

External Transformation Update

November 2013

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W:\Essex Transformation\Design team\Transformation outside of ECC



Essex County Council

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1. Purpose

This document provides an update on the Transformation activity of other Local Authorities and commissioning organisations as at November 2013. This includes what is working well, initiatives that have not been deemed as successful and suggestions for where ECC could learn from these examples.

This is issue 2 of a regular monthly update on transformation activity outside of ECC.

2. External Transformation News

Transformation agendas hitting the headlines in November 2013

Hampshire County
Council
04.11.13

- Have launched the [Shaping Hampshire Plan 2013-17](#) which aims to realise savings of £90m by 2015. It has saved £130m since 2008.
- This builds upon the recently agreed [Transformation Programme](#). Key elements of which, include the creation of an Integrated Business Centre (to provide traded back office functions to the council and others).

Tax Payers Alliance
06.11.13

- The Tax Payers Alliance have launched a document setting out [201 ways to save money in local government](#). The suggestions range from radical transformation which has the potential to save large amounts of money to more modest suggestions to save smaller amounts of money. The more 'transformational' suggestions focus on greater sharing of services and office space.

West Yorkshire local
authorities
07.11.13

- Five local authorities across [West Yorkshire](#) are consulting on proposals to replace the current Integrated Transport Authority with a combined authority that will bring together responsibility for transport, economic development and regeneration.
- The proposals build on the existing Leeds City Region LEP and similar proposals are also being considered for members of [the North East LEP](#).

National Audit Office
12.11.13

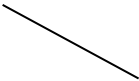
- [The role of major contractors in the delivery of public services](#) – estimate that contracting out accounts for around half of the £187 billion that the public sector spend on goods and services each year. "Contracting with private sector providers is a fast growing and important part of delivering public services. But there is a crisis of confidence at present, caused by some worrying examples of contractors not appearing to treat the public sector fairly, and of departments not being on top of things" Head of NAO

David Cameron (Speech
at Lord Mayors
Banquet)
12.11.13

- The Prime Minister in a recent speech gave his strongest indication to date that reductions to public sector spending were here to stay .
- "We are sticking to the task. But that doesn't just mean making difficult decisions on public spending. It also means something more profound. It means building a leaner, more efficient state. We need to do more with less. Not just now, but permanently."

Virgin Media chosen as preferred supplier for West Midlands Public Services Network (WMPSN)

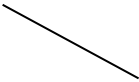
- Solihull Council led the procurement on behalf of WMPSN. The initial partners along with Solihull Council are Warwickshire County Council, Birmingham City Council and Worcestershire County Council. Other members of the programme board include West Midlands Police, Herefordshire County Council and the Black Country Local Authorities
- The network, which forms part of the government's strategy to drive public services networks (PSN) across the UK, is predicted to deliver savings to members of more than £1.5 million per year. This figure could increase to more than £5million per year as more organisations join.
- The purpose of WMPSN is to deliver a network infrastructure for seamless shared services across the West Midlands region, allowing schools, hospitals, emergency services and local government offices to share information and collaborate.



The WMPSN will allow the organisations on board to share information and secure savings of a minimum of £1.5m per year.

Met to Outsource Back-office Services

- Private companies are being invited to bid to run a range of Met police services as part of the force's efforts to cut costs by 2016 in the wake of funding cuts.
- The cost-cutting has already seen dozens of police front counters earmarked for closure and police buildings sold off. The Met is also cutting the number of senior officers and selling-off its Scotland Yard HQ.
- To help achieve the savings, Deputy Commissioner Craig Mackey today announced HR services, expenses management, catering and logistical services and Criminal Justice services would be market-tested.
- Scotland Yard says the aim is to see whether the private sector can deliver better value for taxpayers.

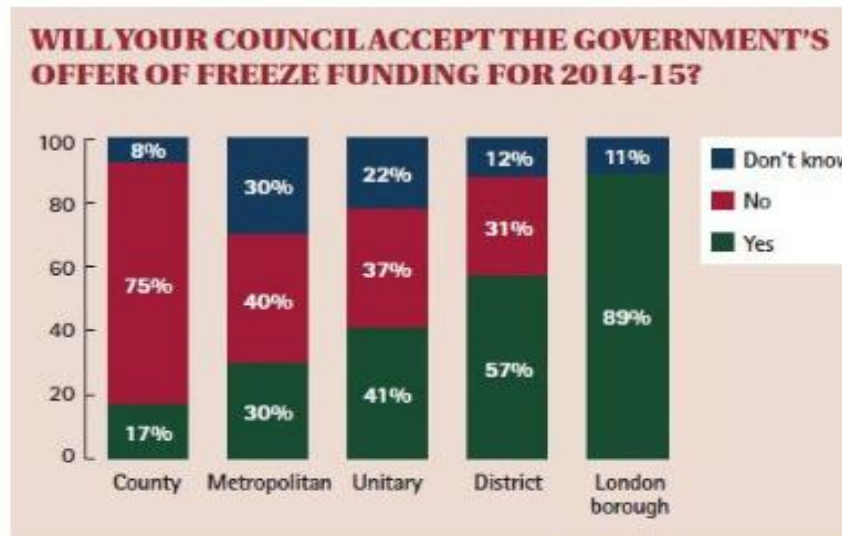


The Met Office have invited private companies to bid for the opportunity to provide a range of back-office services such as HR, expenses management, catering, logistical services and Criminal Justice services.

