

Transformation Programme

Essex County Council

Audit 2009/10

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Summary report

Introduction

1 In 2008 Essex County Council identified that it needed to make significant savings over the next five years. This was made more acute following the economic downturn and the subsequent reduction in funding to public services. As a result the Council developed an approach to look at all methods of design and delivery of services. It launched its transformational agenda with the aim of securing savings in the region of £200 million initially. This was later increased to £300million over five years.

2 The approach not only looks at the way services are delivered by the Council but also encourages other public service providers to look at options for more efficiency service delivery across Essex.

3 The transformation agenda is a significant project which aims to radically change public service delivery as well as securing savings. We identified ensuring that the project is monitored and managed effectively as a key risk and the risk based audit plan identified this as an area for review.

Background

4 The programme sets out to help the Council to transform itself so that it can improve customer services, especially to the most vulnerable people whilst coping with budget pressures. The Council has identified a budget gap rising to over £300 million in 2013/14.

5 A series of fundamental reviews of how services are delivered, and by whom, led to the development of a range of options. As a result savings are expected from a number of areas including:

- Procurement
- New ways of working
- Management De-layering
- Customer Channel Shift

6 The transformation programme is split into seven key themes: Customer Services, Technology, Property, Supporting Services, Commissioning, Procurement and Efficiencies. It has three clear phases:

- Stabilise – improve existing processes and technology (ensure services are ‘fit for purpose’).
- One Council – create a unified Council by integrating directorates.
- One Essex – share new efficiencies and work jointly with partners.

7 As part of the wider strategic approach, the Council is looking to become a more customer-centred organisation. This is to be achieved through partnership with public, private, voluntary and independent organisations to identify customer needs and commission services to meet that need. The Council wishes to become a more commissioning-based organisation focused on what and how services are delivered rather than by whom.

8 The projects are wide-ranging and include reviewing, improving and/or replacing certain 'back office' systems which will then allow customers to transact with ECC in an interactive, self-service way.

Audit approach

9 The Audit Commission has carried out an assessment of the Council's approach to the transformation programme and how effectively it is being delivered across partners. This consisted of a review of existing documentation, interviews with key stakeholders and evidence provided by Essex County Council.

Main conclusions

10 The Council has made significant progress in developing an innovative approach to delivering the transformation programme. It is working with partners to look at how services can be delivered in a different way across Essex. There is clear and effective leadership, with staff and councillors well informed and engaged as they recognise the need for efficiency savings and service improvements.

11 However, there are some significant risks in delivering challenging efficiency targets in an uncertain and changing economic climate. Although recognising the need for efficiency savings and increased partnership working across Essex, some partners and staff are at times sceptical of the motivation and of the deliverability of the savings identified in the programme.

Leadership

12 Senior officers and Cabinet members are showing strong and effective leadership in driving the Transformation Programme. Robust structures are in place to support the programme. The Council presented planned governance arrangements to Cabinet in September 2009. This comprised three boards: Directions Board; Outcomes Board; and Delivery Board.

13 The Council is clear of the need to make efficiencies and has developed a comprehensive approach for delivery of efficiency savings. It has launched EssexWorks: Customer First Transformation Programme, which is aimed at delivering savings of £300 million by 2012/13 that will be diverted to front line services. Savings of £60 million have already been delivered by March 2010 and £89 million is planned by March 2011.

14 The Cabinet has been engaged with the transformation programme via the Directions Board. Additionally some Cabinet members are on the Outcomes Board and have been steering the development of the programme.

15 Councillors receive regular updates on the transformation programme. The Cabinet member for Transformation and Finance is updated weekly with Cabinet receiving monthly updates. A monthly newsletter for councillors has recently been introduced which is aimed to improve communication with all members.

16 Communication with staff and councillors has improved. Recent papers have improved the clarity of work streams and options being considered. The Council has presented proposals to the staff and the unions and there is a monthly staff briefing. Presentations have been given to the overview and scrutiny committee and there is a plan to report to this committee on a regular basis.

17 The Council has effectively tackled the weakness it identified in its internal capacity to deliver the transformation programme and is working with a number of 3rd parties to provide support to the programme. The Council has also centralised its project management resources and has set up a Transformation Support Unit which supports Target Operating Model (TOM) design, project delivery and programme governance and reporting.

18 The Council is clear on what it wants to achieve through its transformation programme. It is looking to save £300 million and has developed a TOM to identify the future state of the organisation. Results are already visible with, for example, the setting up of Essex Cares which has £30 million turnover and 800 staff. New ways of working such as flexible and mobile working will enable the Council to co-locate with other service providers and enable it to make better use of its property estate.

19 Costs for delivering the programme are tracked. All projects are subject to business case scrutiny at a monthly Scrutiny Board ahead of the Outcomes Board where formal approval may or may not be granted. The investment costs are known and the benefits payback understood. This is then tracked on a weekly basis through Delivery Board

Quality of services

20 The transformation programme has achieved some improvements. For example 54 libraries now operating with WiFi capability and a depot rationalisation project has been completed.

21 The Council is aiming to improve customer services. In the last year it has looked at the way in which the public interacts with the Council and how this can be improved. It has identified that the website needs improving. Customers are increasingly used to interactive websites where they can do their shopping or order services. At present the County Council website can do neither of these things and is technologically unstable. The plan is to stabilise the technology behind the existing website and then to improve the content and interactivity. By 2012 the Council expects to have a fully interactive website where members of the public will be able to access all their services. This will be done alongside improvements to the telephone contact centre where the public will be able to order services through one contact point.

22 Successes achieved by the transformation programme so far include setting up the newly formed local authority trading company in July 2009, Essex Cares, which has already delivered positive outcomes for local people. The transformation programme has also resulted in bringing IT services back in-house; opening a new hub office in Harlow; and rolling out the Integrated Children's System across the county.

23 Commissioning in partnerships is securing some positive outcomes, such as enabling customers a greater say in the services they receive of services. A Local Priority Fund has been established to provide a more efficient and effective way of procuring services for children and young people from the voluntary sector. This involves pooling resources and devolving decision making to locality based partnerships. Procurement decisions include the views of young people on both prioritisation and the proposals put forward by potential providers. The approach has been developed at no additional cost and provides an effective way of decommissioning services.

Partnership working

24 The Council is incurring some problems in its plans for working more closely with partners to provide more customer-focussed services. It plans to increase self-service for customers and to only collect customer information once. It is anticipated that this will lead to the customer experiencing seamless service provision that fits their needs and with an increased level of customer excellence. However, some partners are reticent. For example some district councils have been reluctant to use a single email platform due to a perception that they will lose control to the County Council.

25 There is a lack of trust between some partners. There is a concern that this is an agenda for increased control of services and they do not see the benefits of individual joint service delivery. The financial and service benefits from the combining of individual small services and back office functions have not been successfully sold to all partners. The potential for improved quality of services and savings through successfully combining the expertise of county and district councils is not fully recognised.

26 Service redesign, such as the introduction of self directed support, is improving the customer experience. Nearly 4,200 service users are now using personal budgets and 42 per cent of service users who have been through a Re-ablement Service have required no further services or support.

27 There is a better understanding developing of the supply market through the improved approach of procurement. This includes developing category management and supplier relationship management (SRM). A supplier portal that captures and manages contract activity is being rolled out and workshops with providers to support their use of the portal have been held in some areas.

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