

EXETER CITY COUNCIL

EXECUTIVE
4 DECEMBER 2012

COUNCIL
11 DECEMBER 2012

UPDATE ON THE COUNCIL'S TRANSFORMATION PLAN

1 PURPOSE OF REPORT

- 1.1 To provide an update for Members on progress in the Transformation Programme.
- 1.2 To request a further budget to support the use of external expertise to support the current phase of the Transformation Programme.

2 BACKGROUND

- 2.1 The Council commenced its Transformation work in the summer of 2011, by conducting a review into some of its key services. This Review, called a 'Diagnostic', allowed members of the Strategic Management Team to lead work within our services, using methodology developed by Vanguard Consultancy. This methodology allowed officers to view their services from the perspective of the customer and identified at a high level, opportunities to reduce waste, duplication and identify barriers which prevent front line officers from meeting the needs of customers. Furthermore, this work introduced senior officers to Systems Thinking methodology.
- 2.2 Representatives from each political group of the Council were briefed on the outcome of the Diagnostic.
- 2.3 In October 2011, it was agreed based on the findings from that work, that four Reviews would be undertaken from January 2012. Further information on these Reviews appears later in this report.
- 2.4 Since the original Diagnostic work in the summer of 2011, additional work that has taken place, supported by Vanguard Consultancy includes:
 - Input into the Council's Senior Management Review
 - Two- Day Systems Review Orientation for Chief Executive, Directors and Heads of Service
 - One-day Systems Thinking session for Portfolio Holders
 - Two evening Systems Thinking sessions for Members
- 2.5 These 'Set Up' activities have raised the awareness of senior managers and elected members as to the Systems Thinking approach, Vanguard methodology and the opportunities for improvement of services to our residents and created the environment to begin the reviews of our services.

- 2.6 Other work, supported by Vanguard that has taken place as part of the Transformation Programme include:
- Support to the development of new Corporate Plan, based on new Purposes
 - Support on the development of a new Leadership Dashboard for managing performance
 - Support to the four Reviews including mentoring to officers leading Interventions
 - On going support to senior officers

3. PROGRESS IN THE TRANSFORMATION PROGRAMME

3.1 The Council's Senior Management Review and further rationalisation of staff this year has saved the authority in the region of £1m. The existing Transformation Programme supported by Vanguard is expected to deliver continued significant savings.

3.2 Members are asked to note that the Reviews that are currently taking place are not simply based on individual services within the Council. Part of the learning from the Diagnostic work has been to see our services as part of a wider System that affects our customers, for example, Planning, Benefits, and Housing Advice. Therefore, Members will note that the Reviews described below, encompass more than one of our existing services and are based on the Council's new Purposes as contained in our Corporate Plan.

3.3 Help Me With My Financial/Housing Problem

This was the first Review undertaken, work having commenced in February of this year, led by the Assistant Director Business Transformation. A Member Briefing was held as part of the induction programme for newly elected members, to which all councillors were invited to share learning and progress in this Review.

This Review spans across the Customer Service Centre, Housing Benefits, Council Tax and Housing Needs. Members agreed in May to make the system normal; i.e. to make it a permanent system in the front end of the Council. Since May, work has been done to experiment how the System responds to volume and additional staff have been rolled into the System. This has involved a focus on taking New Claims for Housing Benefit. Work has also been done to upskill the Customer Service officers to deal with additional Council Tax enquiries in order to meet residents' demands at the first point of contact.

The 'Help me with my Housing Problem' aspect of the Review is well underway with work carried out within the Housing Needs service, which has informed a redesign of front line housing advice and homelessness services. This work has also provided clear evidence that the Devon Home Choice system of allocating affordable homes by holding a large housing register does not best meet housing need and therefore does not help us meet our purpose. It will therefore be necessary for the Council to consider its future within the Devon Home Choice partnership and the annual policy review (ending next May) will provide an opportunity to adopt a new system which best meet purpose.

A significant element of the work has been the identification, from October, of two interim Operational Leads for the work. These Leads have taken on these roles from 1 October, and have been focussed on re-establishing principles and method within

the work as the redesigned system had deviated from the intended purpose (Help me solve my housing / financial problem) as referred to earlier and this needed to be addressed. This work has been successful and it is expected that additional staff will be rolled into the system as we begin to generate the performance measures that confirm the System is working to its design. As part of this work, changes have been made to the layout of the Customer Services Centre to enable the design of the work. At this time, the Assistant Director, Housing & Contracts has also taken a Sponsor role in the Review, alongside the Assistant Director Business Transformation.

Once the frontline service is properly established and a plan in place to increase the amount of demand being taken in this way, it is then the intention to extend the scope of the review into Tenancy Services and the Sustainable Lettings Service which are often critical to helping people solve their housing problem. The aim would be for this to start before the end of the year.

