

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>18 APRIL 2013</b>
<b>TITLE OF REPORT:</b>	<b>RISING TO THE CHALLENGE AND ROOT &amp; BRANCH REVIEW PROGRAMMES</b>
<b>REPORT BY:</b>	<b>DEPUTY CHIEF EXECUTIVE</b>

## **1. Classification**

Open

## **2. 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. 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.

Notice has been served in accordance with Part3, Section 9 (Publicity in connection with key decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

## **3. Wards Affected**

County-wide

## **4. Purpose**

The purpose of this report is for Cabinet to consider the:

- Closure of the Rising to the Challenge Programme;
- Progress on the implementation of the Root and Branch Reviews;
- Outstanding actions from the Root and Branch Reviews and proposals for the Herefordshire 2020 Review.

## **5. Recommendation(s)**

**THAT:**

- (a) **the achievements and lessons learned from the Rising to the Challenge Programme as set out in Appendix One be noted;**

- (b) progress with the implementation of the Root and Branch Reviews as set out in Appendix Two be noted;
- (c) the relevant Directors be authorised to jointly produce and implement delivery plans for the phase 2 and 3 reviews and report to Cabinet or Cabinet Member(s) as appropriate; and
- (d) it be agreed that the scope of the Herefordshire 2020 Review be extended to include all remaining work from the review programme as set out in paragraphs 10.8 to 10.14.

## 6. Key Points Summary

- The Rising to the Challenge Programme was launched in July 2010, it brought together a wide range of existing projects and some new initiatives to deliver the aims of greater integration, increased efficiency and productivity, managing with less funding and better outcomes for residents
- The Programme delivered savings of £21.1m, helping to protect frontline services as well as implementing partnership wide improvements in culture, working practices and processes
- A formal project closure review has been undertaken and the key learning points from this are contained within Appendix One
- The Root and Branch Review Programme was developed as part of the *Better Services* strand of Rising to the Challenge Programme. Its aims are to redefine the role of Herefordshire Council and other public services, set out the priorities for the next decade and to rebuild budgets, with clear links between spend and results
- Proposals from the 12 Reviews amounting to £20.903m over three years were approved by Council in February 2013 as part of the Medium Term Financial Strategy. Since then, further savings have been identified from the Older People and Vulnerable Peoples Reviews as part of the Adult Social Care Business Change Programme and the revised total is now £ 22.047m. Delivery of these savings represents an unprecedented challenge for the Council
- Following an accelerated process for the Phase 2 and 3 Reviews it is proposed that the scope of the Herefordshire 2020 Review is extended to include all remaining work from the Review Programme. In addition to delivering savings, Herefordshire 2020 will set out our core purpose and define the *Future Council*

## 7. Alternative Options

- 7.1 The proposals from the Root and Branch Reviews will change to reflect other priorities and/or different approaches as necessary. However, Council has already agreed the savings associated with these as part of the Medium Term Financial Strategy. Completion of the programme is essential to set out the future direction of the Council and to address the financial challenges ahead.

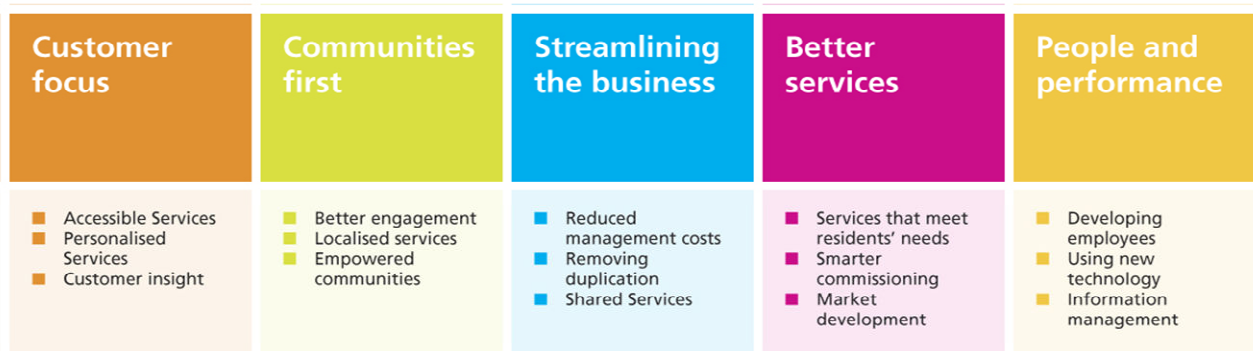
## 8. Reasons for Recommendations

- 8.1 The recommendations are made to ensure an effective close down of the Rising to the Challenge Programme and to seek Cabinet approval of the outputs and further work from the Root and Branch Review Programme.

