our evolving partnership arrangements
- **Rethinking the role of public services** – there is a new relationship between Government and local government and between public services and local people, defined by localism and less “top down” prescription. This new paradigm requires us to rethink the role of the Council as a community leader and to review the role of public services in Herefordshire and what we expect people and communities to do for themselves
- **Facing the challenges ahead** - as a country and in Herefordshire, we are facing major changes. These changes involve a bigger financial challenge over the next decade that we must prepare for. We are also seeing many social changes that raise fundamental questions about the role of public services in the future. These challenges require a fundamental review of everything we do, to question whether we need to do things at all and whether there are better ways of service delivery
- **Long term planning** - the Root and Branch Reviews will provide us with a long term plan for meeting the financial and social challenges ahead for Herefordshire. We will

look and feel very different and we will be well placed to respond to further changes to 2020 and beyond

2.2 Project objectives

The objectives of the project are to:

1. Build on the Rising to the Challenge framework
2. Seek to “blend” current (in flight) projects with more fundamental thinking about what we provide in the future
3. Place engagement (resident, Member, employee, partner) at their heart
4. Follow a common methodology for rigour, challenge and consistency, using five gateways for quality assurance purposes
5. Ask fundamental questions about why we provide services, not just how we do things differently and save money
6. Ensure that programme support will be developed using existing skills and knowledge, working in partnership with Hoople

Aims of the Reviews

The Reviews will continue to deliver the Rising to the Challenge Outcomes:

- *Greater Integration*
- *Increasing efficiency & productivity*
- *Managing with less funding*
- *Better outcomes for residents*

But the Reviews will also deliver three additional outcomes, reflecting the fundamental purpose of the Reviews:

- *Redefine the role of Herefordshire Council and other public services*
- *Set out the priorities for the next decade*
- *Rebuild budgets, with clear links between spend and results*

Key Principles

Root and Branch Reviews will be far reaching and comprehensive. In order to ensure that the reviews achieve the outcomes and that we have a consistent approach across all the review areas five key principles will be adopted by Review teams:

- **Challenge everything...** *Reviews will question all that we do, why we do it, how we do it, whether others can do it better and how residents can be more self reliant*
- **Think differently...** *the challenges ahead require a radical rethink about how the needs of Herefordshire residents are met in the future, , including different models of delivery and how we use the totality of resources across Herefordshire*
- **Focus on outcomes...** *it is vital that Reviews focus on the benefits of services for*

residents and communities and what outcomes will be required for the future

- **Evidence based solutions**... decisions about using resources in the future must be based on evidence of what works and what provides the greatest public value
- **Engage and involve**... at all stages of the Reviews we will demonstrate how services users, employees and partners have been involved

2.3 Programme Scope and Timeline

The programme consists of three phases of 6 months from April 2012 to September 2013. Phase 1 reviews commenced in April 2012 with Phase 2 due to start in October 2012.

Phase 1 – April 2012 to September 2012

- Housing, Economy and Regulation Services
- Older People in Herefordshire
- Customer Services
- Herefordshire Streetscene

Phase 2 – October 2012 to March 2013

- Supporting Vulnerable People in Herefordshire
- Transport and Travel in Herefordshire
- Children & Young People in Herefordshire
- Safer and Stronger Herefordshire

Phase 3 – April 2013 to September 2013

- Herefordshire's Environment
- Learning and Skills in Herefordshire
- Living & Wellbeing in Herefordshire
- Herefordshire 2020

Reviews also seek to address six underpinning themes:

1. **Support services:** reviewed and adjusted as programme proceeds
2. **Sustainability:** are solutions future proofed and affordable in the long term
3. **Inequalities:** opportunities to address inequality of opportunity or outcomes
4. **Prevention:** including early intervention and increased social responsibility , a key driver for change in all Reviews
5. **Localities:** how Reviews can support the development/maturity of locality working, including community integration and responsibility/accountability
6. **Partnerships:** early engagement to establish opportunities for collaboration

The impact on corporate and support services will be considered at the end as part of Herefordshire 2020 review.

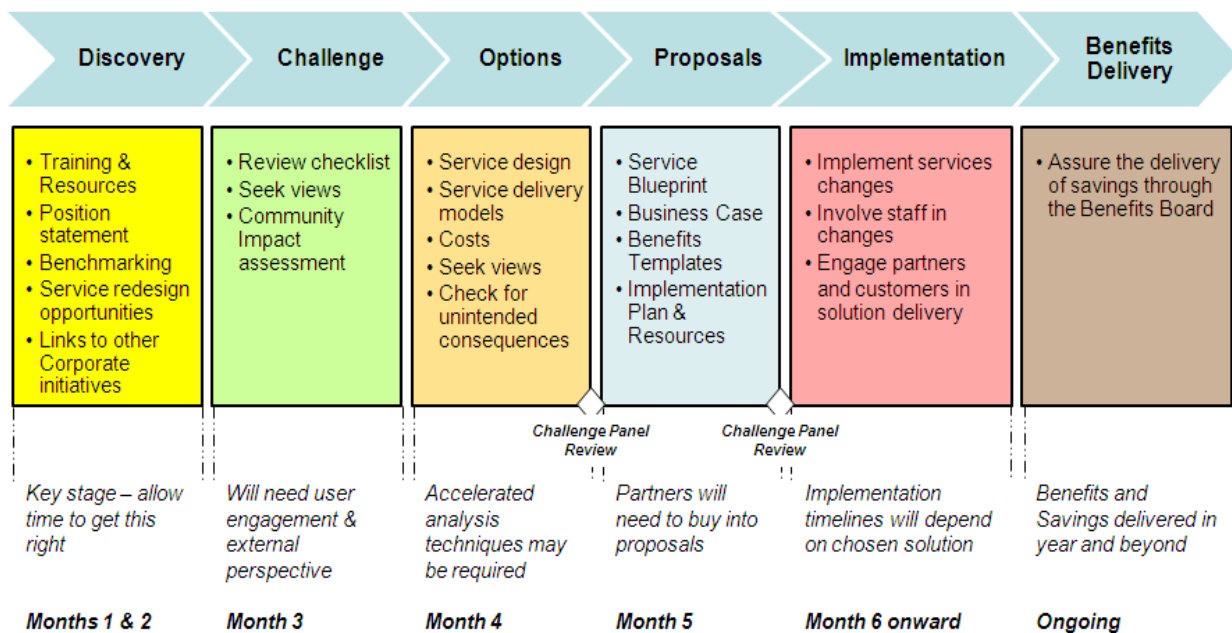
As part of addressing the financial challenges ahead, reviews also looked to address how, as part of the transformation of services, the budget can be:

- Reduced by 20% over 2 years
- Reduced by 30% over 5 years by prevention (with or without invest to save funding)

Individual review findings and proposals from the Phase 1 Reviews are contained in separate appendices to the Cabinet report.

3 APPROACH

The reviews have followed a common methodology to ensure a consistent approach. More information on how individual reviews applied the methodology can be found in the review reports in the appendices.



The methodology has been supported through the following approach:

- Leadership - each of the reviews has a:
 - Lead Cabinet member
 - Sponsor - Director
 - 2 or 3 Review leads – Assistant Directors
- Governance -
 - the reviews have reported into the Rising to the Challenge programme board to update on progress and risks
 - a gateway process has been used to challenge and approval the different stages in the process
 - peer review has been used to form a “Challenge Panel” to provide an external perspective This has included representatives from voluntary sector, parish councils and other authorities

- Resources -
 - each of the reviews have an allocated project manager/support
 - a central programme team has been established to support across the programme to ensure linkages and identify cross cutting themes
 - cross functional resources such as finance, research etc. engaged in the programme
 - a dedicated room set up to provide information hub, place for programme team to work and focal point where staff can drop in and find information or talk to programme team

4 ENGAGEMENT

4.1 Approach to engagement

A key principle of the Reviews is engagement and involvement with residents, employees, Members and partners.

To support this objective, a community engagement exercise has been undertaken, to provide an up to date view from residents and partners about the priorities for Herefordshire and a strong foundation for all the Reviews. This also links closely to the development of the Vision for Herefordshire 2020.

The engagement process has three component parts:

1. **The Herefordshire quality of life survey:** This is a quantitative questionnaire based process which has been undertaken a number of times in various forms. The 2012 version included questions asked in previous exercises, as well as questions to specifically inform the root and branch review process. The inclusion of the quality of life survey in this exercise will maintain the on-going integrity of the intelligence that the survey provides – allowing for trends over time to be identified.
2. **‘Your community, your say’:** The second process, following the quality of life survey, was a series of qualitative events, using a range of externally supported engagement methods. This has been used to add more detailed intelligence to the quality of life survey and the root and branch process about issues at a locality level across the whole county. This stage has also sought to ensure that key hard to reach sections of the community were given the opportunity to contribute. The aim is that this exercise will form the basis for future social marketing activities and will be an essential tool in the development of self-sufficient communities across the county and increasing the understanding of the localism agenda.
3. **Review Based Engagement:** Where very specific issues are identified and significant changes to services are proposed, bespoke engagement or consultation exercises will be undertaken. These processes will necessarily be iterative and will concentrate on very specific issues and/ or sections of the community. Results from recent consultations will be used where still relevant.

Resident and partner engagement has run alongside other initiatives to secure employee and Member engagement. In relation to Members, engagement is through:

- Lead Cabinet Member for each Review
- Overview and Scrutiny Committee

- Local Members – through locality discussions as appropriate

Maintaining good informal communication with and between Members is a key success criteria for the Reviews.

Employee engagement is through a variety of means, including:

- Team Talk
- The “Why?” initiative
- Change Champions network
- Engagement of employees involved in delivering the services for each review

4.2 What we have learned from engagement

Quality of Life Survey

The survey was a postal survey to 4,125 households in the county, stratified to reflect the three sub-localities of Hereford and the eight other localities. Fieldwork started on 21st May 2012 and at the time of the cut off for replies, 16th July, 1,346 valid responses had been received, giving a responses rate of 33%.

Key Findings

- The top three factors most important in making somewhere a good place to live were the **level of crime**, **health services** and **affordable decent housing**, as was seen in 2008.
- Whilst **road and pavement repairs** and **activities for teenagers** continue to be in the top 3 most needing improvement, in 2012 **job prospects** has assumed a greater need and is now ranked second compared with 6th in 2008
- When combining priorities for most important to the area and most needing improvement, the aspects standing out are **road and pavement repairs**, **job prospects** and **affordable decent housing**
- Across the localities, some variation of views on what is important to make the area a good place to live was seen. For example, **clean streets** were more important in the sub-localities of **Hereford North** and **Hereford South**, **public transport** more important in the more rural localities and **job prospects** seen as more important in **Leominster locality** than Herefordshire as a whole and less so in **Weobley locality** and **Hereford Rural**.
- Similarly, there were differences in views across the localities of what most needs improving. For example, **traffic congestion** ranked around 2nd most needing improvement in **Hereford North** and **Hereford South** and typically 10th in the localities of **Bromyard**, **Ledbury** and **Leominster**. Improving **job prospects** was ranked lower in the **localities** of

the **Golden Valley, Hereford Rural** and **Weobley**, while the need to **improve sports and leisure facilities** was seen as a greater need in **Ledbury** and **Bromyard**, than the county as a whole

- 91% of respondents were satisfied with their **local area as a place to live** (up from 87%) in 2008 while 94% were **satisfied with their home**.
- While most (60%) of respondents had **contact with family, friends or neighbours** most days of the week, for one in twenty the contact is once a month or less and a similar proportion (5%) felt lonely most or all the time.

Priorities for Herefordshire Council

- A large majority of respondents (87%+) agree with 5 of the 6 identified high priorities for Herefordshire Council, while support for the sixth one, **promote self-reliance in local communities** was a little lower at 75%
- There was little evidence of variation across localities of support for **creating a successful economy**, a **resilient and flexible Herefordshire** or an **efficient and accessible Herefordshire Council**. However, compared with the county overall, there was greater support for **improving health and social care** in **Bromyard locality** and for **raising standards for children and young people** in **Hereford South**. Residents of **Hereford North locality**, showed less support for **promoting self-reliance in the community** than was seen in the county overall
- Of the six high priorities listed, the top three were clearly identified as **creating a successful economy**, **improving health and social care** and **raising standards for children and young people**. These were broadly similar in the different localities, though some differences emerged
- 83% of respondents lived in a household that had a **broadband service** and while about half found it adequate for their needs, 44% found it too slow. Of the 17% of respondents living in a household with no **broadband service**, about a quarter wanted it but either had no computer or the service was not available at all or not at an affordable price

Feedback to date from locality events

- Residents have recognised and acknowledged that in a time of austerity, things will need to change and have come up with a range of ways that services 'could be done differently';
- General consensus that the priorities and areas most in need of improvement identified through the Quality of Life survey are right.

- Where it does not already feature as a priority Road and Pavement repairs have consistently been raised as an area in need of improvement across both urban and rural areas.
- High levels of dissatisfaction about the services provided by Amey have been consistently raised.
- Residents would like greater control over services at a local level, providing the resources are available to allow adequate implementation

5 USE OF THE TRANSFORMATION FUND

5.1 Purpose of the Fund

The Council agreed to allocate £1.16m of the 2012/13 Council Tax grant as a one-off Transformation Fund to support the Reviews and other transformational activity, in particular Adult Social Care. The criteria and process for the allocation of the Fund was contained in the Project Mandate.

The Transformation Fund is designed to help deliver projects which support the emerging Root and Branch programme and the development of innovative services within the reduced funding envelope for local government. Significant elements of the transformation programme must help the Council deliver financial balance in 2012/13. This is a key risk for the Council going forward.

The priorities for the Transformation Fund are to support:

- Delivery of the Root and Branch Review Programme
- Projects to implement the outcome from the Root and Branch review;
- Projects that seek to change service delivery and so reduce the longer term costs to the Council of services; and
- Projects that support the delivery of financial balance;

5.2 How we have used the Fund

	£	Comment
Opening Balance	1,164,000	
Allocated		
Corporate Transformation Team	325,000	Staff costs to support the delivery of a number of key change programmes including: <ul style="list-style-type: none"> • Public Health Transition • Adult Social Care programme • Better Ways of Working

Resourcing – Root and Branch	191,036	Staff costs to support the delivery of Root and Branch reviews – includes project management, support and strategy consultancy
Introducing Lean Systems Thinking	100,000	Consultancy services to implement the Lean Systems Thinking into the reviews
Broadband (Go-On HEREfordshire campaign)	140,000	Campaign aims to reach people who are most at risk of being digitally excluded – and it is these people who are most likely to suffer from other effects of exclusion and therefore need local authority intervention (e.g. poverty, isolation, and ill health). Funds will provide a coordinator role and enable quick-win technology projects
Transport consultant	25,000	Consultancy services for Transport and Travel review (providing specialist knowledge and expertise into the review)
Quality of Life survey	10,000	Postal survey to residents
Adult Social Care - reablement	197,000	Staff costs to increase capacity in reablement team
Total allocated	988,036	
Balance unallocated	175,964	

6 LESSONS LEARNED

6.1 What we have learned so far

A key aim of Phase 1 has been to learn from the Root and Branch process so far in order to alter and improve the process, and therefore the outcomes, within Phase 2 and 3.