The next phase of the review is for the Review Sponsors to identify the number and type of roles, including management roles, needed in the new system and to develop a structure and budget for the new system.

3.4 Deliver Good Development

The Sponsor for this Review is Strategic Director Karime Hassan and the Review Lead is the Development Manager. The team completed the "Check" phase which is where they have learnt about the thinking that underpins the existing system. The Team began experimenting with taking new demand in a different way; developing a holistic end to end approach through dealing with a range of new development projects from minor schemes such as domestic extensions to large mixed use development proposals. Acting more proactively than in the past, the team meets with developers at the earliest possible stage in order to better understand the issues and barriers to development and identifying the key issues to be resolved as the schemes make their way through the planning process. The team expanded from four officers to six and continues to take on a wide range of new demand including a proposal for a new free school for 600 pupils and new residential development in Topsham. By eliminating the considerable waste work that was common in the early administrative phase of dealing with proposals, the team has been able to process planning applications much more quickly than previously. Similarly, by working more proactively with prospective developers and involving the right "experts" – whether they are from the Council or other agencies such as the Highways Agency, Environment Agency and County Council – the team have found that they can resolve key issues earlier. This eliminates the need to impose conditions on consents which in turn generate further work through dealing with applications to discharge applications which can also delay development schemes coming forward.

One particular example was the application the team dealt with for 58 houses at the former St. Loyes College. The application was determined within 8 weeks –against a Government target of 13 weeks – and it was only necessary to impose four conditions. This will enable, the applicant, Linden Homes to make an early start on site which will deliver much needed homes and indeed income to the Council through the New Homes Bonus. Shortly after receiving the decision notice and just before confirming that the company would commence site clearance works within 10 days, Adam Davies, Linden's Senior Development Manager wrote saying;

“That is fantastic, thank you ever so much for your help; it has been truly outstanding throughout and is greatly appreciated”.

It is important to emphasise that the new purpose of ‘Delivering Good Development’ fundamentally shifts the focus of City Development away from determining applications and towards focusing on implementation and outcomes. This is breaking new ground and aiming to make routine what has in the past been achieved only on exceptional projects such as the Met Office and Princesshay.

3.5 Maintain the Council’s Assets

This review started on 1 October, following an interim restructure in the Housing and Contracts team to provide the management capacity to lead the Review. The Assistant Director Housing & Contracts is the Review Sponsor and the Housing Operations Manager is the Redesign Lead. A full scoping document timetabling the review and its constituent elements is in place. Data is being gathered about how the work is done presently and how we maintain our building assets across the Council's whole housing, commercial and civic portfolio. We are beginning to understand that there are a number of various "Maintain our Building Assets" systems across the Council that work in a number of different ways.

Several issues are currently being addressed. More staff resource needs to be identified for this review across the Council, particularly from Housing, Contracts, Finance, IT and Legal Services. A comprehensive asset register needs to be developed and mapped and contract information needs to be gathered and assessed. Driving flexibility into existing and new contracts is a key priority because, in order to test any redesign of the system, we will need contractors to be flexible in the way the work is done. More asset management information is required to measure the impact of the existing systems and the impact of system changes that will be introduced.

It has been determined that the need to review the Council’s existing arrangements for managing contracts is a vital first phase of this Review. Once this has been done, work will be done with our main contractors to ascertain their commitment and financial contribution to funding any future Review work.

3.6 Keep Exeter Safe and Looking Good

This Review commenced in October and is being sponsored by Strategic Director Mark Parkinson with Assistant Director Public Realm and Assistant Director Environment as Operational Leads. The focus of the review is on the 'looking good' aspect of the Council's stewardship of place - primarily cleansing, grounds maintenance and respective enforcement. The Review is currently within the 'check' phase where there has also been intensive data gathering on the demand on the services within this system and the level of resource, both proactive and reactive, currently being deployed to respond to that demand.

In order to help determine what matters to existing and potential customers of the service, five focus groups of citizens and community representatives has been held as well as interviews with residents both on the streets and in open spaces. It is planned that progress and emerging issues will be shared with Members shortly.

3.7 Progress in Other Elements of the Transformation Programme

The four interventions are only one aspect of the overall Programme to transform the way the Council approaches service planning, delivery and monitoring. If work was only undertaken within operational services, it is unlikely that the Council would fundamentally change; progress would be limited to improved ways of working in the areas in which Review were undertaken. The Council agreed to undertake a more pan-organisational approach to its Transformation Programme and outlined below are additional areas of work that are underway.

