

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 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 reviews

Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; and 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.

Recommendations

THAT:

- (a) the proposals from the Phase 1 Root and Branch Reviews be approved as set out in the Appendices and summarised in paragraph 10 of this report**

Further information on the subject of this report is available from
Dean Taylor (Deputy Chief Executive – 01432 260037)

- (b) **the principles for future service delivery emerging from the Phase 1 Reviews be approved as set out in paragraph 12 and be built into the refresh of the Corporate Plan and future Root and Branch reviews;**
- (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) **a further report on progress against implementation targets be 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*
- The Root and Branch Reviews:
 - 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 their heart
 - Follow a common methodology for rigour, challenge and consistency, using five gateways for quality assurance purposes
 - Ask fundamental questions about why we provide services, not just how we 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*, which has incorporated the Quality of Life

Survey (last undertaken in 2008) and a number of local engagement events and the use of the website and social media 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 2-5
- 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 process 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 The recommendations from the Phase 1 reviews are set out in appendices 2.5, including a one/two page high level summary. 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 is a critical activity that requires especially 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 to align key Herefordshire Council resources to better meeting the needs of vulnerable people and driven an improved economy

Customer Services

12. Customer Services Root and Branch Review has recognised that the current model designed to provide accessible and timely response to customer queries has served its purpose, a step change is required to a dynamic management of locally based network of contact that also manages demand and prevents the need for services.

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 potentially the Business sector.

Housing, Economic and Regulatory Services (HERS)

13. 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:

- Changing the criteria for building changes requiring planning applications
- 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. Not all services have been reviewed during Phase 1 and so Cabinet is asked to 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.

Herefordshire Streetscene

14. The retender for the Amey contract has already been agreed by Cabinet in 12th July 2012. The Review will lead to improvements to better meet customer expectations and 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 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
 - 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
- A new approach to using community assets
- A renewed partnership with the Third Sector to deliver this

- **Partnership Working**

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- 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

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
- Opportunities to integrate service planning, delivery and support across different agencies
- A common approach to community engagement and empowerment
- 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 will be 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 four *Your Community, Your Say* events. The headlines so far are as follows:
- Four of the twelve *Your community- your say* events have taken place in Ross-on-Wye, Ledbury, Ewyas Harold and Leintwardine, with approximately 150 attendees in total.
 - Residents have recognised and acknowledged that in a time of austerity, things will need to change
 - A number of key factors are seen by local communities as important in making a place a good one to live in – these include affordable housing, job prospects, highway maintenance
 - Priorities for the Council were identified as: creating a successful economy, improving health and social care and raising standards for children and young people.
 - These issues have been consistently identified through the consultation events as important along with more locally pertinent issues.
 - Residents would like greater control over services at a local level, providing the resources are available to allow adequate implementation
- 23 The results from the preliminary events are currently being collated and a summary will be available from week commencing the 1st October 2012. The summary will reflect the services residents feel must be continued, those they feel are not required along with how we could look to do deliver services differently. The overall findings from the survey and the locality based engagement will be fed into the remaining the 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 must delivery. Accordingly, we need to develop the concept of excellence in service delivery alongside these Reviews. Key features of this will include:

ROOT AND BRANCH REVIEWS EXCELLENCE IN DELIVERY
<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:

- 30 day plans
- Effective use of the Change Champions
- Clear expectations on senior managers to positively about promoting 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 £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:

- Lack of ownership of the proposals at all levels of the Council
- Capacity and capability of staff to deliver
- Complex set of messages to ensure users, partners and staff are aware of implications and can support the change
- Transformation takes time to deliver

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 One Overview Report

Appendix 2 – Individual Review Executive Summaries

Appendix 3 – Older People

Appendix 4 – Customer Services

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

Appendix 6 - Streetscene

Background Papers

Council Budget Papers, 3 February 2012

Cabinet Report, 5 April 2012