Project Planning and Governance

The key steps of Discovery, Challenge, Options and Proposals do not effectively cover the whole project activities and requirements and there is a need to more effectively scope and plan reviews prior to project launch.

Governance gateways have been built around existing meeting timetables which have not always been compatible with the project timelines.

The Challenge concept towards the end of the reviews has been a very positive process enabling a fuller consideration of the review proposals and the evidence available in support of them.

Project Team Resource

Project teams and project support resource has not always been adequate given the scale of the reviews and the quality of information required to undertake a transformation agenda.

Lean Systems Thinking

Lean Systems Thinking is still a relatively new concept for the council and has not been fully utilised as part of the review process in Phase 1 to ensure a more effective consideration of the bigger picture, customer perception and experiences and the cultural shift required by the organisation to truly transform.

Project Tools

Whilst templates, project support and some facilitation tools have been provided within Phase 1 there is a need to apply a more consistent approach to key tools and aids to enable effective and efficient gathering and analysis of information and sharing of outputs and outcomes across the broad range of stakeholder groups that need to be engaged, informed and assisted in decision making.

Stakeholder Engagement

Engagement has been varied and in some cases duplicated and there is a need to ensure that stakeholders, particularly those external to the council, are more effectively engaged as part of the whole phase as opposed to via single reviews.

Data Collection

Considerable levels of data have been collected through the reviews however the benefits of shared access to this information across the reviews has not been realised. Collection of data as baseline and evidence has not been as effective as it could be.

Methodology

There has been inconsistency in the application of the review methodology and process across all of the reviews at various points, leading to missed opportunities for cross review working and clarity of review messages on activities, outputs and outcomes.

6.2 Changes to our approach for Phases 2 and 3

Project Planning and Governance

The scoping and planning element of the process has been brought forward and formalised in order to ensure that projects are not launched without a clear understanding of the scope, aims and objectives. An informal challenge of the scope and plans will be run by the Root and Branch Programme team prior to the projects moving into the Discovery phase.

Programme timelines have been set out at the beginning of Phase Two and requests for Programme specific meetings (such as the Rising to the Challenge Board) have been requested.

The benefit of the external Challenge panel has been acknowledged along with the general challenge process. This process will be maintained and in addition an internal challenge process will be developed for use at each phase of the Phase 2 programme.

Project Team Resource

Additional programme support resource has been recruited (on a temporary basis) to ensure adequate support in Phase 2. In addition to this the earlier scoping and planning of this Phase has enabled Project Leads to establish the most appropriate officers, partners and potential critical friends to work with them on the review.

Lean Systems Thinking

A Lean Systems specialist has been recruited to work within the Root and Branch Programme Team and will focus on the Discovery stage using Lean Systems Thinking methods to ensure that work is better understood from the customer's point of view.

Project Tools

The key stages of the review process have been reviewed by the programme team and clearer guidelines, templates and facilitation tools will be made available along with training and awareness support as required. The regular challenge aspect of the revised process will ensure better opportunities to exchange knowledge and information across the whole programme.

Stakeholder Engagement

The project planning requires early identification of key stakeholders and reasons for engagement which will enable planning for contact on a programme basis (as appropriate) as opposed to just within individual reviews. This will enable a more joined up approach and opportunities to identify customer, partner and service synergy.

Data Collection

The use of the Lean Systems Specialist in Discovery will improve the collection of service demand data and verification of activity levels. Key advisors (Human Resources, Commissioning, Finance, Legal, Partnerships, Equality and Inclusion) for the programme have been introduced to the Stage 2 leads prior to project launch in order to enable the more effective collection and verification of key data. The Programme team will operate a Sharepoint document library to ensure that information is as accurate and up to date as possible.

Methodology

The increase in programme support and the agreement on ways of working have offered improvements to the process which will be able to be effectively supported through a team approach that ensures cross review working.

7 KEY RISKS

7.1 Risks

Risk	Mitigation
Lack of ownership of review solutions at all levels within the council	Early transparent engagement of all stakeholders to ensure understanding, buy-in and commitment delivered in line with agreed plans
Partners may not be on board with changes	Ensure partners are clear about changes and

	how they can support the transition
Complex messages are not understood by staff making the change difficult to implement	Series of face to face sessions with leadership team planned to help staff understand the key changes and why the need to do so
Recently let contracts or contracts soon to be competed could be in conflict with services being reviewed	Ensure that there is alignment between current commercial and procurement initiatives and the reviews to minimise impact of change and limiting options available during reviews
Transformation involves change in culture and expectations which takes time to deliver	As part of the implementation, a change management plan will be developed and supported by the transformation team
Capability and capacity of staff to undertake the implement the changes	Understand the required skills to implement and whether they are available. Prioritise against timetable of changes required

APPENDIX 2**EXECUTIVE SUMMARIES:****PHASE 1 ROOT AND BRANCH REVIEWS**

CONTENTS:

1 - OLDER PEOPLE IN HEREFORDSHIRE:	p. 2 - 3
2 - CUSTOMER SERVICES:	p. 4 - 5
3 - HOUSING, ECONOMY AND REGULATORY SERVICES (HERS):	p. 6 - 7
4 - HEREFORDSHIRE STREETSCENE:	p. 8 - 9

1: EXECUTIVE SUMMARY: OLDER PEOPLE IN HEREFORDSHIRE

Future State

Adults, their families and carers are well informed and are able to make choices on how they can coordinate and take part in support and activities that enhance their health and wellbeing. A coordinated and community based approach amongst local people, with local organisations and public sector partners, that diverts demands away from adult social care and acute health services in Herefordshire, whilst using preventative approaches to delay or stop the use of high cost care and support.

Key Proposed Changes

- Fundamentally change the approach in Herefordshire, so that the focus on older people becomes a key priority across the Council and its partners. This will be done through the following:
- **Diverting demand** - with activities such as the development and delivery of a customer contact strategy which directs people to self-support and provides information, advice and guidance easily. Using the Local Development Framework to influence the housing market to support the older population's needs. Develop Housing Strategy responses which support mixed developments and the delivery of specialist housing. Developing community and locality based approaches to support.
- **Improvement and transformation** - including changing the service offer and enhancing our approach to, for example, reablement and telecare. This also includes making the most of joint commissioning arrangements with the Clinical Commissioning Group.
- **Achieving Best Value** - including using lean system thinking to improve the efficiency of current systems, reviewing current contracts and levels of spend against benchmarked figures, and being clear about our policies and service offer so that everyone is clear what can be expected from the Council.
- Establishing a **sustainable budget**.

Key Benefits

- Improving the experience of adults, their families and carers in organising their own futures and care.
- Being clear about what the core purpose of the council is, and what can be expected.
- Providing cost effective services that make the most of public money.
- Establishing a sustainable budget and enabling the whole council to contribute.

Key Risks

- Magnitude of transformation programme; capacity, commitment and prioritisation.
- Demographic pressures (reflected in national debate) are even more acute in Herefordshire.
- Transformation involves change in culture and expectations which takes time to deliver.
- Financial situation for whole of public services and the ability to provide a sustainable budget.

2: EXECUTIVE SUMMARY: CUSTOMER SERVICES

Future State

A new Customer Contact Strategy Vision:

To improve outcomes for our residents and Herefordshire by making every contact count.

Customer and resident contact will be managed as a dynamic and multi layered network across the county, to deliver the following strategic outcomes:

- The ability to predict and prevent the need for services.
- Support for people to be independent and self-reliant.
- Service demand diverted to self-service channels.
- Customer led service improvements.
- Single point of access and first time resolution for standard enquiries
- Value for money for residents.

Key Proposed Changes

- A paradigm shift, towards dynamic management of a network of contact across the Council, key suppliers, partners including town and parish councils.
- Service redesign to anticipate and manage demand, to prevent service requirements where self-help and better sign posting is a better alternative.
- A whole organisation and partnership approach to customer contact that challenges existing culture, that is rooted in a locality and neighbourhood approach and seeks to manage demand.
- Dynamic customer contact within each of the localities – for example at markets, community halls, public meeting places, village halls etc. and a smaller central hub.
- Consolidation of existing customer strategy aims for accessible, efficient and economical responses to customer queries, in particular quick resolution of standard queries and service faults, such as road repairs
- Implementation of digital channels to support cheaper and easier self-service and to utilise the customer segmentation data to drive service improvement.

- Customer contact outcomes embedded in all commissioning and contracting decisions.

Key Benefits

- Improved access to services designed around the needs of different customer groups.
- Increased self- service and independence.
- Cashable savings equating to £500k (achieved through system-wide efficiencies and service improvements).
- A 'single view' of the customer, which facilitates the prioritisation of service delivery and more effective service design across partners and contractors.
- Local services which reflect locality-specific needs, with greater use of local Member intelligence.
- Reduction in day to day contact through effective and targeted information, advice and guidance
- Customer contact supporting the achievement of corporate and service objectives.

Key Risks

- Insufficient buy in from partner organisations, therefore reducing the whole-system change possibilities.
- Lack of cultural ownership of review solutions at all levels within the council.
- Insufficient capability and capacity for change within the council.
- Signposting to services may increase service demand in the short term.

3: EXECUTIVE SUMMARY: HOUSING, ECONOMY AND REGULATORY SERVICES (HERS)

Future State

A proactive portfolio of services that has shifted focus from enforcement and barriers, to enabling and adding value in order to support the Council's strategic objectives around vulnerable people and creating a thriving local economy.

Key Proposed Changes

- To fundamentally reduce the demand on the planning service by focussing and prioritising resources on those applications that meet the potential future purpose of increasing the economic growth and development of Herefordshire.
- To fundamentally change the council policy on housing in order to help the most vulnerable who are unable to help themselves (making it clear to the public that this is the way the council will operate); ensure that people are not given accommodation for life, but will be housed according to the size of their family and specific health needs.
- To join up 'enforcement' service activities across the organisation with increased focus on the Public Health agenda and to use health data locally to target work.
- Develop a single delegated grants service for the council in order to give complete visibility of the grants income opportunities for the county, improved decision making around allocation of funds, and to maximise benefits and outcomes allied to the strategic economic regeneration agenda for the county.
- Bring together a 'Strategic Development' service block that supports, in the best integrated manner, the aspirations of the County for encouraging and supporting Economic Development, supporting vulnerable people and other key priorities.

Key Benefits

- Strategic change in Housing and Planning to support the whole organisation approach to developing a preventative agenda that will divert, delay and stop areas of service demand (in particular within Adult Social Care) in order to improve outcomes for Herefordshire people.

- Improved management of customer expectation by clarifying the role of the council and its priorities in respect of service groups and the wider community.
- Removal of red tape.
- Reduction of service costs.
- Savings potential (including other aspects of the HERS Review implementation) £1.119 million.

Key Risks

- Higher level of complaints initially as the public come to terms with the changes.
- Changes in housing policy could create difficulties for front line staff and members – support framework needs to be in place to anticipate this.

4: EXECUTIVE SUMMARY: HEREFORDSHIRE STREETSCENE

Future State

A Streetscene service delivered through a procurement approach which will be informed by corporate plan objectives, stakeholder views expressed during the review and market consultations with potential providers. The delivery of savings, service improvements to better meet customer expectations, and a greater emphasis on locality working to tailor the delivery and implementation of services to meet local needs.

Key Proposed Changes

- Implementation of Cabinet decision to re-commission the services within the scope of the existing Service Delivery Partnership and take forward the commissioning of property services.
- Transformation of public convenience service provision through establishing a community toilet scheme and working with City, Town, Parish Councils and community groups to examine alternative approaches to local service delivery. This will be taken forward as a co-ordinated package by the Safer and Stronger review (Phase 2 – starts October 2012).

Key Benefits

- The procurement and commissioning of services within the scope of the Service Delivery Partnership and property services will seek to deliver corporate plan objectives, significant financial savings, service improvements to better meet customer expectations and a greater emphasis on locality working. Potential savings to be achieved from this process are estimated to be between £2.0m and £2.7m per annum.
- Changes to public convenience services should deliver higher quality, sustainable, accessible toilet provision to better meet the needs of local people and visitors to Herefordshire. This should also secure some modest financial savings.

Key Risks

- A detailed risk register has been developed for the Strategic Partner Review to manage the risks associated with this major procurement project. Key risks relate to the commercial procurement, service continuity and quality. Mitigation

measures have been identified to manage risks associated with the project. Legal, financial and procurement resources and expertise have been identified to support the project team.

OLDER PEOPLE
DATE: OCTOBER 2012
Introduction and Background

- 1 The purpose of this document is to outline the progress made to date of the Older People Root and Branch Review.
- 2 A steering group has met to define the scope of the review (Table 1) and the approach to be taken. The root and branch review builds on what is already taking place (Figure 1), makes use of current information and thinking, and challenges what is taking place and questions what needs to be done for the future. In order to assist with this Price Waterhouse Cooper (PWC) and KPMG provided free facilitation and input into this review so that challenge was at the heart of the approach.
- 3 Benchmarking information was produced to inform the review and reviewed at the sessions along with challenge from PWC and KPMG regarding the current strategy, mechanisms for delivery and programmes of work.

