

**Report to** Corporate Resources Overview and Scrutiny Committee

**DATE :** 11<sup>th</sup> October, 2012

**REPORT BY:** HEAD OF ICT AND CUSTOMER SERVICES

**SUBJECT :** FLINTSHIRE FUTURES MID YEAR REVIEW

## **1. Purpose**

- 1.1 To provide members with an overview of the Flintshire Futures programme and a mid year progress report.

## **2. Background**

- 2.1 The Council has developed the Flintshire Futures Programme as its corporate programme for modernising and transforming the organisation and to make best use of its resources and secure efficiencies.
- 2.2 The previous Executive agreed to half yearly reporting on the progress of the programme and its projects twice yearly to both Cabinet and Overview and Scrutiny - once at the mid stage of the year and once as part of the annual budget setting process as part of our efficiency forecasting work. This is the mid year report which reports on progress generally with the programme, a further report will be provided as part of the committee's scrutiny of the 2013/14 budget and MTFP focussing on efficiencies

## **3. Considerations**

### **The Programme**

- 3.1 The Flintshire Futures programme is a "whole" council approach to transformation. Whilst delivering efficiencies is the primary aim as part of our Medium Term Financial Strategy; the programme will ensure that our customers are firmly at the heart of our plans.
- 3.2 Successful delivery of the programme will depend on a collective will to embrace change, challenge and re-engineer our processes and ways of working and deal with difficult decisions and choices. Above all, success will depend on robust leadership at all levels to deliver and embed radical change within the organisation.
- 3.3 The Flintshire Futures programme has been structured to include a mixture of short (up to 12 months), medium (up to 3 years) and longer (up to 5 years) term projects focusing on 4 themes, that we have called

the Flintshire Futures Quadrants. A diagram depicting the 4 quadrants and showing the current portfolio of projects is attached at Appendix 1. This is the programme as it currently stands but the content can change, we have to be agile and decisive; to stop projects if they are unlikely to deliver our objectives and take opportunities when they present themselves to initiate new projects.

3.4 The four Flintshire Futures Quadrants are:-

- **Corporate Change** – a range of projects that focus upon whole organisation change. These projects will focus especially on improving the way the council works, improving customer service and delivering efficiency savings.
- **Service Change** – these projects are more service specific and include our third phase of service reviews e.g. Transforming Social Services for Adults alongside a range of “choice” projects relating to non-statutory front-line services e.g. Car Parking
- **Regional Collaboration** – the North Wales Leadership Board portfolio of collaborative projects and other sub-regional collaboration projects and opportunities
- **Local County Collaboration** – projects within Flintshire involving other partners including the Local Service Board projects.

#### **Programme Governance**

- 3.5 Revised governance arrangements have recently been introduced, strengthening member and CMT involvement in overseeing the programme.
- 3.6 The main Flintshire Futures Programme Board now has Member representation and agreed terms of reference (see Appendix 2). Members on the board are the Leader (chair), Deputy Leader, Cabinet Member for Corporate Management and the Chair of Corporate Resources Overview and Scrutiny Committee.
- 3.7 In addition there are 5 specific officer boards for the major Corporate Change programmes Assets, Customer, Finance, Procurement and Workforce.
- 3.8 **Corporate Change**  
Recent work has been very much focussed on the Corporate Change projects. which this report covers. Service change projects are reported individually to Executive and Scrutiny and there are regular reports on the regional collaboration portfolio and local partnership projects.
- 3.9 All the Corporate Change projects are underway with project sponsors and management arrangements established. The scale of projects

varies in terms of scope, change potential and efficiencies. Below we have summarised the “large” projects; those which are likely to have the greatest change impact across the council as a whole. In appendix 1 there are more details regarding the full range of projects.

### **Customer Workstream**

- 3.10 Within the Customer Workstream we are ensuring that whatever changes we make we will put our customers at the heart of everything we do. There will be improvements in the way customers contact us face to face through Flintshire Connects, by phone via the Contact Centre and electronically via a new website with a wider range of on-line services.
- 3.11 Our plans for our buildings and the way we work in terms of opening times and locations will ensure the customer always comes first. We will ensure we listen to our customers and engage with them better. Staff will have more time to spend with our customers because our processes will be simpler and easier for everyone.
- 3.12 As part of the Flintshire Futures programme we have two closely linked projects; “Flintshire Connects” focussing on face to face contact and the Channel Shift project focussing on self service particularly via the council’s website.
- 3.13 The vision for “Flintshire Connects” is *“Delivering improved customer facing services to the residents of Flintshire in partnership with others and through the provision of accessible, modern and community based facilities”*
- 3.14 The central aim of the of the project is to improve customer service by providing more “joined up” and improved access to council and other public-facing services in local towns, and at the same time enabling the decentralisation of council staff and services to locations which best meet our customer’s needs. Efficiencies will be driven by developing generic job roles for customer facing staff, reducing journey times (and cost), and sharing office premises costs with partner agencies.
- 3.15 Whilst the primary focus of the project is about improving the customer experience it will also play a key role in regenerating our town centres. Flintshire Connects offers a clear opportunity to use a Council programme to act as both a catalyst for, and support to regenerating our town centres. Many of our town centres are struggling to find a new role; in some cases this has left a significant number of void units in town centre areas. Flintshire Connects centres providing access to Council and other partner services will be a new presence within our towns, they will create both a demand for space and additional new footfall which will help the wider approaches towards bringing life back to our town centres.