## 9. Introduction and Background

### Rising to the Challenge

- 9.1 In 2008, Herefordshire Council and NHS Herefordshire agreed to work together as one organisation, Herefordshire Public Services (HPS) to deliver the innovative joint working between health and social care. Following the creation of HPS, it was recognised that there were a number of change initiatives underway which were not being co-ordinated or not necessarily supporting the new joint strategic objectives.
- 9.2 It was decided, therefore, to bring together the key transformation projects and initiatives under a formal programme management structure. The Rising to the Challenge (RTTC) programme was launched in July 2010.
- 9.3 The scope of the programme is shown in the diagram below:



Greater Integration  
 Increasing efficiency and productivity  
 Managing with less funding  
 Better outcomes for Herefordshire residents



Working in partnership for the people of Herefordshire



### Root and Branch Review Programme

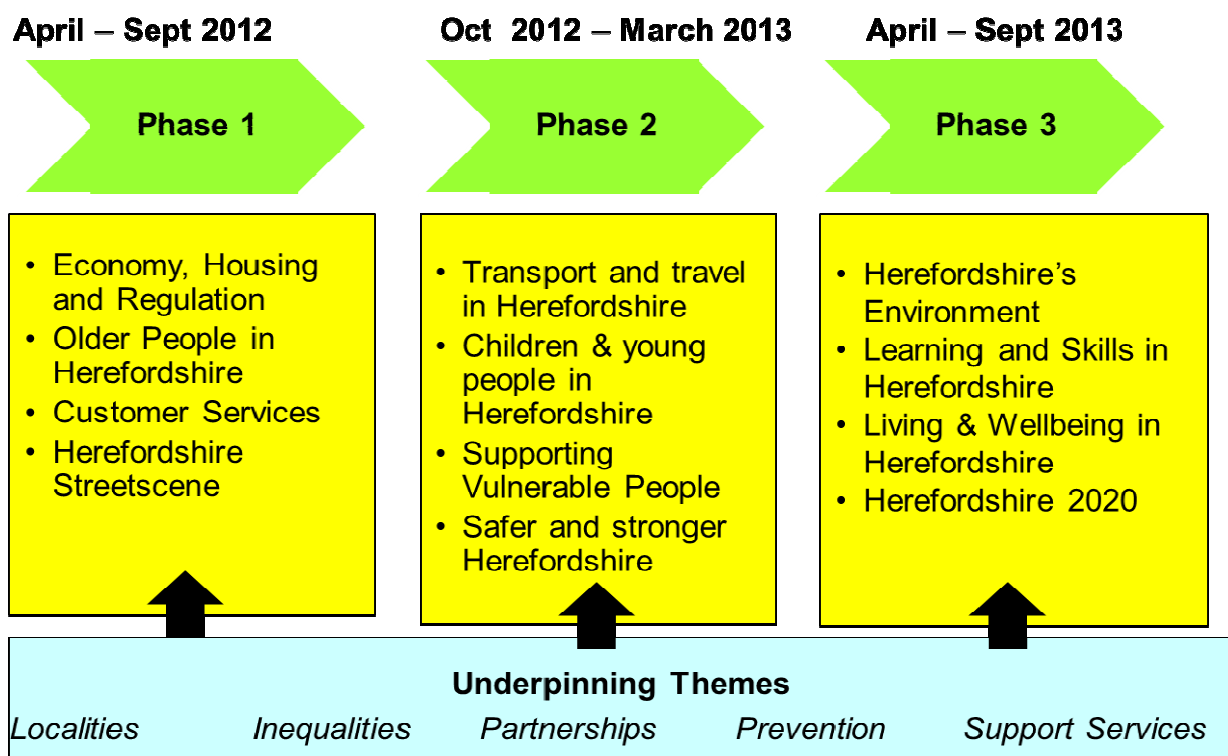
- 9.4 The Root and Branch Review Programme was developed as part of the *Better Services* strand of Rising to the Challenge Programme. The scope and mandate was approved by Cabinet on 5<sup>th</sup> April 2012. The programme includes all services provided by the Council, with strong links to other agencies and sectors as appropriate.
- 9.5 In addition to continuing to deliver the Rising to the Challenge Outcomes, the Root and Branch Review Programme has 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*