Table 1

Older People in Herefordshire		
Scope	Why	Key Issues
Services and care pathway for older people Assessment, day, community and residential provision across all providers Links to the Strategic Delivery Plan for the Transformation of Adult Services and the CCG Operational Plan Benchmarking to inform Service Re-design opportunities	Top priority across Herefordshire Existing transformation strategy Major area of spend Consensus for change across all parties and agencies	Prevention and early intervention Empower older people to support themselves without reliance on statutory services Efficient use of resources: changing the way we do things Enable and support more care at home or in the community Changing the market Links to vulnerable people review Opportunities to build on the existing transformation strategy Ways to support delivery

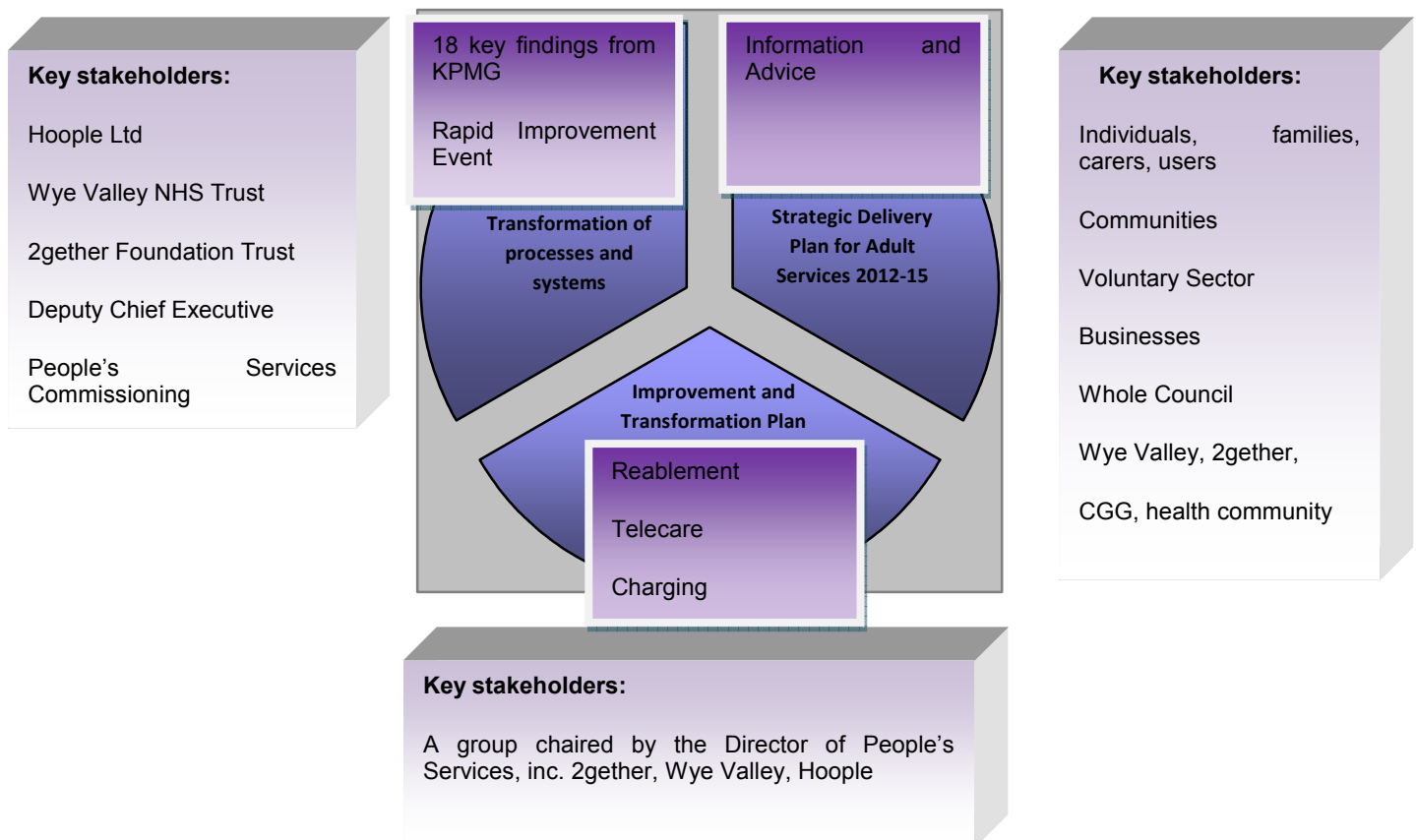
Further information on the subject of this report is available from

Chris Baird Assistant Director People's Services Commissioning (01432 260264)

Scope

- 4 The root and branch review of older people services takes place at a time when a significant amount of work is already underway. Figure 1 demonstrates the key strategic activities currently underway, including key projects and stakeholder management.

Figure 1



Key things learned from discovery

Strategic Delivery Plan for the Transformation of Adult Services 2012-2015

- 5 The Strategic Delivery Plan for the Transformation of Adult Services emphasises that the issues facing adults in Herefordshire are by no means the sole province of adult social care. The ADASS report "Models for Funding Allocation in Social Care 'The £100 Million Project' November 2011" notes the importance of councils being clear about changes to one service area having an impact on another, for example the relationship between housing and social care, or transport and day provision. This was reinforced by the findings of the root and branch review of older people so far.
- 6 The review thus far identified that the appropriate activities were being planned for in Herefordshire. A number of them would benefit local people and prevent entry and staying in statutory services, but a number of them such as reablement and telecare would produce cost avoidance in budget terms rather than reductions. There were questions over the scale of the transformation agenda, and the contributions as a whole system to the change agenda

and how this could be delivered in Herefordshire.

6. A clear method of approach to transformation is required as the recent ADASS Budget Survey 2012 states that the average national savings target for adult services is 6.75% of budget, for Herefordshire it is 15.9%.

Financial Overview

7. In terms of budget the adult social care budget is c. £50m, which is 35% of the council budget. The proportion of direct council spend on services for older people would include aspects of leisure, transport and infrastructure, cultural services, housing and other services. Approximately 57% of adult social care expenditure is currently spent on older people services (£35,823k this includes learning disability, physical disability and mental health clients who are now over 65). A 20% savings target would equate to £7.2m.
8. A critical part of the budget is the sum that can be attributed to cost avoidance. Assistive technologies, including telecare, and reablement services when effective have been demonstrated to achieve significant benefits for adults and also achieved cost avoidance between £1.179k and £1.310k cost avoidance for the council and between £58,296 and £64,774 for the NHS in 2011/12.
9. The current budget position for Herefordshire Adult Social Care, (including c.£8m gap) has been built up over a period of years and traditionally has been overspent, year on year, with a succession of grants or investment funds mirrored by reductions in budget on the assumption of savings. Demographic pressures were assessed in 2010 and used to as part of the budget setting process. This is in the context of the wider challenges to the health and social care system, with NHS budgets facing significant challenges to close the budget gap (c.£10m for Wye Valley for example). A recent review of information across local authorities, published by ADASS indicated that
 - National position for 11/12 was predicted to be 0.6% under spend on Adult Social Care whilst Herefordshire was 11.4% over spent.
 - ❖ Statistical neighbours overall are reporting to be on budget with a range of 97% to 105% spend versus budget.
 - Nationally 82% of demographic pressures have been funded for 2012/13 compared to just 16% in Herefordshire.
 - ❖ Our comparator group has funded on average 76% of demographic pressures although this ranges from 100% funding to 41% in York and 46% in Shropshire.
 - The national average savings target for adult social care in 2012/13 is 6.75% (median 5.63%) versus 15.9% for Herefordshire.
 - ❖ Our neighbours are predicting savings across ASC of 6.5% which is in line with the national picture.

Improvement and Transformation Plan 2012 - 2014

10. In year transformation and savings activities, captured in the Improvement and Transformation work plan, designed to achieve c. £8m of savings and cost avoidance within 2012/13. A critical part of the budget is the sum that can be attributed to cost avoidance. Assistive technologies, including telecare, and reablement services when effective have been demonstrated to achieve significant benefits for adults and also achieved cost avoidance between £1.179k and £1.310k cost avoidance for the council and between £58,296 and

£64,774 for the NHS in 2011/12.

Combined efficiencies

11. The following areas are key objectives within the Strategic Delivery Plan for the Transformation of Adult Services 2012-2015 and the Improvement and Transformation Plan and are expected to realise efficiency savings:

- More frequent reviews to ensure appropriate levels of care for the correct length of time.
- Reductions in block contracts to minimise voids and reduce costs.
- Market development with more flexible contract models.
- Use of care funding calculator to ensure initial packages are set at appropriate level.
- Consultation on increasing charges for those that can afford to pay.
- Using assistive technology to keep people independent longer.
- Ensuring equity and quality of support to carers.
- Increase use of supported accommodation rather than residential placements.
- Delivery of local, preventative support through neighbourhood teams and multi disciplinary approaches.
- Develop a preventative approach including information, guidance and sign posting to individuals and importantly families, future carers and carers, and approaches such as adaptive technologies, reablement.

Transformation of systems and processes

12. This is being driven by rapid improvement events, lean system thinking and is overseen by a Board chaired by the Director of People's Services. KPMG and Price Waterhouse Cooper identified issues within current processes within Adult Social Care. Rapid Improvement Events have been undertaken identifying areas of bottlenecks in system and process flow and a programme management approach has been deployed to streamline.

Benchmarking exercise

13. The benchmarking exercises undertaken identified the following:

- A declining trend in the number of older people receiving residential and nursing care services.
- Lower than comparator group and all England average, but a rising trend in admissions to nursing care.

- Significantly lower share of council's spend on residential and nursing care for all client groups covered by client contributions (7.5% vs 11.6% in comparator group).
- Unit costs for residential care where it appears Herefordshire is spending more on fewer weeks of care compared to some other authorities. Shropshire, for example, commissions 94% more resident weeks than Herefordshire for 80% more spend. So, to achieve the unit cost per resident week of residential care of the "average" council in Herefordshire's comparator group (Shropshire at £470 per resident week) an increase in value for money (i.e., more resident weeks for the same amount of spend) of £862k would be required, a 7.5% change.
- Domiciliary care unit costs which are 10% higher than the mean for nearest neighbours. For example, Herefordshire spends 18% more than Bath and North East Somerset on commissioning domiciliary care services, but for only 5% more client weeks. To achieve the unit cost per client week of domiciliary care of the "average" council in Herefordshire's comparator group (Bath & North East Somerset at £191 per client week) an increase in value for money of £947k would be required, an 11% change.
- Direct payments unit cost appears to be almost three times higher than the all England average. To achieve the unit cost per client week of direct payments of the "average" council in Herefordshire's comparator group (Central Bedfordshire at £179 per client week) an increase in value for money of £605k would be required, a 49% change.

Who has been engaged and how

14. To date the Programme Group have engaged with key Providers including 2gether, Wye Valley NHS Trust, Clinical Commissioning Group and internal key stakeholders such as front line staff, through workshops. In addition to this Members have been consulted through Herefordshire Councils Governance Procedures.

Fundamental policy changes proposed

15. Development of a range of policies to establish appropriate social care case and funding decisions, based on the principle of "enough" care and support and funding proven early intervention services.
16. Proposal to be developed to ensure spatial planning (LDF) and Housing Strategy policy reflect older person's needs. This approach should also include for influencing developers to provide new build properties for private residence by a growing older population and also specialist providers for Extra Care and Supported accommodation.

Proposed core purpose against which we've redesigned

17. Delivery against the guiding principles for adult services, approved by Herefordshire Cabinet, endorsed by the Health and Wellbeing Board.

What we're proposing to stop, do differently, internal/external provision

18. The review has indicated that a fundamental change to the way the whole council operates is required, alongside fundamental change in how we work with our citizens and partners. The changes required are set out in four areas:
19. **Divert demand**, fundamentally changing the culture and approach in Herefordshire, with the

public sector enabling individuals, families and carers, providers and the wider market to self support and self fund. This will include stopping the demand for some services, appropriately delaying the need for some services, and:

- Developing a customer contact strategy (see the review of customer services) and implementing the necessary changes for information, advice and guidance.
- Enhancing community approaches within localities.
- Using the Local Development Framework (LDF) to support development in the housing market which supports the older population's needs and develop Housing Strategy responses which support mixed developments and the delivery of specialist housing.
- Focusing the role of leisure and cultural opportunities to increase their impact on this agenda.
- Focusing the role and delivery of public health to increase the impact on this agenda.
- Moving from buildings based provision to community based provision (including options for community asset based approaches such as time banks).
- Encouraging organisations and businesses to think about the whole older people's population, not just those who need support from social care services.
- Active market management and development, including encouraging businesses to meet the needs and demands of people who can fund themselves.

20. Improvement and transformation including:

- delivering the work set out in the transformation programme including enhancing reablement and telecare services. Establishing the balance between the council commissioning services and personal budgets/self-funders.
- establishing a joint commissioning approach with the Clinical Commissioning Group to deliver transformation across the health and social care economy i.e. the frail elderly programme, Dementia Services, including "dementia friendly" communities and support.
- Improving the quality and practice of adult social care

21. Achieving Best Value including:

- Using Lean Systems Thinking to transform current processes and systems, reducing wastage equating to increased efficiencies, hence cost saving.
- Addressing unit cost variations as detailed in the benchmarking reports, achieving preventative outcomes, appropriate dignity and safety whilst providing "enough" care or facilitating individual commissioning within budget goals.
- Fundamentally review major contracts to achieve value for money in the context of the future role of the council and budget environment.
- Establishing a clear policy framework for care and support.

22. Establish a sustainable budget for Herefordshire, that has a sophisticated understanding of

demographic changes and changing patterns of need

23. Deliver to the agenda set out in the “Caring for Our Future” White Paper July 2012.

The proposed benefits resulting from the redesign

24. The proposed benefits will:

- Improve the experience of adults, their families and carers in organising their own futures and care and in doing so deliver the vision for health and wellbeing in Herefordshire.
- Enable us all to be clear about what the core purpose of the council is and what can be expected from council services, including those that are commissioned.
- Provide cost effective services that make the most of public money.
- Over time, reducing the demand for and cost of services for older people.
- Establishing a sustainable budget and enabling the whole council and other organisations, plus residents themselves to contribute.

High Level implementation plan and risks

25. A number of activities are already established and are progressing, as detailed above. Others are part of other Root and Branch reviews (for example the contact strategy). However, there does need to be a fundamental change of approach for the Council to make the older people’s agenda at the core of everyone’s work.
26. An overall implementation plan will be established. The next important piece of work to undertake is to establish the detailed financial modelling for the totality of proposed activity, covered in diverting demand, improvement and transformation, achieving best value, and establishing a sustainable budget.
27. Financial modelling will include both cost avoidance and cost reduction and some of this was considered as part of the review. This work will therefore set out what can be achieved in budget terms and what the potential gap might be in relation to the current base budget. Implications to address this gap will be set out so that a considered view can be given regarding budget setting for the medium term and inform the actions that will take place as a result of this review.
28. Current risks for this area of council work includes the financial implications that affect the whole council budget, not just adult social care, alongside the effects on the health and social care system in Herefordshire. There are associated risks in terms of service delivery, quality, and in relation to expectations of the people of Hereford. The magnitude of the transformation programme; capacity, commitment and prioritisation will need to be addressed and this will take time to deliver. Plans will need to take into account demographic pressures (reflected in national debate), which are even more acute in Herefordshire.

ROOT AND BRANCH REVIEW -**APPENDIX 4****CUSTOMER SERVICES****DATE: OCTOBER 2012**

1. INTRODUCTION AND BACKGROUND

The Council has implemented a Customer Strategy over the past 5 years to deliver efficiencies and improvements through greater centralisation, managing contact through a limited number of channels/ access points, and implementing standardised systems and processes. This Strategy has served us well and has delivered better access to information and services, savings and improvements in resident satisfaction. As future service planning and delivery becomes more locality-based, reflective of the needs of local communities and as requirements shift towards greater self-reliance and demand management, we need to adapt the existing model. This paper therefore proposes a significant change to customer contact which will create dynamic, mobile services which are integral to local communities in every part of the County. There are also proposals to embed the changes we have made so far and to respond to customer feedback to improve the experience of contacting the Council and its main contractors.