3.7.1 Work was led by Strategic Director Karime Hassan to develop new Purposes for the Council. These Purposes were developed to reflect residents' expectation as opposed to what the Council's priorities based on functional areas and services. These Purposes, which now appear in the Council's Corporate Plan, are:

- Help Me Find Somewhere Suitable To Live
- Help Me Run A Successful Business in Exeter
- Provide Great Things For Me To See, Do And Visit
- Improve The Environment And My Neighbourhood
- Maintain The Assets Of Our City
- Provide Me With The Information I need
- Deliver Good Development
- Help Me Get Back To Financial Independence
- Keep My City Safe and Looking Good
- Enable Me to Have My Say And Be Heard

This clarity around our commitment to thinking about our priorities in the context of what matters to Exeter residents allows us to develop clear indicators of our progress. However, these Purposes will need to be kept under review to ensure they reflect the Council's priorities and available resources for their delivery.

3.7.2 Developing New Measures

This work is being led by the two Strategic Directors and will develop new 'Leading' and 'Lagging' measures. Leading Measures are those which identify issues to resolve in the system and allow managers to take action in real time to facilitate improvements in those measures. For example, a measure for the system to help residents with financial and housing problems is 'end to end times to decide on a claim for benefit' or 'time to action a change of circumstances'. Lagging Measures are ones which are retrospective, for example, a customer satisfaction survey, budget monitor or staff survey.

In the past, both managers and councillors have reviewed performance information retrospectively which means that by the time the information is considered, it is often too late to take action. Refocusing the way that the Council measures its achievements to allow action to be taken in real time to correct poor performance is a significant change to the way that we have traditionally managed our performance and is a more efficient and robust approach. Part of this work will also redefine to a significant extent, the relationship between managers and teams, in that the management relationship becomes focused on addressing issues to be resolved as a result of knowledge about performance issues to be tackled.

- 3.7.3 Work with elected Members on Decision Making. As key decision-makers within the Council, it is acknowledged that work needs to be done to continue to inform elected members of the Systems Thinking principles and learning and examine how this relates to the political decision-making process. This stream of work has already commenced with a review of Scrutiny, led by Strategic Director Mark Parkinson, working closely with Members.

4 FUTURE WORK

- 4.1 Members will be aware of the significant financial challenges ahead. The Medium Term Financial Plan requires a level of reduction in the revenue budget that necessitates a fundamental transformation of the Council if front line services are to be protected. The work undertaken so far has helped senior managers to identify inefficiencies and waste, challenged the existing logics that underpin our current management practice and is equipping the Strategic Management Team to meet the budgetary challenges.
- 4.2 In order to complete the existing four Reviews and continue to develop the Council's capacity to support future Systems Thinking work, with a greatly reduced reliance on external support, a further budget of £85,000 is requested. This sum will provide support to the areas below.
- 4.2.1 Leadership Development. Work will continue with the Council's Strategic Management Team to ensure that the principles of working being developed in the Reviews are informing the approach that senior officers take in addressing issues across the Council. This will ensure that there is not a disconnect between the work happening to reform front line services and the decisions being taken by management. It will also ensure that Senior Management are using the principles developed in systems thinking work to inform how we are looking to identify efficiencies and savings in areas not subject to Review.
- 4.2.2 Support to Review Leads to complete the existing four Reviews. As referenced in 3.2 of this Report, the Reviews that are underway are more complex than reviewing individual services. This has undoubtedly proved a challenge as officers have had to, in some reviews, address different working practices and method across different services, in order to develop one 'system'. The work is framed very much around front line staff experimenting with different approaches in order to learn the most efficient way of helping residents and other local stakeholders with their demands on the Council; for example, a council tenant needing support for a financial problem or a local business needing planning permission. All of the Reviews are well underway but there is still a need to draw on Vanguard expertise, at a lesser level than currently as we develop our internal capacity, to support these Reviews.
- 4.2.3 Review of Support Services. As we continue to focus on using the Reviews to identify opportunities to improve our services to residents, it is equally important to identify the optimum level of resources required to support and enable the delivery of front line services.
- 4.2.4 Development of an exit strategy for Vanguard Consultancy, including the development of an internal team to support future Reviews. The Council has always been clear that a key principle in engaging with external consultants to support its Transformation was that internal capacity would be developed to ensure that our reliance on external support would be time-limited. A key area of activity in the next

six months is to create an in house resource able to support future Reviews. This will be done partly by using an e learning tool which will be used to support managers who will work as part of a team to learn the systems review methodology and apply it to an area for Review.

5 RECOMMENDED

- (1) That Members note progress in delivering the Council's Transformation Plan; and
- (2) That Executive recommends to Council the approval of a sum of £85,000 to complete the delivery of the Transformation Plan. This sum will be met from the Council's General Fund Balances.

BINDU ARJOON
ASSISTANT DIRECTOR BUSINESS TRANSFORMATION

CHIEF EXECUTIVE'S DEPARTMENT

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

6 November 2012