9.6 Five key principles were adopted for undertaking the Reviews:

- *Challenge everything*
- *Think differently*
- *Focus on outcomes*
- *Evidence based solutions*
- *Engage and involve*

9.7 The programme consists of 12 Reviews based on cross cutting themes as set out below



## 10. Key Considerations

### Rising to the Challenge Programme Closure - Summary

10.1 The closure report for the Rising to the Challenge Programme is attached at **Appendix One**.

10.2 A summary of the programme’s achievements is as follows:

- Rising to the Challenge ambitions were right, giving the organisation and staff a sense of pride at the innovation and forward thinking nature of the joint working initiative
- Without the Rising to the Challenge programme and its focus on integrating services and increasing productivity and efficiency front line services would not have been protected for as long

- The Rising to the Challenge programme delivered over £21m of savings, including reduced staff costs
- Many areas delivered what they set out to and benefitted from the structured programme approach and the opportunity to work in a more integrated way, such as the Better Ways of Working programme
- The Rising to the Challenge programme board provided a good oversight of plans, supporting an organisation wide approach rather than traditional silo working
- The Change Champions programme has proved extremely valuable and continues to have full coverage and sponsorship across the organisation

10.3 Lessons learned from the programme are being built into future Council programme delivery and Root and Branch Review implementation. Key learning points are as follows:

- Fixing ownership of delivery of savings and service change at service and cost centre level
- Improving the breadth, depth and clarity of communication within and outside the Council
- Ensuring that the capacity and resources are in place to match the project delivery requirements
- Rapid changes to systems and processes alongside making budget reductions
- Building more robust monitoring of the realisation of benefits (both cashable and non-cashable)

#### **Progress on the Root and Branch Review Programme**

10.4 Progress against each of the Root and Branch reviews, including savings, is set out in **Appendix Two**. Cabinet is asked to authorise the relevant Directors to jointly produce and implement Delivery Plans for the Phase 2 and 3 Reviews and report to Cabinet or Cabinet members as appropriate.

10.5 A summary of the Programme's achievements to date is as follows:

#### **Headline Achievements**

- Cabinet approval of Phase 1 reviews in October 2012
- Completion of Phase 2 reviews through to Discovery and then accelerated through Options and Proposals
- Commenced Challenge and Options for Phase 3
- Council approval of savings totalling £20.903m (revised to £22.047m) over three years

(The accelerated process was designed to facilitate early decision making for the budget process, but it was recognised that further work would be required on phases 2/3)

#### **Deliverables**

Through the programme activities, we have delivered the following:

##### **Phase 1**

- Implementation has commenced in all areas, Delivery Plans have been signed off for Making Every Contact Count, HERS and Herefordshire Streetscene

- Common themes from Phase 1 for our future service delivery strategy have been built into the new Corporate Plan e.g. prevention, engagement
- Public Consultation exercise - *Your community, your say*:
  - Quality of life survey results published
  - Report from the 21 community events published
  - Over 1,400 people engaged
  - Further budget options consultation exercise

### **Phases 2 & 3**

- Rapid engagement across services
- Clarity about the whole council picture and a view on the core purpose
- Discussion on stopping provision versus doing less
- A growing understanding of the prevention, demand management & behaviour change agenda
- Savings for the budget process for 2013/14 and some indicative savings for 2014/15
- Estimated Full Time Equivalent reductions: 100 to 120 (2013/14 only)

10.6 The Root and Branch Programme now covers over 100 lines of activity, which vary significantly in terms of scale and benefits (cashable and non - cashable). This information is monitored for the Delivery Board using the Programme Status report and Performance Plus (P+) reports.