The key recommendations from the review are:

- That a new Customer Contact Vision and Strategy is agreed.
- That the Strategy underpins all aspects of the Council's service delivery, community engagement and partnership working.
- That priorities for this new approach should be Older People's Services and the business sector.
- That further detailed work be undertaken to develop a financial model for Customer Contact to assess the direct and indirect costs and potential for cost avoidance through the new strategy.
- That the actions identified in the report to consolidate the existing benefits from the corporate customer organisation project, in particular quick resolution of standard queries and service faults, and to embed our approach to channel management and customer segmentation, be agreed.
- That an options appraisal for the delivery of the new customer contact function be

Further information on the subject of this report is available from

Richard Beavan-Pearson on (01432) 261721

concluded.

1.1 Scope

The initial project mandate for the Root and Branch review process outlines the indicative scope and issues of the Customer Services review as being:

Phase 1		
Customer Services		
Scope	Why	Key Issues
All channels of customer contact (phone, face to face, web etc.)	Commitment to review future models of delivery	Potential for a Herefordshire-wide solution
Customer insight	High impact on residents	Hoople development
Communications	Need to join up contact channels	Use of insight to drive service change
Partner customer services/ front offices	Opportunities for savings and improvements	Communications to drive behavioural change

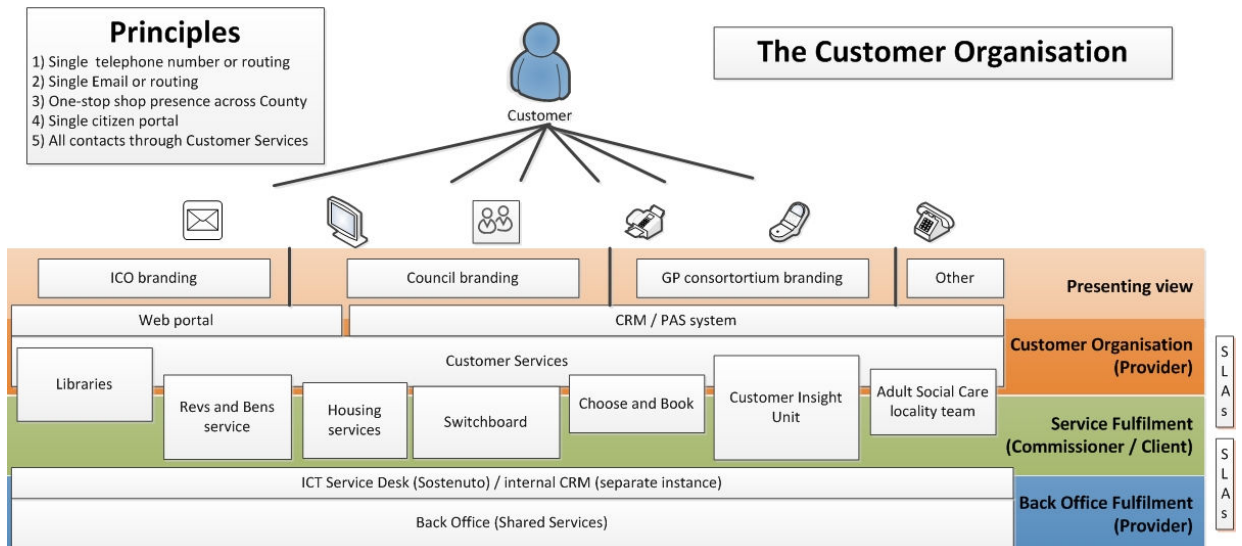
The aim of this review is a fundamental review of customer contact and engagement across all council services, whether provided directly or through contractors, and to consider what can be changed to deliver a step-change in how we interact with all of our customers.

This review is therefore intended to establish, and test, the future strategic direction of Customer Contact in Herefordshire and to propose what needs to be delivered as we move towards, what we have termed for the purpose of this review, a 2nd generation model of customer contact.

Further to this, the review has also been an opportunity to re-examine the principles established in the Customer Organisation business case, as well as the review of the other associated services, and to test these against future service needs across Herefordshire.

1.2 The Current Customer Organisation Target Operating Model

The current (or 1st generation model) which has been developed over the past 5 years or so, is based on the principle that by bringing contact services together into the corporate centre, economies of scale and service efficiencies can be created, which improve service delivery and customer satisfaction. The diagram below summarises this arrangement:



This target operating model is predicated on the CRM system and web portal becoming integrated. This not only provides our customers with self-service capability, but also has the potential for a shared front office; whereby services are provided in a shared service arrangement on behalf of multiple organisations.

To date in Herefordshire, these principles have been delivered through the integration of libraries and Info Shops, which has resulted in a large centralised one-stop shop in each market town within the county and Hereford City (with some smaller, less formally organised services elsewhere).



The characteristics of this service delivery model can be summarised as:

1 st Generation Model of Customer Services	
<ul style="list-style-type: none"> • Services provided through a limited number of un-dynamic channels 	<ul style="list-style-type: none"> • Services provided through city/ town centre venues
<ul style="list-style-type: none"> • Single point of contact 	<ul style="list-style-type: none"> • Signposting information for self-help
<ul style="list-style-type: none"> • Efficiencies from co-locating council services 	<ul style="list-style-type: none"> • Key messages about self-help
<ul style="list-style-type: none"> • Better local access to information 	<ul style="list-style-type: none"> • Customer Relationship Management to manage customer contact
<ul style="list-style-type: none"> • Single number for council queries 	<ul style="list-style-type: none"> • Customer feedback on contact
<ul style="list-style-type: none"> • Increasing choice of channels 	<ul style="list-style-type: none"> • Development for apps for mobile devices
<ul style="list-style-type: none"> • Development of apps for mobile devices 	<ul style="list-style-type: none"> • Feedback forms on services
<ul style="list-style-type: none"> • Website self-service for reporting 	<ul style="list-style-type: none"> • Increasing choice of channels

2 APPROACH

Activity undertaken

2.1 Engagement

To date, 5 workshops and a number of fact-finding sessions have been held with Councillors, customer services managers and 70 customer services/communications officers. A further workshop has also been held with representatives from key stakeholder organisations. Existing, historical data from bi-monthly customer satisfaction surveys has also been used to contribute to the views gathered by the review team directly.

The 'Your community, your say' engagement exercise will inform the further development of the recommendations and strategic vision for the review and the

implementation phases of this area of change. Two key responses to the quality of life survey which formed phase 1 of the review were:

When asked 'Do you agree or disagree that this should be a high priority for Herefordshire Council... promote self-reliance in local communities' – 75% of respondents agreed.

And ... 'An efficient and accessible Herefordshire Council' – 86% of respondents agreed.

2.2 Benchmarking

Benchmarking has taken place to help us understand 2 key issues – what other local authorities are doing to modernise customer services and how Herefordshire Council is performing when compared to other, similar organisations. Due to the very different configuration of Council services within each local authority, some caution is needed when comparing performance. However, we have reviewed existing benchmarking data for Customer Services – differentiated between contact centre and customer service centres, the communications service and the web service.

Comparator organisations include: Shropshire County Council, East Riding of Yorkshire Council, Worcestershire County Council, Norfolk County Council, Cumbria County Council and Northumberland County Council.

2.3 Needs assessment

No specific needs assessment activities have been undertaken outside of the regular customer satisfaction exercises, the development of the Herefordshire Customer Segmentation Model and the Your community, your say engagement process. However, from the 2012 Herefordshire Integrated Needs Assessment¹, a number of key issues have influenced the development of the proposed changes.

- The predicted population growth to 205,700 by 2031, which will be 13% higher than in 2010. Herefordshire's population already has a relatively old age structure and numbers of older people are expected to increase disproportionately to the total population. In particular, the number of people aged 85+ will more than double to 12,700 by 2031. This increase in older people will inevitably require services to change in ways which reflect the needs of an older demographic.
- The number of people aged over 65 with learning disabilities is also projected to increase by one third between 2011 and 2015.

¹ <http://www.herefordshire.gov.uk/factsandfigures/Search.aspx?k=integrated+needs+assessment&s=FaF&Tab=FaF>

- The integrated needs assessment also suggests that engagement with parents and carers of children with learning disabilities is characterised by a lack of communication around the “new world” picture of service provision. Parents need information in order to understand available services and to remove barriers to access.
- Added to this picture, the current engagement programme with third sector organisations highlights the social isolation and lack of service coordination experienced by people with dementia, and their carers. The report therefore concludes that we need to develop a community based approach that builds on our assets of carers, third sector organisations and statutory services.

2.4 Key learning from this activity

Following the initial series of workshops and research, it became apparent that the scope which was originally established was not specific enough. It was therefore necessary to review and revise the scope, as set out in the table below.

Phase 1		
Customer Services		
Scope	Why	Key Issues
<ul style="list-style-type: none"> • Customer Services <ul style="list-style-type: none"> – Contact Centre – Customer Service Centres – Signposting service • Public Experience <ul style="list-style-type: none"> - Customer Insight Unit (CIU) - Citizen Engagement Team • Communications and Web <ul style="list-style-type: none"> – Media relations and marketing / social marketing – Internal communications 	<p>Commitment to review future models of delivery</p> <p>High impact on residents</p> <p>Need to join up contact channels</p> <p>Opportunities for savings and improvements</p>	<p>Potential for a Herefordshire-wide solution</p> <p>Hoople development</p> <p>Use of insight to drive service change</p> <p>Communications to drive behavioural change</p> <p>Customer expectations for modern flexible services.</p>

<ul style="list-style-type: none"> – Printing and design services – Web services 		
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This revised scope not only better reflects the existing service portfolio; it also provides a better basis from which the new strategic vision has been described.

2.5 Current Costs: High Level

Overall, the in-scope services cover approximately 200 FTE's and services with an annual, approximate expenditure of £2,943,000. However, it is important to note that this only represents the cost of the service areas within the scope of this particular review, and as customer contact happens in hundreds of day to day interactions throughout the county, across all service areas, the true cost of customer contact for the Council is very difficult to assess.

However, the costs for the services in scope for this review can be summarised as:

Customer Services: £2,166,000

Public Experience and Healthwatch: £264,000

Communications and Web: £513,000

2.6 Discovery Implications

A number of key issues have been highlighted through the review based on the engagement and benchmarking undertaken:

- The approach adopted by the Council in integrating customer contact, and focusing on a single point of contact, has delivered the benefits that were envisaged, and is the model adopted by most similar local authorities. Some are just starting out on the journey to deliver this model.
- However, by simply focusing on the range of customer contact that is captured by the services within the scope of this review, we will not deliver the necessary step-change to transform customer contact. A completely new perspective is required, but building on our achievements so far.
- There is little current appetite shown by other public sector organisations to work in partnership locally.
- A number of national public sector organisations have already reconfigured customer services, which delineates and organises contact between national,

regional and local channels e.g.: The Environment Agency, Consumer Direct, NHS Direct.

- The target operating model which is being implemented through the existing Customer Organisation Project will form a sound basis for the future strategic vision.
- There is a limit to the level of savings which can be delivered through the current customer services model, and much work to reduce costs has taken place within the past 3 years.
- Furthermore, the potential for significant benefits lies with an approach that is rooted in demand management, whereby all contact is designed to prevent or reduce demand, and to promote self service.
- There will be limited future scope for large-scale council-specific telephone based services.
- Customer Contact needs to be commissioned to deliver service and corporate objectives.
- All future commissioning and contracting arrangements with third party provider organisations need to incorporate customer contact outcomes and measures.
- A change towards a customer contact strategy will be a mechanism through which the other Root and Branch reviews can deliver service improvements and reduce costs. This will need to be co-ordinated through the remaining programme.
- End-to-end process change, which puts customers at the centre of service design, is required. Some good work has already taken place but this will need to form part of our Lean Systems Thinking programme – and encompass all Council (and some partner) services, not just those already covered by the Customer Organisation.
- Notwithstanding the case for moving to a more sophisticated demand management contact strategy, feedback from engagement has illustrated the need to consolidate some of the changes made through our current strategy, for example: to increase channel shift towards increased self- service and to make more effective use of our customer segmentation data.
- Member feedback in particular has highlighted a lack of awareness amongst residents about the contact centre and how to get information about services.
- Members have highlighted the need to improve how we work with our main contractors on customer contact. In particular, the current system where road reports etc. are reported by residents and are then actioned within Amey needs to improve.
- Members see the existing services as generally good, but would like to see better

access to services, which reflect customer requirements.

- Members also commented on the potential to improve the impact of Herefordshire Matters – this can also be delivered through more innovative, modern means such as email, apps and other electronic media.
- Members wanted to see a more joined-up approach in relation to engagement-communications-service delivery. More openly accessible services and information were also seen as key.
- Added to this we do not currently exploit face to face contact opportunities for insight, social marketing, or reputation management; this is also a key area for a partnership approach – particularly in relation to the Health and Wellbeing economy.
- There are currently limited formal relationships between local public sector and third sector organisations on customer contact and demand management.
- There are currently insufficient incentives across the whole public sector system, to take joint working on customer contact to the next level.
- The system as a whole is active rather than proactive regarding support networks and services.
- There is limited shared customer information across service areas and other organisations in relation to gaps in provision, the needs and assets of users, their families, social support networks and volunteers.
- There is limited existing evidence that local organisations are prepared to be innovative and want to invest in prevention of access to services.

2.7 Challenge Panel

The Customer Services Challenge Panel was held on the 14th September 2012. Feedback from the panel identified a number of areas where further work/consideration is required.

- The panel suggested that further investigation be undertaken with 2 other local authorities in particular, in order to learn from their experiences of similar change. This work is already underway.
- The panel were keen that the future vision for customer contact to be inclusive of, and make reference to, the existing services provided through the third and voluntary sectors. This will be integral to the success of the new model, and will therefore be important to developing further links with key stakeholders.
- The panel also identified the need to continue to keep shared/ joint working with other

public sector organisations as an option, despite the current lack of momentum locally. This will continue to be an objective of the existing Customer Organisation Project and the Customer Services Root and Branch review project.

- The need to be careful about a more proactive approach which could present a risk of (initially) uncovering latent demand for services was also highlighted in the challenge session. This would need to be carefully managed through the project approach – testing the principles at each stage of the changes.

3 PROPOSED CHANGE

3.1 Fundamental Policy Changes Proposed

In summary the Review has found that:

- Our current customer strategy has served us well and has delivered better access to information and services, savings and improvements in resident satisfaction.
- But, for the future, customer and resident contact needs to be managed as a dynamic and multi-layered network across the county, rather than just as a centralised and standardised call management system.
- Our approach to customer contact needs to build on ensuring accessible, efficient and economical responses to customer queries towards the delivery of wider corporate and service objectives.
- Fundamentally, the challenge for our contact strategy is to anticipate and manage demand; to prevent service requirements where self-help and better sign posting is a better alternative and to support community engagement.
- To achieve this transformation, the Council needs a whole organisation and partnership approach to customer contact that challenges existing culture, is rooted in a locality and neighbourhood approach and seeks to manage demand.
- Finally, in parallel with this paradigm shift, the Council needs to consolidate existing customer strategy aims, in particular quick resolution of standard queries and service faults ; to implement digital channels to support cheaper and easier self-service; and to utilise the customer segmentation data to drive service improvement.

