

Corporate (Central)

17th January 2023

Contents

- Pressures
- Savings already offered
- Transformation strategy
- Equality Impact Assessment

Corporate summary

Summary	£m	£m	£m
Pressures			4.2
Total savings			1.3

Corporate services pressures: £4.2m

	Draft £'000	Final £'000	Diff £'000	Notes
Members allowances	103	103	-	Due to pay award
Pay award	719	719	-	Includes rollover impact of 22/23 pay award above budgeted 2% for 2023/24. Based on approved establishment
Demand pressures	1,702	1,702	-	ICT - Changes in charging mechanism for a number of key systems, and £900k historic property savings.
Contract inflation	1037	1037	-	Contractual inflation based on blend, ICT 12%, Hoople 7%.
Service redesign	1,374	665	-709	Increase in legal and Hr & OD staff capacity, along with service redesign.
Total	4,935	4,226	-709	

Corporate savings offered: £1.3 m

	£'m	Activity
Property	0.47	Increased rental income, charge for internal use of properties, and full cost recovery, exiting expensive and energy inefficient buildings.
Finance	0.1	Revise process to further embed Purchase Cards, remove payment inefficiencies, absorb DWP contributions for revs and benefits
Office of Chief Executive	0.12	Reduce number of corporate mobile phones. Herefordshire Now to become online only.
Legal	0.34	Reduced external legal advice, due to increased in house capacity, Childrens specific lawyers to be funded from Childrens transformation.
PMO, Performance & Corporate support	0.3	Transformation of service, increased cost recovery
Total	1.33	

Transformation strategy

Corporate services have a twin track approach to **transformation**.

- They support a number of corporate transformation processes, the PMO, officer of the chief executive and interim director of strategy provide targeted support for transformation projects in flight and forthcoming projects across the council. This includes liaising with PwC our retained transformation advisors.
- A number of the services within Corporate are also being transformed to ensure the council remains fit for purpose and delivers value for money.

Transformation strategy

Recruitment and retention	Cost recovery and allocation.	Transformation	Process efficiency
<ul style="list-style-type: none"> • Reduction in internal agency spend; • Explore additional apprentice schemes; • Invest in additional HR and OD capacity; • Invest in targeted legal capacity: 	<ul style="list-style-type: none"> • PMO to ensure that costs are recovered from identified funding streams for projects; • Internal use of Herefordshire investment properties to be charged for; 	<ul style="list-style-type: none"> • Targeted IT system upgrades; • Increased use of cloud for IT storage; • Further iterations of Flexible Futures to whole of Council estate; • More commercial approach to managing investment properties; • Exiting energy inefficient buildings: 	<ul style="list-style-type: none"> • Income collection and debt minimisation; • Reduction in external legal advice; • Increased planned repairs, reduction in reactive repairs;

Recruitment and Retention

Context:

- Recruitment and retention is challenging – COVID changed practices
- Reliance on expensive external legal advice.

What will be different:

- Permanent workforce with minimal agency staff;
- Investment in staff;
- Growing our own capacity and talent;
- Social care recognised as a profession.

Plans:

- Flexible futures is changing how staff work, and provides advantages for staff and employers;
- Expand apprentice schemes;
- Invest in targeted legal skills and capacity.
- Further development of OD plans

Cost recovery and allocation

Context:

- Potentially not all costs recovered from funding sources;
- Cost recovery formula need review;
- Internal use of investment properties not fully recognised;

What will be different:

- Full cost recovery;
- Regular reviews of full cost recovery processes;
- Internal use of investment properties fully funded;

Plans:

- Full cost recovery;
- Transition arrangements to move to use of investment properties by internal customers;
- Regular review of full cost recovery processes;

Transformation

Context:

- A number of IT systems and platforms coming to the end of life;
- A number of buildings energy inefficient with little prospect of significant improvement;

What will be different:

- Council occupying energy efficient buildings, that provide modern flexible working space;
- Commercial relationship with tenants in investment properties ;
- IT systems fit for purpose, including cloud computing;

Plans:

- PwC working with Council to identify and deliver transformation strategy;
- Microsoft 365 implementation program;
- Exit strategy to vacate buildings and premises that energy inefficient and / or are not Equality Act compliant;

Process efficiency

Context:

- Debt collection processes effective but scope for improvement;
- Reliance on expensive external legal advice;

What will be different:

- More repairs planned, reducing reactive repairs
- Improvement in income collection and reduction in debt recovery costs;
- Reduction in spend on external legal advice;

Plans:

- Review income collection and debt collection processes;
- Exiting expensive to maintain buildings and premises;
- Invest in targeted legal skills and capacity.

Equality Impact Statement

Equality Group	Impact	Reasons
Age	Positive	The council's transformation programme will make it easier for residents to access council services via digital means, ensuring that we make this as simple as possible so that we do not isolate or exclude those members of the community who are currently less comfortable with using IT.
Disability	Positive	More focus on ensuring council buildings and premises are accessible for people with disabilities, supporting people with disabilities into employment and work opportunities within the council promoting inclusion.
Other vulnerable and disadvantaged groups	Positive	An investment in OD will help the council be a supportive employer of choice and fulfil its role as a community leader in supporting national campaigns E.g white ribbon campaign.
Health inequalities	Positive	Flexible futures helps the council be a more inclusive employer, making roles more accessible to all working adults and more representative of the working age population in Herefordshire.

Neutral impact for all other equality groups