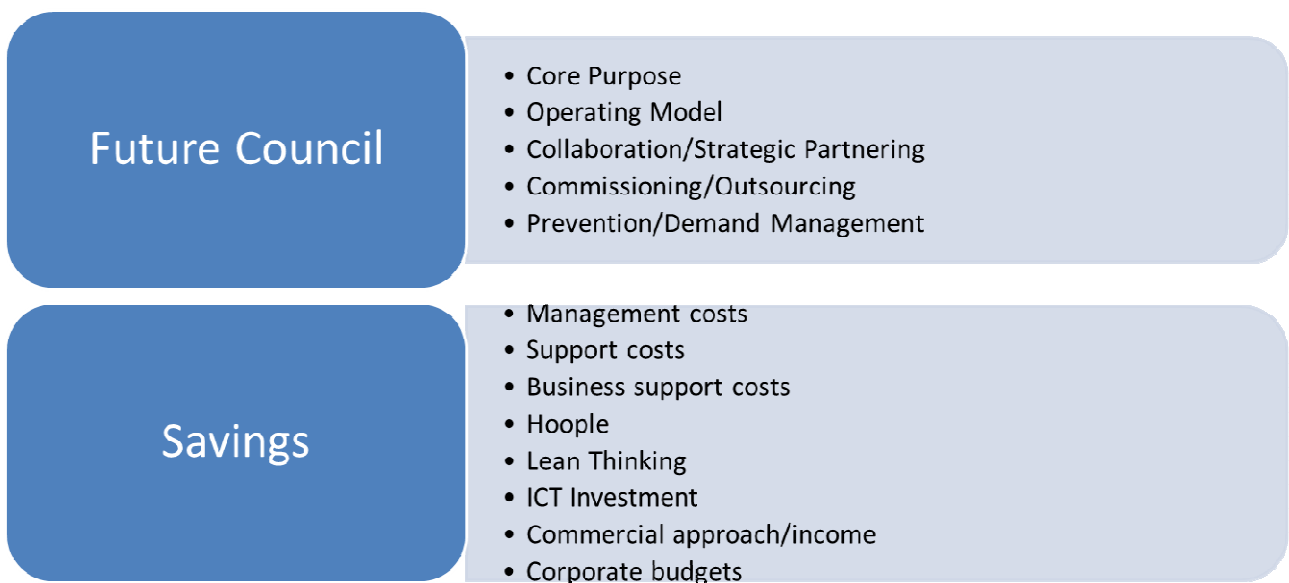
10.7 Savings identified through the programme were approved by Council on 18 February 2013 as part of the Medium Term Financial Strategy. The current savings position is as follows:

Review Area	Review savings total (000)	Profiled Savings (000)		
		2013/14	2014/15	2015/16
Older People	2692	1792	900	0
HERS	1340	1154	186	0
Customer Service	609	609	0	0
Street Scene	2417	1000	1417	0
CYP	2159	2159	0	0
Vulnerable People	6719	6219	500	0
Safer And Stronger	281	178	97	6
Travel & Transport	1760	340	894	526
Learning & Skills	30	30	0	0
Environment	1000	500	250	250
Living & Wellbeing	1500	500	500	500
Herefordshire 2020	1540	1540	0	0
<b>Total Root and Branch</b>	<b>22047</b>	<b>16021</b>	<b>4744</b>	<b>1282</b>

**Note:** These figures include the adjustment (increase) of the Older People (from £2.528m) and Vulnerable Peoples (from £5.739m) Reviews savings target as part of the Adult Social Care Business Change Programme.

**Proposals for the Next Phase – Herefordshire 2020**

- 10.8 The Root and Branch Programme has delivered some positive learning about services, customers and managing change in Herefordshire, along with significant savings for 2013/14 and beyond and the opportunity to do things differently.
- 10.9 What has not been completed to date, in part because of the accelerated process and focus on budget pressures, is completion of the programme aims, in particular, the Council’s future core purpose.
- 10.10 At this stage in the programme it is appropriate to review the original scoping and phasing of the work streams in light of the current circumstances. This programme review suggests a revised approach to Root & Branch that will support:
  - *Delivery of the budget requirements to date and in the future*
  - *Improvement and efficiency benefits for the customer, council and partners*
  - *Development of the future Council core purpose statement and outcomes*
  - *Transformation of the council to meet the Herefordshire 2020 aims*
- 10.11 The Delivery Board recommends to Cabinet that the scope of the Herefordshire 2020 Review be extended to become the strategic vehicle by which the Root and Branch programme and all remaining work from the reviews are completed. This re-scoping will offer the opportunity to consider any areas of work undertaken by the Root and Branch programme to date that could benefit from further challenge against the H2020 purpose. Core Purpose Statements from all the Root and Branch reviews are shown at **Appendix Four** of this report. The re-scoping also extends the programme beyond the original timescales to recognise the likely scale of some of the transformational change.
- 10.12 The two key themes of Herefordshire 2020 will be:



- 10.13 Cabinet will be kept updated on progress with the revised overall programme as part of budget and corporate performance monitoring. Relevant Cabinet Members will also be

briefed on matters within their portfolios on a regular basis. The Delivery Board meets monthly to monitor progress and support efficient and effective implementation of the programme alongside service delivery planning and budget monitoring.