3.2 Proposed Core Purpose against which we've redesigned

A new vision, strategic outcomes and principles are proposed for Customer Contact:

CUSTOMER CONTACT STRATEGY

VISION

To improve outcomes for our residents and Herefordshire by making every contact count.

STRATEGIC OUTCOMES

The new Customer Contact Strategy will deliver the following outcomes:

- *Predict and prevent the need for services*
- *Support people to be independent and self- reliant*
- *Manage and divert demand for services to self- service channels*
- *Customer led service improvements*
- *Single point of access and first time resolution for standard enquiries*
- *Achieve Value for money for residents*

KEY PRINCIPLES

- a) Prevention and demand management will be the prime outcome for all customer contact.
- b) Cultural change and organisational and workforce redevelopment will aspire to the aim of making every contact count.
- c) Customer contact will be integral to all future commissioning and contracting processes.
- d) Customer contact will be managed as a dynamic network across the county, involving all services, suppliers, partners and community groups.
- e) Customer contact will be managed at as local a level as possible by whoever is best placed to do this.
- f) Customer contact will be commissioned to deliver corporate and service objectives.
- g) Customer segmentation model and data will be used to inform channel shift and service improvement.
- h) Digital technology and information management strategy will be harnessed to deliver the Contact Strategy outcomes.

3.3 Look and Feel

The following examples illustrate what the new approach to Customer Contact will look and feel like:

Customer Contact Model – Look and Feel	
<ul style="list-style-type: none"> Contact is managed where ever residents or service users are e.g.: children’s centres, multi-agency offices, community events, shops. 	<ul style="list-style-type: none"> Contact centre is used for proactive calls to those who may need information, advice and guidance.
<ul style="list-style-type: none"> Day to day local contact is led by the customer segmentation model, to inform early intervention and signposting. 	<ul style="list-style-type: none"> All frontline employees are equipped to promote core messages about health and well-being and to signpost to other services.
<ul style="list-style-type: none"> Website and local material contains key marketing and targeted messaging for behaviour change. 	<ul style="list-style-type: none"> Residents are able to complete all transactions with the Council via the website and other digital channels.
<ul style="list-style-type: none"> Residents can get access directly to the person who can help them e.g.: highway repairs, social care advice. 	<ul style="list-style-type: none"> Local access to services is designed to meet local needs, by local people and partners.
<ul style="list-style-type: none"> All frontline employees are equipped with mobile devices for service delivery and information sharing. 	<ul style="list-style-type: none"> Residents can use the Website to manage their accounts, record Trip Adviser ratings for services and participate in day to day engagement.
<ul style="list-style-type: none"> Where possible, contact is delivered on behalf of or with partners. 	<ul style="list-style-type: none"> Customer relationship management information is used to redesign services.

3.4 What could stop, be done differently or provided by someone else?

Implementation of the new strategy will require a radical change to the current operating model for Customer Services, but building on our achievements so far. This is expected to include:

- A smaller central contact centre with contact managed locally where possible.

- Marketing of self- service through the website and mobile devices – making this the predominant way of accessing services.
- A reduction in Info Shop provision with a shift towards proactive and embedded direct engagement e.g.: children’s centres, user groups, local markets, community halls – and any other opportunities where people congregate.
- Management of contact directly by our key providers, such as Amey and Halo, rather than simply through a single council number. Including improvements to mapping and tracking systems.
- Contact will become much more dynamic – giving residents direct access where possible, and as early as possible to the individual people who deliver the service, so that problems can be resolved and arrangements made through direct communication; not just through messages passed around ‘the system’.
- A prime focus on providing information, advice and guidance on contact, not just dealing with the presenting query.

The review has already explored options for the future delivery of the new model and it is proposed that an option appraisal is concluded once the new strategy is agreed. This will be considered in its various component parts, for example:

- Residual contact centre/telephony function.
- Strategic contact strategy and intelligence hub.
- Digital and information management technology.
- Management of day to day contact.

Options will include:

- Commercial partner.
- Transfer to Hoople.
- Commissioning through providers.
- Commissioning through the Third Sector.
- Collaboration with other partners in Herefordshire and the region.
- A combination of these options.

3.5 Anticipated Benefits

Savings identified

This review aims to deliver 20% cash savings – which equates to approximately £588,000. The Review has identified a savings opportunity of £500,000, which can be delivered through a combination of a reduction of FTE's and lower fixed costs within Customer Services.

However, further financial modelling is required to acquire a whole-system view of the potential benefits for customer contact across all service review areas and any investment requirements. This work is on-going.

Non cashable benefits

- Reduction in service requirements through demand management and preventative approaches.
- Local services, which reflect locality needs.
- Community-led services.
- Improved, dynamic access to services.
- Increased choice.

3.6 Investment required

A higher level of up-front investment than that required for the customer organisation project will probably be needed to ensure that the new strategic vision is delivered, but further financial modelling is required to assess the investment required and the pay back.

4 RISKS, HIGH LEVEL NEXT STEPS AND TIMELINE

4.1 Risks

- Limited capability and capacity within partner organisations to participate, which could reduce the whole-system changes that are required.
- Internal council capacity and capability limiting the speed at which the changes can take place.
- The broader economic climate.

- Potential lack of buy-in from council service areas, leading to a shortfall in system- wide service changes.
- Increased service demand as the new proactive model identifies latent need, and is more efficient in terms of signposting and access.

4.2 High Level Next Steps

High level actions to implement the recommendations are divided between consolidation, new strategy and delivery.

4.2.1 Consolidation

Initially, work is still required to consolidate the existing model, building on our achievements so far. This includes the following actions:

- Complete the planned integration of CRM with line of business systems to create an end-to-end view of customer contact. This will form the basis upon which the step change can happen so that our relationships with customers can become proactive, delivering services at a time and place and in a manner which meets expectations.
- Work with services to eliminate “leakage” of contact across the Council, which is reducing efficiencies and creating failure demand.
- Complete the implementation of the Digital Channels Project to deliver the agreed benefits, ensuring alignment with the roll-out of enhanced Broadband in the county.
- Deliver the capability of enabling more proactive relationships with customers, through registration and log-in capabilities.
- Deliver self-service and mobile service delivery capability.
- Complete the integration of front and back office services based on the end to end customer experience as part of the Lean Systems Thinking programme.
- Develop a Council-wide policy on choice and personalisation.
- Develop mechanisms for capturing, and using, in-community and resident intelligence from Members.
- Improve basic communications to residents about customer services, both through centralised customer contact as well as in each locality.
- Improve how we work with our main contractors on customer contact. In particular, the current system where road reports etc. are reported by residents and are then actioned within Amey needs to improve.

4.2.2 Future Strategy

High level actions to implement the new strategy will include:

- Re-alignment of the existing customer services provision as specialist, dedicated customer contact services become merged with other roles. This will reduce the need for, or eliminate entirely the existing Customer Service Centre network and decrease the need for a Contact Centre.
- Develop locality-based roles, to coordinate and organise service activities within local communities; at community level and in conjunction with other partner organisations. These roles would ensure that there is an appropriate, proportionate level of customer contact within a locality. For example: at markets, community events, village halls etc.



- Reorganise service delivery in accordance with the key principles set out in the Strategy and agree service based action to contribute to the strategic outcomes.

- Revise corporate commissioning framework and commissioning monitoring processes to incorporate the customer contact principles and standards.
- Development of a new community engagement and communication strategy, to include a framework of corporate aims, standards and messages.
- Align the digital channels strategy with the roll out of broadband and develop a targeted strategy to increase take up.

4.2.3 Delivery

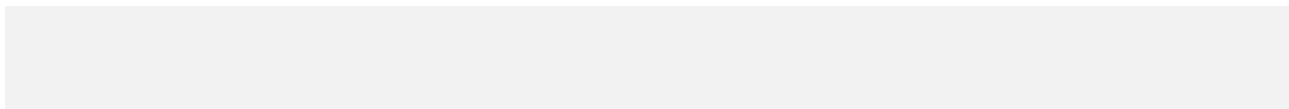
The following high level actions will be required for the delivery of the new model:

- Consult with residents, partners and other stakeholders on the principles and delivery of the strategy in each locality.
- Develop a financial model for Customer Contact to assess the direct and indirect costs and potential for cost avoidance through the new strategy.
- Conclude an options appraisal for the delivery of the new customer contact function to include:
 - Outsourcing the main contact centre provision to Hoople.
 - Outsourcing to another provider.
 - Collaboration with other agencies within and outside Herefordshire.
 - A combination of the above.
- Test the assumptions in the new strategy in conjunction with Older People’s services and develop a joint plan for how customer contact can facilitate the changes proposed in the Older People’s Root and Branch Review.
- Produce a workforce development plan to deliver the new contact strategy and the step change required in community engagement, including:
 - Engagement as an essential element of day to day working for all front facing staff
 - Implementation of a “make every contact count” approach.
 - A whole Herefordshire approach to engagement.
- Develop a performance management framework for the Contact strategy to measure the key outcomes e.g.:
 - Overall customer satisfaction.
 - Service improvements implemented.

- Increase in self-service take up
- Reduction in direct service delivery

4.2.4 Timeline

- Customer Services is a key common element amongst other Root and Branch Reviews. The principles of the Customer Organisation will be used to inform the other review areas (and vice-versa).
- Technical element of the current Customer Organisation project expected to continue to March 2013.
- Soft market testing September-October 2012.
- Service improvement/ redesign element expected to continue for at least another 12 months.
- Digital Channels project expected to continue until March 2013.
- New model business case developed by March 2013.
- Service reconfiguration begins (April 13) – initially in relation to Older People’s services.



HOUSING, ECONOMY AND REGULATORY SERVICES (HERS)**DATE: OCTOBER 2012**

1. INTRODUCTION

The purpose of this document is to outline the progress made to date of the Housing, Economy and Regulatory Services People Root and Branch Review.

1.1 Scope

The HERS review scope finally included some 30 or so services shown at [Appendix 1](#). The budget for this large range of services is c.£16m (expenditure), c.£9m (income) and c.£7m (net expenditure) and there is c.320 staff employed in the delivery of these services.

The aim of the HERS review is to thoroughly examine the services within the HERS scope in order to:

Challenge the need for the service and the effectiveness of delivery from the end user and council perspective. As a result this will,

Develop options for the redesign of services that will effectively and efficiently meet the future demands within the County and, to a certain extent, beyond.

The HERS Vision for the Future is that, as the provider of a proactive and enabling portfolio of services, we are:

- Customer led;
- Strategically vital and valued;
- Sure of our community role;
- Able to evidence performance, benefit and impact;
- Confident enough to regularly challenge our value in a changing environment

The process will also identify whether savings can be delivered from these services.

2. APPROACH

The HERS review was already underway at the time the Root and Branch process commenced (see Background to the review at [Appendix 2](#)).

Overarching governance arrangements for the review are:

Lead Cabinet Member – Councillor Roger Phillips

Project Sponsors – Jo Davidson, Director for People’s Services; Geoff Hughes, Director for Places and Communities

Joint Lead – Jenny Lewis, Assistant Director, People, Policy and Partnerships

Joint Lead – Paul Nicholas, Regulatory Services Programme Manager

Project Team Members – Chris Jones, Directorate Services; Jacky Edwards, Project Manager

In addition, other staff have been involved as necessary:

- All in-scope service managers and their Assistant Directors
- Change Champions.

2.1. Activity undertaken

2.1.1 Engagement

Baseline information was collected with the help of service managers and through team meetings across every service in scope. A members’ workshop has also taken place. Customers and members of the public have not yet been consulted however previous feedback and research has been considered during the review.

Note: A Quality of Life survey has just been completed and a public engagement process “Your Community, Your Say” is about to be commenced. Data from both processes will be analysed and fed into this review, as appropriate.

2.1.2 Benchmarking

Limited benchmarking activities were undertaken as part of the review process. Focus has been on a bigger picture (see Soft Market Testing below) with engagement with some who have implemented (or are considering) alternative delivery models such as North east Lincolnshire and Barnet.

2.1.3 Needs Assessment

No specific activities have been undertaken on need and demand. The Corporate Plan refers to those top priorities that have been highlighted. The JSNA, now the integrated needs assessment, has provided direction to many of the in-scope services, as has previous 'Place Surveys'.

2.1.4 Challenge

As part of the Root and Branch process a Challenge Panel was convened as part of the assurance process. They assessed whether the Review Team had done their job and followed the methodology when developing robust deliverable final proposals it also provides an external perspective to the Review recommendations, supplementing the internal challenge that is built into the process. The comments of the panel have helped enrich this report.

2.1.5 Workshops

In order to manage the large number of services in scope effectively service issues, common customers, high cost and income were utilised to cluster useful groups in order to undertake core purpose/customer journey workshops. These have been undertaken with a cross section of staff in four key areas – 'Permissions' (aka Planning Development Management), Housing (centred on people getting the accommodation they want), 'Allegations' (where the customer asks for a problem to be resolved), and 'Grants' (where the customer is looking for funding etc). These workshops considered the current purpose of those services, the customer perception and understanding of the service purpose and then the future service purpose. Exercises also included consideration of which service activities should stop, what new activities might be introduced and which of the current activities require improvement.

2.1.6 Soft market Testing

A market consultation exercise, run in conjunction with the StreetScene review, has been designed to inform the approach to commissioning services but also to provide market feedback about the level of interest in services. This approach has been developed through the Commissioning and Commercial Board and could help to inform how best to approach the market, the potential benefits that could be achieved through various groupings of services and enable the review to consider whether there are benefits that could be secured through external procurement of services.

2.2. Key learning from this activity

The HERS review team has acknowledged that the scope of the review has made it unwieldy with respect to finding common customers, value propositions, partners or activities. Changes along the way to, for example, the initial scope, 'business case', structure and methodology have hampered the ability to gather more detailed information

around the proposals. There has been a heavy reliance on management expertise, participation and team knowledge/experience.

The learning from this and other Phase 1 reviews will be used to inform the process for the Phase 2 Root and Branch reviews.

The review has both confirmed and learned a number of key points that are highlighted here but appended more fully at [Appendix 3](#) (please follow the links):

[Performance Management](#)

[Financial Management](#)

[Service Improvement](#)

[Strategic Challenge](#)

[ICT](#)

[Housing Options](#)

[Customer Focus](#)

[Value Proposition](#)

[Statutory Provision](#)

[Members' views](#)

2.2.1 Current Costs: High Level

The in-scope services budgeted spend of c.£15.6m broken down into the following parts:

Employee-related – c.£9.36m;

Premises-related – c.£1.26m;

Transport-related c.£0.27m;

Supplies and services – c.£4.1m;

Other – c.£0.56m.

'Below line' costs for 1011/12 were c.£3.2m.

The budgeted Income of c.£9m is broadly made up from: receipts – c.£8m; 'grants' – c.£1m.

2.2.2 Discovery Implications

The review process has enabled the consideration and articulation of issues and

challenges currently faced by service deliverers whilst they try to respond to customer needs and demands.