Council Tax Freeze Rejected

This month, an LGC survey focused on Council Tax, found that 75% of County Councils are expected to reject the governments freeze funding offer:

- Buckinghamshire CC – currently consulting with residents on a 2, 4 or 5% council tax increase and in which services they would be prepared to see savings made.
- Worcestershire CC – have consulted with residents. A 1.8% increase would resolve the councils £3.8m a year overspend on looked after children and feedback from their roadshows indicted that the majority of residents would support such an increase.



3. The Future of Transformation

The LGC, together with Agilisys, recently surveyed senior managers from across local authorities to establish what they saw for the future of transformation within their organisations.

Surge in Innovative new Working Practices

- Austerity has driven the need to innovate working practices; with a particular focus on Commissioning Services, Adult Social Care, Children's Services and IT for the next two years.
- 41% cited Community Budgets as a catalyst to innovation but with this the need for short and medium term benefits realisation.

Partnership Working

- 79% of respondents felt that future transformation would involve more collaboration with other organisations. Although the majority (69%) believe this to be with other public sector agencies rather than private sector relationships such as JVs.

Income Generation replaces Quick Wins

- The days of 'quick wins' are over, with council now more willing to consider more radical approaches to transformation. 65 % expect the future to involve a greater focus on income generation.

Barriers to Effective Transformation

- The top cited barriers were; lack of skills (56%); unwillingness to make tough decisions (56%);
- Opposition from staff, management and unions were cited as the least common barriers.

3. Case Studies:

Staffordshire County Council

- One Council Approach to delivering services to the people of Staffordshire

- Strategic Commissioning
- Commercial Focus
- New delivery models with the public and private sector

- Launched a new strategic commissioning model in 2010 along with a new Transformation Support Unit (TSU) . The TSU acts as a centre of excellence to design and support the delivery of the change programme and in 2012/13 delivered savings of £31 million from the total savings of £46.3m. They take a portfolio approach with each Director acting as an Executive Sponsor to a portfolio. They were recognised as joint runners up in the LGC Business Transformation awards 2013.
- Work is currently underway to design and implement a commissioning framework. This programme of work will support the development of One Council Support Services, Commissioning Delivery , Strategic Commissioning and Provider Development.
- Achievements to date:
 - Integration of 1,000 social care staff into the Staffordshire and Stoke on Trent Partnership Trust to create the UKs largest provider of community health and adult social care services. This is through a 10 year contract worth £1.5bn.
 - Entrust - a joint venture education and skills company with Capita. SCC have a 49% share and two directors on the Entrust Board.
 - Independent Futures service , an assessment and brokerage service for disabled adults and children. It has a greater user led focus and collaboration, improved customer insight; a role in shaping and influencing the market; and providing for a skill base and culture that are better aligned with the needs of the population.



Norfolk County Council

-Enterprising Norfolk – a commercially aware agile organisation

- **Commercial Focus**
- **Consultative**
- **Transparent partnerships**

Norfolk are focusing on **income generation** to fill some of the funding gap of £189m by the end of 2016/17.

They have launched Putting People First – a consultation to find out residents views on how to achieve these savings. Proposals out for consultation include **Norfolk Ambition** – a revised commercial model. The vision places emphasis on the use of information and data to better inform commissioning, demand management, intervention, partnership working etc.

The Council are pursuing **revenue opportunities** in addition to charges to service users. These include:

- [NORSE Group](#) (annual turnover of £250m after expansion including joint ventures with other local authorities);
- Hethel Innovation Ltd (supporting companies to innovate); project management expertise
- Norfolk Energy Futures (a subsidiary company set up by NCC to support the low carbon economy and earn Feed in Tariffs and renewable Heat Incentives).

Full Council recently agreed to changes to the senior management team and the job description for the Chief Executive post. The new role has an emphasis on the management of the Council on a **commercial basis** and in particular an expectation that the post holder would personally lead the pursuit of new **income streams**.

A holistic approach to planning and commissioning is seen as key to realising the vision. Working with the Cabinet Office they have developed a local version of the **Commissioning Academy**. More information to be announced shortly.

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