- 10.14 Members of the council will be fully engaged in the development of the Future Council (2020) Core Purpose

## 11. Community Impact

- 11.1 The Root and Branch review programme outputs and outcomes have a significant impact on Herefordshire residents and public services. There will be changes to the delivery of services, which will have an impact on all or parts of the community.

## 12. Equality and Human Rights

- 12.1 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.

- 12.2 Equality Impact Assessments are being undertaken as part of the implementation of each Review to ensure a clear understanding of the potential impact on equality and inclusion. Equality duty considerations will therefore be noted as part of any individual review proposal as appropriate.

## 13. Financial Implications

- 13.1 The Rising to the Challenge Programme delivered savings of £21.1m in 2011/12 and 2012/13.

- 13.2 The financial implications of the Root and Branch Programme to date were agreed by Full Council on 18 February 2013 via the Council Medium Term Financial Strategy Report. The current savings target position for Root and Branch is shown in the table below:

Review Area	Review savings total (000)	Profiled Savings (000)		
		2013/14	2014/15	2015/16
<b>Total Root and Branch</b>	22047	16021	4744	1282

These figures include the adjustment (increase) of the Older People and Vulnerable Peoples Services Reviews target as part of the Adult Social Care Business Change Programme.

A Transformation Fund of £1.16m was established to ensure that the Root and Branch Review Programme and other transformational change can be delivered. A breakdown of



the spend to date is shown at **Appendix Three**.

## **14. Legal Implications**

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

## **15. Risk Management**

15.1 Risks have been identified and are monitored as part of programme governance and are reviewed at the Delivery Board. The key Programme risks relate to the delivery of savings:

- **Delivery of Savings:** there is a risk of slippage in the delivery of savings. Directorates' plans for delivery of savings will have robust management and action plans. Contingency plans will form part of the process with regular monitoring by Directors and the Delivery Board and Cabinet Members.
- **Capacity and Capability:** the Reviews contain a wide range of proposals that will change the nature and scope of Council services, many involving transformational change. This will require sufficient resources with the right skills and knowledge. Delivery Plans contain resourcing plans and capacity is being shared across Directorates.
- **Stakeholder Engagement:** many of the changes to services require the co-operation of our partners and, in some cases, a change in behaviour amongst the population. Delivery Plans contain actions for partners and engagement is taking place as necessary. Work on prevention, early intervention and demand management is core to our future strategy.

## **16. Consultees**

16.1 Cabinet agreed a comprehensive programme of community engagement, *Your Community, Your Say*, as part of the review process to ensure that decisions were informed by residents' views and that the impact of change is understood and is acceptable. The *Your Community, Your Say* initiative included a Quality of Life survey, 21 community events and involved over 1,400 residents. The outcome was reported to all Members and to Council as part of the budget setting process, together with the results from a further survey about particular proposals to reduce service delivery. Views from *Your Community, Your Say* and other consultation exercises will be considered in the delivery planning and implementation of Root and Branch decisions.

16.2 In addition, involvement and consultation included employees, Members, parish councils and key partners through the Herefordshire Partnership.

16.3 **The General Overview and Scrutiny Committee considered this report at its meeting on 8 April 2013 and resolved that:**

1. The draft report entitled 'Rising to the Challenge & Root and Branch Programmes' for presentation to Cabinet on 18 April 2013 be noted and it be recommended that Cabinet consider:
  - a. That an all Member seminar be arranged as soon as possible to ensure that all Members are fully engaged in shaping the Herefordshire 2020 Review.
  - b. That Council communications be revised and improved across the whole organisation to ensure that information concerning the Root and Branch

Review/Herefordshire 2020 Review, both with the public and internally, is clearly understood.

- c. That more detail be included in the report concerning the lessons learned from the Rising to the Challenge Programme;
  - d. That Cabinet give very careful consideration to how it sets any discretionary spend given the scale of further savings that the Council needs to make; and
2. The Committee through its work programme agenda item give further consideration to how it wishes to be more involved in consideration of the Herefordshire 2020 Review and on the scope of a Council wide review of communications.

## **17. Appendices**

- 17.1 Appendix One – Rising to the Challenge Programme Closure
- Appendix Two – Root and Branch Reviews Progress Reports
- Appendix Three – Transformation Fund Breakdown of Spend
- Appendix Four – Root and Branch Core Purpose Statements

## **18. Background Papers**

- 18.1 Root and Branch Review Programme Cabinet 5 April 2012
- Root and Branch Reviews Phase 1 Cabinet 11 October 2012
- Council Medium Term Financial Strategy 18 February 2013