These may have been known prior to the review but there is an opportunity through the transformation process to more effectively challenge the current situation, make significant changes, rationalise the role of the council and prioritise service delivery in order to meet the key needs of the community.

Clarifying the issues offers real choices, an understanding of the investment required to effectively implement the change and the benefits that can be anticipated for the Herefordshire community.

3. PROPOSED CHANGE

3.1. Key decisions at this point in the review process

3.1.1 Fundamental policy changes proposed

To reduce the demand on the planning service by focussing and prioritising resources on those applications that meet the potential future purpose of increasing the economic growth and development of Herefordshire.

In order begin work needs to be initiated to understand how recent proposals from the Secretary of State for Local Government regarding the removal of certain types of development from the Planning system could be localised in order to positively impact upon the ability of residents and businesses in the County to develop good solutions and stimulate growth.

If such a proposal is implemented it will effectively de-regulate a significant number of developments that currently require the benefit of permission. Reducing bureaucracy and cutting red tape is a key priority of the organisation

The 'SoS' proposal suggests certain types of development. Work to understand these proposals would also look into the impact associated with widening the scope of such changes. This is a proposal that has emerged from the review.

Such a decision will be taken in the context of the Local Development Framework and the Community Infrastructure Levy.

Additional work also needs to be undertaken relating to creating a Supplementary Planning Document to encompass ideas contained within the report: Housing and Support needs of older people in Herefordshire.

3.1.2 Proposed core purpose against which redesign will be developed

The four initial workshops have put forward the following:

<p>Planning (DM) Current Purpose:</p> <ul style="list-style-type: none"> • Control development, deliver the HUDP & National Policies, provide advice to members of the public on planning applications; • Manage development/regulatory role; • Ensure planning regulations are complied with. 	<p>Planning (DM) Future Purpose:</p> <ul style="list-style-type: none"> • To facilitate sustainable development whilst protecting and enhancing the environment with greater community engagement.
<p>Housing Current Purpose:</p> <ul style="list-style-type: none"> • Cope with volume of work (triage, deflection prioritisation); • Providing suitable affordable and permanent housing for the individual; • Providing cheap housing that is looked after by somebody else i.e. happy for the rest of their lives. 	<p>Housing Future Purpose:</p> <ul style="list-style-type: none"> • To assist and educate people to find the possible best fit housing and support services; • Maintaining and providing existing and new homes.
<p>Allegations Current Purpose:</p> <ul style="list-style-type: none"> • Protect and ensure the health and wellbeing of the people of Herefordshire; • Protect the environment; • Ensure regulations are met; • Provide a good value service. 	<p>Allegations Future Purpose:</p> <ul style="list-style-type: none"> • To keep residents and visitors happy healthy and safe in Herefordshire.
<p>Grants Current Purpose:</p> <ul style="list-style-type: none"> • To be a participant in the development of a strong thriving economy 	<p>Grants Future Purpose:</p> <ul style="list-style-type: none"> • To improve the economic & community wellbeing of the county through a variety of initiatives, projects, and programmes by maximising funding opportunities into the county; so improving business skills, community strength and social & economic wellbeing.

3.1.3 What could stop, be done differently, provided by someone else

Where services currently act as commissioner, in particular in a number of Housing areas, consideration to what it is that is being commissioned has resulted in scaling down of requirements – effectively stopping certain elements of delivery.

The Planning application proposal highlighted below is advocating taking away the need to process applications.

Environmental Health has just negotiated the provision of its Air Quality/Authorised Processes work with Worcestershire Regulatory Services.

Further work is on-going and looking at the learning associated with the Housing processes so far reviewed. Additional further work also needs to be undertaken to get to the decision point.

3.1.4 Options for service redesign (including 'packaging' of services)

Before arriving at a decision point where it is decided who should deliver the services we want and need delivered, we must undertake further work to:

- Establish/confirm the core purpose – what it is we want and need to deliver;
- Implement process redesign that reduces waste and 'failure demand' for those services we believe are essential to the achievement of purpose,

Undertaking such work will take out cost and will focus on providing the right service for the customer. Whilst assisting us in tightly and intelligently specifying the services – a task that is essential irrespective of who will deliver those services in the future.

The workshop activity so far undertaken has been successful in establishing core purpose and pointing toward proposals and redesign needed (including, in some areas, following a 'lean' approach to redesigning processes). Only four groups of services have so far been looked at.

Planning Future - Proposal - Fundamentally reduce the demand on the planning service by only being involved in those applications that meet the potential future purpose of increasing the economic growth and development of Herefordshire.

Options Basket – Innovation, Strategic Redesign

Proposal - Improving the Customer Journey to raise customer satisfaction, release capacity and improve the reputation of the council in this area. *Options basket – Core Service, Organisational redesign utilising Lean Systems Thinking*

Housing Future - Proposal - To fundamentally change the council policy on housing in order to help the most vulnerable who are unable to help themselves (making it clear to the public that this is the way the council will operate) ensure that people are not given accommodation for life, but will be housed as suitable for the size of the family and specific health needs. *Options Basket – Innovation, Strategic Redesign*

Allegations Future - Proposal – To make a policy and delivery shift from enforcement (allegations) to a preventative and protective role within the Health and Wellbeing agenda and as part of this move to share allied services internally. Re-organise the teams across the organisation. Greater merger with Public Health and use of their health data locally to target work. *Options basket – Core Service, Organisational redesign utilising Lean Systems Thinking*

Proposal - Efficiency Through Improved Tools and Technology. *Options basket – Core Service, Organisational redesign utilising Lean Systems Thinking*

Grants Future – Proposal - To develop a single delegated grants service for the council in order to give complete visibility of the grants income opportunities for the

county, improved decision making around allocation of funds, maximise benefits and outcomes allied to the strategic economic regeneration agenda for the county.
Options basket – Core Service, Organisational redesign utilising Lean Systems Thinking

Using this approach to the remainder of the services, thoughtfully 'packaged', will give rise to further recommendations regarding core purpose and proposals.

The HERS review has commenced work on establishing option parameters or 'baskets' to help in the effective consideration of proposals emerging from the review. Engagement on these option parameters is currently underway and is centred around the following broad options: **Stop – Build Exit Plan; Innovation – Strategic Redesign; Improvement – Core Service Operational Redesign and Specify (using lean systems thinking); Alternative Provider – Redesign and Specify, and, Transformation Partner – Redesign and Specify.**

Each of the options will require an initial investment (small or large) in order to ensure the appropriate standard of implementation and realisation of the forecast benefits. This information will be detailed against the specific proposals.

3.2 Anticipated Benefits

3.2.1 Savings Identified

A key objective set for the Root and Branch reviews was ***“to illustrate how proposals can contribute to the corporate target of 20% savings over 2 years and 30% over 5 years against the 2012/13 budget baseline.”***¹

The budget baseline for services included in the HERS review (net expenditure) is c.£7m and so savings to meet the target set would require a reduction in gross expenditure or an increase in income (or combination of both) of c.£1.1m at the earliest opportunity and ready for the 2014/15 financial year. The majority of spend is actually associated with staffing costs. Transformation will need to help either reduce staff costs and/or raise income.

It is understood that this is a corporate target as part of a transformation agenda and therefore not a budget top slicing process and so this review will put forward proposals for the future that:

- indicate the services that should be provided as part of the future role of the council,
- suggestions on how they could be provided, and
- an estimate of likely savings.

¹ Cabinet report – June 2012

This Phase 1 Root and Branch review will put forward proposals that offer a number of choices for decision makers to consider in meeting both the financial and strategic priorities of the council.

3.2.2 Non-cashable benefits

- Strategic change in Housing and Planning to support the whole organisation approach to developing a preventative agenda that will divert, delay and stop areas of service demand (in particular within Adult Social Care) in order to improve outcomes for Herefordshire people;
- Improved management of customer expectation through clarity of the role of the council and its priorities in respect of service groups and the wider community;
- Removal of red tape;
- Reduction of service costs.

3.3 Investment required

In order to bring about transformation, by whatever route(s) chosen, there will be a need to invest. Investment requirements will be explored further as part of the business case for going forward. At this stage it is identified broadly as:

- Time and resource on the part of the teams undertaking the transformation. This will require key staff to spend varying amounts of time involved in workshops (usually two or maybe three) to understand the 'journey'. A limited amount of time for all other staff involved in a transition to a transformed organisation will also be required;
- Resource from facilitators to support transformational activity through workshops and other engagement;
- Depending upon the outcome of the process, there may also be opportunities to consider enhancing, or providing for the first time, technological aids/support.

4. RISKS, HIGH LEVEL NEXT STEPS AND TIMELINE

4.1 Risks

- That the proposal to change policy, especially around Planning, will not be acceptable thereby not realising benefits re enablement or savings. Mitigated by thorough engagement/consultation with stakeholders.
- That 'lean systems thinking' approach will not make the envisaged impact and thereby not produce the estimated savings, bring about the cultural change associated with it, or give rise to continuous improvement. This risk can be mitigated by using the right

facilitators utilising proven approaches and working within an effective project management environment.

- That public engagement on the proposed changes doesn't adequately focus on the improved outcomes for people through the preventative agenda and that the message received is therefore about de regulation as opposed to education, support and prevention.
- That managers cannot or do not embrace the approach and thereby do not lead change. Mitigated by thorough engagement and positive, active and exemplary leadership.

4.2 High Level Next Steps

- Undertake work to examine the impact of changing permitted development rights. A report to be submitted to a future cabinet meeting (march/April 2013) that will describe the benefits, effects, risks and financial and other consequences of making specific changes.
- Convene Lean Systems Thinking (LST) workshops (following an **Innovation – Strategic Redesign approach**) to devise options for the bringing together of a 'Strategic Development' service block that supports, in the best integrated manner, the aspirations of the County for encouraging and supporting Economic Development, vulnerable people and other key priorities.
- Taking major elements of the areas so far covered (as outlined in 3.4 above but also to include, for example Planning and other 'permission'-based services such as Licensing) to finalise the business case and clarify what must stop/start/change as a result, returning to cabinet with recommendations for policy/strategy changes and an implementation plan with timetable.
- Roll-out the methodology to other service areas within the review to establish/review/challenge core purpose and determine next steps to bring about change. This should include redesigning activities to provide services that are truly focussed on supporting people, businesses, and enablement, whilst also clarifying what the Council will stop doing and the exit planning required to put this in place. Depending upon how services will be grouped, there will be eight or so other workshops to be convened.

In parallel with the above and to inform accordingly, the following activities will also be undertaken:

- Evaluate the responses to the soft market testing exercise and explore the benefits and risks associated with alternative providers and the possibilities around a transformation partnership, examining what a partner could do;
- Development and exploration of future options for delivery both in-house and otherwise;
- Following on from the initial members' workshop and Root and Branch members briefing, a further 'cross-party' members' workshop to be held in October/early November;

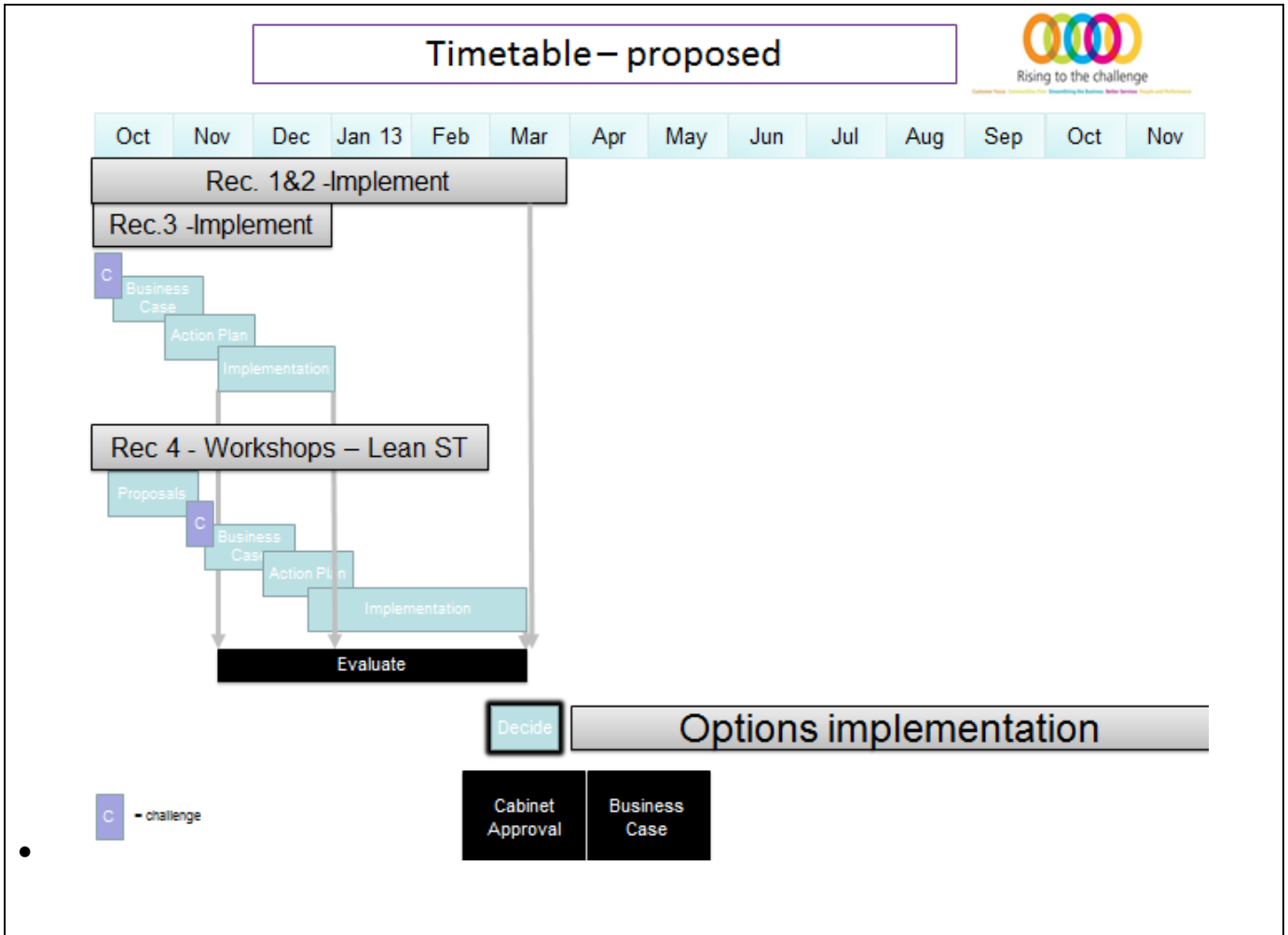
- Engagement with customers;
- Utilise other reviews to take explore options for Sustainable Communities (Safer and Stronger review), Sustainability (Environment review) and Healthy Lifestyle services (Health and Well-being review).

A project plan will be developed that will deliver those activities listed below and will include details of the investment required to bring about the change along with the expected benefits and risks. This work will culminate in a further report being presented to Cabinet by March 2013. This will coincide with the options stages of Phase 2 of Root and Branch due to commence in October 2012. The report will include detail of options for future delivery.

Activities in support of the tasks above will be centred on:

- *Development of a clear implementation plan to include resource requirements, communications plan, impact assessments and risk register;*
- *Development of Business Case and Benefits Profile for consistent application within the next stage of work;*
- *Programming the introduction and application of Lean Systems Thinking to the non-strategic services;*
- *Developing outcome based service targets*
- *Developing activity-based cost information across the retained services (in conjunction with work elsewhere)*
- *Developing an outcome based approach to commissioning the relevant services in order to maximise the current soft market testing benefits and ensure on-going value for money for the council*
- *Developing appropriate service/activity specifications for redesigned services that are to be continued whichever option is chosen.*

4.3 Timeline



APPENDIX 1 – HERS IN-SCOPE SERVICES

Services that have housing functions (Strategic Housing/Housing Needs and Development, Homelessness/Housing Advice, Private Sector Housing) including those associated to these ('Homepoint', Housing Improvement Agency/'You@Home'); services that lead on the development and support of the local economy and communities (Economic Development, Regeneration Programmes, Sustainable Communities, Strategic/Forward Planning), and, the so called Regulatory services (Planning Development Management, Planning Conservation, Building Control, Environmental Health, Trading Standards, Licensing, Animal Health & Welfare, On-street parking management, Community Protection) plus those associated with them (Pest Control, Bereavement Services, Markets & fairs, Street Trading, Closed Landfill Site Management, Travellers' services, Car Park management, Shopmobility). The 'Healthy Lifestyles' service is also in-scope as is the Sustainability function.

The remaining services falling within the Places and Communities Directorate and not in-scope are: the commissioning team and those services commissioned through Amey (Streetscene review), the Waste Management team (Environment review) and the waste collection and disposal contracts, 'Cultural' services (recently the subject of review), the Broadband programme, Directorate management and support, and, Hereford Futures and the Local Enterprise Partnership.

Many of the regulatory services fall under the People's Directorate, Health and Well-being Division. Other services/functions within that division, namely, Public Health, will fall under several of the other reviews.

APPENDIX 2 – BACKGROUND TO THE REVIEW

The need to review services had been recognised and discussed in mid-2011. The OD process brought about new structures at top and middle management levels. Reviewing the actual services themselves was necessary partly because most had not undergone any formal review process for many years, and partly because of changes in national government priorities and funding.

During the middle of 2011 a 'red tape' review was undertaken in response to a government initiative – Red Tape Challenge. The services in-scope of that brief 'task and finish' review were all those services where some form of 'regulation' or enforcement was carried out and included services as diverse as truancy and benefit fraud.


That review published its report in September 2011 and recommendations relating to bye-law repeal and a single enforcement and prosecution policy were made and accepted by Cabinet.

When considering a more in depth review of services, most of those regulatory/enforcement services were identified as being in scope. That review started as the Regulatory Services Review. Before gaining approval from the HPS Leadership Team and Cabinet, other services from the Places and Communities Directorate were added because the view was taken that unless a service was being reviewed, or had recently been reviewed, or was a commissioned service, then it would be timely to review it and do so as part of the Regulatory Services Review. The papers that went to HPSLT and Cabinet early in 2012

therefore referred to Strategic, Regulatory and Associated Services.

Before the review had progressed, the organisation set up the Root and Branch review process. The review underwent another name change – Housing, Economic and Regulatory Services (HERS) – and was incorporated into the first phase of R&B as an ‘in-flight’ review i.e. recognising that it had already commenced.

A presentation to Leader’s Briefing in February 2012 contained the following slide:-




6 Scoping- Rationale


Phase 1

Economy, Housing and Regulation

SCOPE	WHY	KEY ISSUES
<ul style="list-style-type: none">▪ Economic development/inward investment▪ Business support & services▪ Housing strategy and provision▪ All regulatory functions across People and Place▪ Links with other agencies and providers	<ul style="list-style-type: none">▪ Top priority: economy and jobs▪ Budget principle: cutting bureaucracy▪ Growth in housing numbers.▪ In flight review▪ Significant spend circa £16m	<ul style="list-style-type: none">▪ Future opportunities for jobs and increasing wages▪ Links between housing, the economy and vulnerable people▪ Challenge our future role in regulation▪ Opportunities to rationalise processes and teams



Working together for the people of Herefordshire



APPENDIX 3 – KEY LEARNING POINTS

FROM WORKSHOPS:

PERFORMANCE MANAGEMENT

Target setting around the services is often led by other agencies including government and tends to be quantitative as opposed to qualitative and therefore not necessarily relevant to the preventative agenda of the council. For example, services may count the number of inspections undertaken, but do not measure the benefit or impact of these inspections as a preventative or educational tool that positively impacts upon the health of the Herefordshire community and visitors.

Whilst there are clearly talented, skilled and committed staff within all of the service teams it has become apparent that in some areas the performance management of staff has suffered due to a combination of management capacity and capability issues. This has meant that poor performance has not always been tackled and that good performance is not always acknowledged or rewarded. This is clearly detrimental to both staff morale and service delivery and presents a potential barrier to the cultural change required by the council over the next 10 years.

FINANCIAL MANAGEMENT

There is generally good budget understanding and management.

However, there is an absence of real activity-based cost information and therefore managers are unable to unpick the real cost of service activities as part of the assessment of value and benefit. This also has an impact on the ability to usefully benchmark with other organisations

SERVICE IMPROVEMENT

There is a genuine desire to continuously improve services and for both the services and the delivery teams to be acknowledged as best-practice providers.

Barriers to this improvement (including the performance issues previously noted) have been identified as:

- *organisational structures and culture that lead to silo management and unnecessary walls between services and so hinder efficient exchange of information and joint working;*
- *constant (and sometimes incomplete) change via numerous programmes, work-streams and projects that take capacity from the service, detract from the service delivery and lead to confusion on roles and responsibilities;*
- *a lack of clarity on what being a “Commissioning Council” really means, leading to a perception that services will be put out to the market place without proper consideration of the in house option or business case for such a decision.*

STRATEGIC CHALLENGE

In challenging the purpose of individual services there has been consideration of current council strategy and policy and the need to challenge this in order to realise future purpose: a preventative council culture focusing on supporting the vulnerable and enabling economic prosperity.

Discussion in this area also raised the need for the council to ensure that all stakeholders were absolutely clear on the council's purpose and priorities and what can and can't be done by the council's service providers. This was seen as an educative process for the Herefordshire community but critically as an enabler to allow service providers to avoid unnecessary and expensive distraction from the key role.

ICT

Significant investment in a bringing in a single 'back office' system was made three years ago but access to information within and across services is still an issue for many staff.

An inability to share data, limitations around access between service areas, limitations in ICT investment, inappropriate 'front ends' making access complicated, an under-utilisation of the system due to a lack of training, familiarity or indeed a mandate to use, have all been raised as barriers to improvement.

FROM OTHER WORK RECENTLY UNDERTAKEN:

HOUSING OPTIONS

A review of elements of 'Housing Options' has been undertaken in parallel to other consultation and engagement. This piece of work followed on from training that was recently provided to the Housing Options Team concluded that *current processes were not systems based and that the way the work of the service was being delivered was inefficient leading to high caseloads*. That review report sets out options for the way the systems, processes and the ways the service could be delivered, and emphasises the need for change. Those options need to be duly considered in the context of the other things that we have learned. Significantly they are based on the systems principle of owning the end-to-end process and delivering as much of the work at the first point of contact rather than the present system where initial front end work is not 'owned' and is pushed backwards into casework. Furthermore the report addresses how a modernised, effective, and importantly, a cost efficient Housing Options service can be delivered through reconfiguring staff teams, systems and processes and delivering the service within the resources available.

Another area of work as part of the Root and Branch process was the recent review of the way in which a number of our Housing Related Support Contracts are delivered. Existing contracts were established within the Supporting People programme and had been in place since 2003. In reviewing these contracts, we have taken into account the need to establish lean thinking models and in doing so we have been able to achieve efficiencies whilst continuing to meet the needs of our most vulnerable clients.

In addition, the customer journey workshops that have been held recently have highlighted areas for significant improvements that could and should be made across the whole system(s).

Finally, this is an opportune time to make change given the recently commenced review of the Allocations Policy.

FROM THE INITIAL ENGAGEMENT WITH TEAMS AND MANAGERS USING THE BUSINESS MODEL GENERATION CANVAS²:

CUSTOMER FOCUS

Not all service areas were able to clearly articulate who the customer is.

If we embrace lean systems thinking then the understanding of who the customer is will develop and is key to making necessary cultural changes.

VALUE PROPOSITION

The concept of 'value proposition' was difficult to articulate and therefore its potential in focussing on activity was not fully exploited. Further use of this concept may, in future, be useful.

KEY ACTIVITIES

Articulating what a service does in terms of key activities is key to being able to understand what the service does and to what end, and enables activity-based costing/accounting to happen.

Across the review there are many, varied and similar activities undertaken. Further work is needed to appreciate the possibilities associated with bringing together services that undertake the same or similar activities. Such work needs to be carried out alongside any changes to the way costs are understood.

FROM OUR UNDERSTANDING AND BELIEF AROUND STATUTORY DUTIES:

STATUTORY PROVISION

Most service areas undertake one or more activities on behalf of the Council where the local authority is the responsible body for the discharge of a function or holds a duty.

Note: we often talk about 'must dos' or those activities where we have a statutory duty. Statutory/non-statutory IS NOT a tenable basis for making decisions!

Decisions around statutory duties do not relate to whether or not the local authority should discharge the duty but around to what extent should that activity be undertaken, and who actually carries out the activity and how the Council then ensures that such discharge is legally correct.

FROM OUR ENGAGEMENT NOW AND PREVIOUSLY WITH MEMBERS:

MEMBERS' VIEWS

Some members had a better understanding of some services than others. Some of the services were hardly known to some members. There are some really strong thoughts, opinions, perceptions etc around some of the services notably Planning - a large part of the discussion time was anecdotal stuff but, like all the services that were discussed, there is an absolutely clear desire that services are seen to be, and actually are, supportive - for those

² Business Model Generation – A Handbook for Visionaries, Game Changers, and Challengers - Alexander Osterwalder and Yves Pigneur

who want to just get on and do things, right through to those who want to develop, innovate and grow.

Periodic, timely and thorough review of all services is essential.

A greater understanding of the cost of services and what was delivered for that cost was needed.

Making decisions around stopping, doing less, doing more, doing differently etc is going to be difficult without the right information.

Further clarity and transparency is needed around the good work that exists but is less visible e.g. Regeneration.

A better understanding of what services like Environmental Protection, Trading Standards etc actually do to prevent harm or protect business, is needed. How much activity is preventative; how much reactive? Do we do too much? What actually are the consequences of doing less? Could we buy services in when we need them? Be clearer about the core purpose and redesign the service accordingly – once a specification has been produced then the options for delivery can be better explored.

Transparency again emerged as needing to be improved particularly around enforcement.

The 'support' theme continued around the activities of economic development and the 'regulatory' services. Taking customers by the hand and through the often daunting landscape of pigeon holes to get them the best advice and help to set up or develop (e.g. a one-stop shop approach). One stop shop to support business growth (small to large) – this is more than just a sign posting service it's also about potentially having a specific team (not just council) that focuses on services and advice centred on business development and the business customer segment ; from market fairs to business rates to planning etc?

Planning to be more explicitly focussed on actively supporting and encouraging innovative ideas for driving an improved economy and supporting the vulnerable people issues – e.g. so enabling more families to convert their homes so they can care for their elderly – with this level of prioritisation can we reduce the throughput for planning by at least 25% and if so what would be the consequences?

There was a clear understanding (again, Planning as an example) around the obvious and also the often less obvious ways that services contribute to the vulnerable persons' agenda. It sometimes needs to be more focussed, and better prioritised, though.

The importance of Housing services was recognised, not just in the context of vulnerable people but the part it plays across all priority areas. Its linkages with other parts of the organisation and partners are not always understood.

Introduction and Background

- 1 The Streetscene Review has been established to fundamentally challenge the way services within scope are currently delivered and commissioned in order to ensure that Herefordshire secures the right services at the right price. In this context it is essential that value for money is clearly demonstrated and that opportunities for savings are identified.
- 2 The review encompasses services and contracts within the scope of four Cabinet Portfolios. It includes important local services which affect the daily lives of all local residents and corporate services across the organisation.
- 3 The lead Cabinet Member for the review is Cllr Graham Powell, Cabinet Member for Education and Infrastructure. However, initiatives arising from the review are cross-portfolio and are clearly within the remit of the Cabinet Member for Major Contracts.
- 4 The review is led by the Assistant Director Place Based Commissioning supported by the Assistant Director Law, Governance and Resilience. A steering group for the review is in place which draws together relevant officers and Cabinet Members to scope and guide the review.

Scope

- 5 The table below provides an overview of the broad scope of the review, together with the initial reasons for inclusion within scope. This encompasses a wide range of front-line services traditionally referred to as 'highways and transportation', maintenance of the streetscene and public realm including parks, and public rights of way and public conveniences. In addition to these frontline services, the review also covers property services provided within the organisation and will support the delivery of our corporate objectives. For consistency, the scope of the review also includes all services currently provided through the wide ranging strategic service delivery partnership with Amey. In addition to those services referred to above, this includes a number of ancillary services such as printing, catering and courier.

Further information on the subject of this report is available from

Richard Ball Assistant Director Place Based Commissioning (01432 260965)

Herefordshire Streetscene		
Scope	Why	Key Issues
Roads and paths construction and maintenance Street cleaning, lighting, amenities Links with regeneration, LTP etc Public sector property holdings, including locality asset plans	Significant spend circa £30m High resident priority Need for clear vision for streets in Herefordshire Significant impact on Council reputation In flight review (Amey contract)	What are the priorities for investment Relationship between spend and outcomes Opportunities for collaboration, including with residents Opportunities for devolving services to parishes etc Links to Amey contract review

- 6 The review brings together a number of new initiatives alongside “in-flight” projects that had been initiated prior to the Root and Branch programme. As such a considerable evidence base has been drawn upon to help define and support the review’s recommendations.
- 7 The following diagram highlights the scope of the review and the key elements that have helped to inform the proposals for implementation.



Overview of Review Programme Elements

8 **Strategic Partner Review (incorporating Asset Management and Property Services (AMPS) Review)**

9 This element forms the core part of this Root and Branch review and takes forward an “in-flight” initiative to review service delivery and commissioning arrangements to deliver savings and service improvement. The Root and Branch process has provided a rigorous challenge and provided the wider context for future delivery.

10 This encompasses a review of the current service delivery arrangements with Amey and the approach to future delivery of property services.

11 The Asset Management and Property (AMPS) service is currently managed in house with direct works and additional professional services support provided by Amey. The service was originally included within the scope of the Shared Services project which established Hoople. As part of Shared Services, the approach to future delivery of property services was considered, and alternative delivery options appraised. As part of the Cabinet decision which led to the establishment of Hoople, it was decided not to include property services within this arrangement. Instead it was ascertained that we should work towards an outsourced model to commission the service with a strategic partner to support future delivery and deliver savings and improvement.

12 Herefordshire Council’s current partnership with Amey delivers a wide range of services which includes highways, parks, public rights of way, building services, technical consultancy, as well as a range of ancillary services such as catering and printing.

13 The contracts for these services were originally agreed in 2003. Whilst Highways, and the related aspects of the contracts, were transformed and delivered savings in 2009, other areas of the contractual arrangements, notably property services, were not renegotiated and therefore did not see the quality and service improvement required.

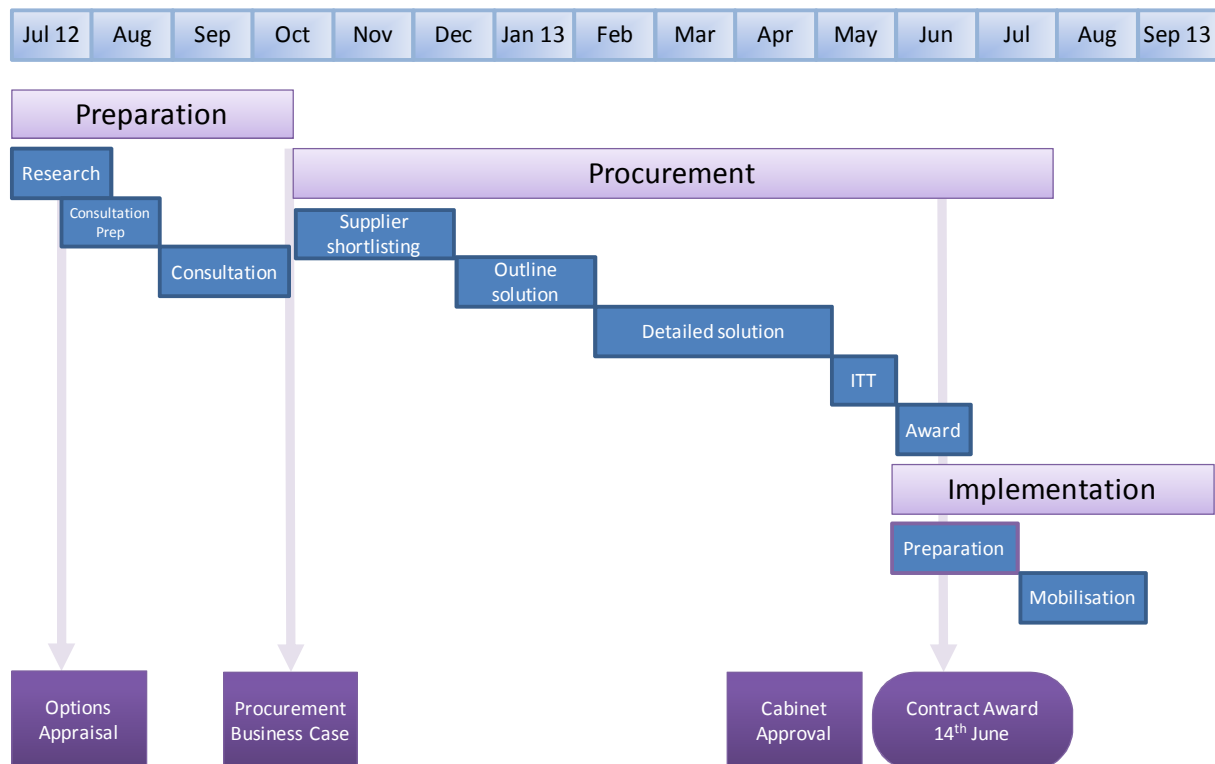
14 Whilst the existing contracts are now coming to the end of their initial ten year term, the contract also included the option to extend for a further ten years. The contract also includes exclusive rights for Amey to deliver all works within scope hence resolving the future of the contractual arrangements with Amey was a pre-condition for taking forward the strategic commissioning of property services.

15 In order to produce an informed decision regarding whether to extend the current contracts or undertake a procurement exercise, commercial negotiations were undertaken with Amey to establish whether service and value for money improvements could be secured, alongside a number of “red lines” agreed with Cabinet in December 2011.

16 Cabinet considered the results of these negotiations on 12th July 2012 and decided that a procurement process should commence. In order to put in place new contracts for services currently included in the Amey Service Delivery Agreement, at the earliest practical opportunity. This is to be done alongside other opportunities identified through the Root and Branch programme. It was accepted that the current contractual arrangement with Amey should not be extended except where required to support the procurement timetable.

17 Work has therefore commenced as part of this review to implement Cabinet’s decision and to take forward the procurement exercise. The provisional programme for this is set out overleaf.

Provisional Procurement Programme



18 The first phase is a market consultation exercise designed to inform the approach to commissioning services within scope of the Streetscene review. It also provides market feedback around the level of interest in services within scope of the Housing, Economy and Regulatory Services phase 1 review. This approach has been developed through the Commissioning and Commercial Board and will inform how best to approach the market, and the potential benefits that could be achieved through different bundling of services.

19 The results of the market consultation form only one part of the evidence that will be used to inform the procurement strategy and shape the priorities and objectives to be achieved. A range of approaches have been used to understand aspirations for future service provision. The following projects have been used to engage stakeholders in the Root and Branch process and identify areas for improvement. These will help shape the procurement and also feed into recommendations for change. In addition, the Overview and Scrutiny Committee considered a report on the procurement approach on 14th September 2012 and it has been proposed that we continue to involve the committee at key stages during the procurement process to seek their views and help to shape the implementation strategy.

20 Defining World Class Highway service for Herefordshire

21 Herefordshire Council has taken a lead role in the development of a framework to assess current delivery against a "World Class Highway Service" through the West Midlands Highway Alliance. Working with Improvement & Efficiency West Midlands, who have provided

funding to carry out this work, a model has been developed by consultants Happold and Habanero that can be used by all Highway Authorities whilst assisting us in carrying out the Root and Branch review of Highways services.

22 This has engaged stakeholders in defining what a “world class highway service” would mean in Herefordshire. A detailed review of the service from client to operatives working for Amey has been carried out. This provides an assessment of how effective the highway service is at delivering outcomes and identifies areas for improvement.

23 A workshop was held on 21st September with Members who expressed an interest in the review, in order to consider the findings of this piece of work and the priorities for the procurement process. This tested whether the findings reflected Members experience of the service and identified areas for improvement. The outcome of this review is to provide a foundation for the development of the outcome specification needed to support the re-procurement of highway services.

24 Highways Asset Management

25 The current approach to highway maintenance has been considered. Customer feedback indicates that highway condition is an important factor influencing satisfaction with Council services. The Council has developed an asset management approach to highway maintenance, which seeks to invest in capital maintenance in a timely manner to make best use of available resources and minimise the impact on revenue budgets. Consideration has been given to whether significant capital investment over a short period could address the backlog of maintenance, improve road condition and allow a reduction in revenue expenditure. This approach has been adopted by a number of other authorities, and following discussions with relevant Cabinet Members, the market consultation exercise has sought views from potential providers as to whether there is a contract model that could facilitate such upfront investment by the private sector. This feedback will be used to inform the procurement strategy .

26 Traffic Management and the implementation of new Traffic Regulation Orders (TRO)

27 Whilst the delivery of Traffic Regulation Orders is a small part of the overall Highways service, it has a high profile and the current approach does not meet customer expectations. Improving this area is likely to be a key objective set for any new provider. However, in advance of this, a project team is reviewing the current process within Amey. This review has focused on improving service delivery within Amey and we anticipate significant changes to the process by the end of the year. Any changes will be assessed to ensure any efficiency savings are passed on through the current contractual arrangements.

28 Public Convenience Review

29 The Council maintains 25 public conveniences around the County which results in annual revenue costs of c£230k. As a non-statutory element of the Streetscene services, a detailed review of this area has been conducted to consider alternative models of service delivery including withdrawal. Over recent months, the review has looked at the current quality of provision and talked to stakeholders including City, Town and Parish Councils.

30 During this review, it has become clear that the current standard of provision does not meet

our aspirations for high quality, sustainable, accessible toilet provision to meet the needs of local people and visitors to Herefordshire. The review has looked at how service delivery could better meet local needs across the County and learn from good practice elsewhere to improve the quality and availability of public toilets.

- 31 In recent years the number of toilets available for use by the public has increased, for example within supermarkets, cafes and public houses. There are also a number of public buildings across the County where toilets exist and could be made more accessible to the public. The review is therefore recommending that Herefordshire takes advantage of these opportunities by establishing a “Community Toilet Scheme” to work with local businesses to support and signpost visitors to such locations. Similar schemes are proving successful in places across the country including Powys and Gloucestershire, and can bring real benefits in terms of customers for retailers, whilst improving access to toilets.
- 32 All sites currently maintained by the Council have also been looked at to assess whether they should be retained taking into account the need to avoid duplication, reflect changes in local demand and to reduce the amount of anti-social behaviour being reported to the Police. This has resulted in four Countywide sites being identified for closure subject to final agreement. All these sites are in Hereford and have been selected to address site specific issues. They are:
- Union Street where there is a single unit with a significant history of anti-social behaviour whilst better quality facilities exist close by in Gaol Street Car Park;
 - East Street, where there is also a significant history of anti-social behaviour with alternative provisional readily accessible nearby;
 - Merton Meadow, which is no longer required due to development proposals;
 - Maylords Orchards slip road, which duplicates provision within the shopping centre.
- 33 This will preserve 21 public conveniences with 4 remaining in Hereford City, 1 in Kington, 4 in Leominster, 2 in Bromyard, 2 in Ledbury, 3 in Ross-on-Wye, 1 in Leintwardine, 1 in Weobley and 1 in Symonds Yat.
- 34 Through stakeholder discussions, we have identified the potential for public conveniences to be delivered locally, in partnership with community groups and City, Town and Parish Councils. This approach to Public Conveniences could provide a model for the wider adoption of self-delivery within local communities, and provide an opportunity to work more closely with Town and Parish Councils to ensure local delivery matches local aspirations. It is recommended that formal discussions with City, Town and Parish Councils and community groups, about transfer management and cleaning, commence alongside a wider discussion regarding devolving services and local service delivery. It may be appropriate for this to be taken forward through the Safer and Stronger Communities Phase 2 Root and Branch review.

Key things learned from discovery

- 35 The review has looked in considerable depth at the current service provision arrangements to

inform each of the elements of the review. The following key points in relation to the overall review may be helpful.

- a. Stakeholder and customer survey evidence continues to highlight the importance of these service areas to the local community. In particular local environment and highway conditions are consistently identified as key areas for improvement.
- b. Through negotiations with Amey the strategic Partner Review has established the current baseline position in relation to the Amey contract, and identified the potential level of savings to be achieved through the procurement process.
- c. The market consultation exercise will provide further evidence to inform the approach of the procurement process.
- d. World Class Highways has recommended target areas for savings, through the proposed re-procurement exercise and provides a basis for a future action plan to deliver improvements, and help define the outcome specification for the future.

Who has been engaged and how

- 36 Considerable engagement has been undertaken using a variety of methods during the review. This has included:
- a. Postal surveys to understand community priorities, e.g. Annual Highways and Transport customer survey;
 - b. Interviews with key stakeholders and customers, e.g. in relation to Property services;
 - c. Workshops on specific subjects, e.g. World Class Highways and the approach to procurement;
 - d. Formal reports to the Overview and Scrutiny Committee, most recently on 14th September 2012, in relation to the approach to procurement;
 - e. Formal reports to Cabinet and informal briefings, e.g. Amey contract decision;
 - f. Staff focus groups and briefings, e.g. Property services;
 - g. Work shadowing and operational review, e.g. World Class Highways;
 - h. Written consultations with local Councillors and Parish / Town Councils, eg. Public Conveniences.

Fundamental policy changes proposed

- 37 The procurement process has the potential to identify innovations and new approaches. The main areas currently identified are in relation to local delivery and up front capital investment to drive revenue savings.
- 38 The Public Convenience Review is seeking approval to change the model of service delivery and move towards local self-delivery and a 'Community Toilet Scheme'. As outlined above in paragraph 34, it is proposed to integrate discussions with city, town and parish councils and community groups to a wider discussion as part of the Safer and Stronger Phase 2 review.

Proposed core purpose against which we've redesigned

- 39 The core purpose has been established as part of the review of each of the core service areas as outlined above. In general terms the approach has been to challenge the current commissioning and service delivery arrangements to ensure the right services are being delivered at the right price. The procurement process for the major areas of service covered by this review will identify the key required outcomes based on the various elements outlined above and in particular, the World Class Highways assessment and the review of current property services.

What we're proposing to stop, do differently, internal/external provision

- 40 The Strategic Partner review and the associated procurement process will continue to deliver Highways, and related services, through external provision. In addition, the Cabinet decision in relation to Shared Services proposed the strategic commissioning of property services. Subject to the outcome of the market consultation exercise, this would result in a move to a more external provision of property services managed through a strategic client.
- 41 As highlighted above, the market consultation exercise will provide evidence to support the next phase of the HERS Phase 1 review, which will assess the benefits that could be secured through the different options for commissioning these services.
- 42 The review of Public Conveniences has identified a transformation of service to ensure high quality, sustainable, accessible toilet provision to meet the needs of local people and visitors to Herefordshire through the establishment of a 'Community Toilet Scheme and working with local communities to consider the best approach to service delivery in their area.

The proposed benefits resulting from the redesign

- 43 The Strategic Partner Review procurement process has the potential to deliver savings between £2.0m and £2.7m per annum. The levels of savings are dependent upon the outcome of the procurement process, but have been estimated following analysis of current delivery arrangements, benchmarking and market intelligence. On the current project plan, savings would start to be made following the start of new contracts in September 2013, subject to realising this through the procurement process.
- 44 Public Convenience Review efficiency improvements have secured contract savings of £55,000 up to March 2012 with £15,000 per annum for the following years. In addition, each closure or transfer of provision has the potential to deliver annual revenue savings of up to £9,000 per site. Additional savings to property budgets could be realised through reduced maintenance requirements and capital receipts could be realised if sites are disposed of.

High Level implementation plan and risks

- 45 The high level implementation for the procurement process arising from the Strategic Partner Review element is included under paragraph 17 above.
- 46 A detailed risk register has been developed for the Strategic Partner Review to manage the risks associated with this major procurement project. Key risks relate to commercial

procurement, service continuity and quality. Mitigation measures have been identified to manage risks associated with the project. Legal, financial and procurement resources and expertise have been identified to support the project team.

- 47 Implementation of the Public Conveniences review recommendations to transform the service would commence immediately with the development of the 'Community Toilet Scheme'. Discussions regarding the potential for local delivery arrangements to be put in place would be undertaken in the context of a wider package of services, as part of the Safer and Stronger Communities Phase 2 Root and Branch review.