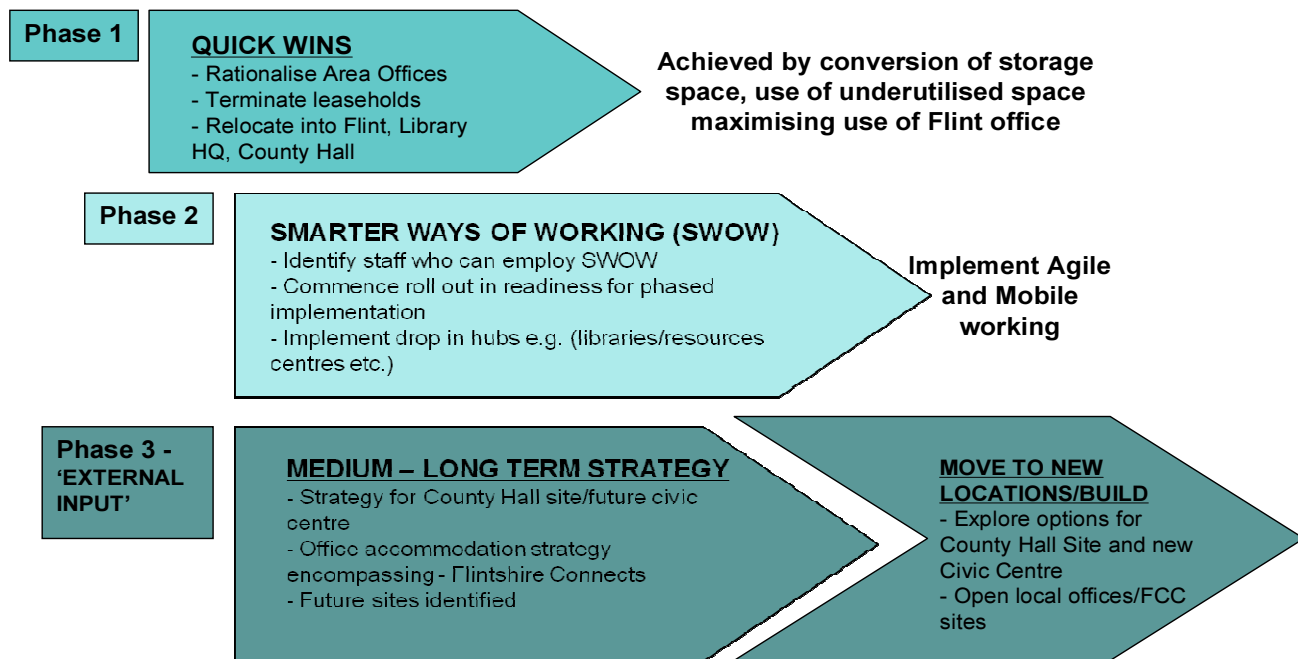
- 3.16 There is also a strong linkage with the Assets workstream to ensure we make the best use of our town centre premises and identify opportunities for sharing accommodation assets with partners.
- 3.17 The first Flintshire Connects facility opens later this month in Holywell and a plan for Future Connect sites will be presented to Cabinet later in the year.
- 3.18 The Channel Shift project is also about improving the customer experience; however it also offers significant opportunities for efficiency savings. The latest figures published by the Society of IT Management (Socitm) show that the average cost to service a web transaction is 29p, with telephone £2.22 and face-to-face £6.72.
- 3.19 The Channel Shift project has moved forward with plans for additional electronic services and improved information available from the Council's website.
- 3.20 Earlier this month the Council's first downloadable App was published, an innovative facility which allows reporting by customers directly via Smartphones and Tablet devices. The initial App is focussed on reporting of dog fouling and provided advice and help to dog owners, in the first few days of it being available there had been 1000 downloads and a substantial number of reports using the App received at our Contact Centre.
- 3.21 The Streetscene contact centre is now fully operational. The volume of calls that has been received since March has outstripped expectations especially during the major operational changes to the waste collection service. The situation has been closely monitored and measures put in place to improve call answer times and quality and timeliness of information available to the contact centre team. As a result improvements have been made in call answering times and in reducing abandoned calls. However, there is still considerable work to improve back office procedures and communication between the Streetscene operational staff and the Contact Centre advisors.3.22

### **Assets Workstream**

- 3.22 We have approximately £1000m worth of assets in a large and varied estate. We aim to rationalise by disposing of properties which are under-utilised, inefficient or poorly located. This could deliver capital receipts for reinvestment and reduce running costs. Our office accommodation currently costs us £1.75m per annum. We will ensure our properties are fit for purpose, meet our customer needs and are efficient to run. The majority of our corporate property portfolio is offices and staff accommodation. We will change the way we work and reduce our office space by 50% and at the same time improve services to our customers e.g. Flintshire Connects.

We will encourage local community groups to use our assets to build sustainable social enterprises (Community Asset Transfers), and promote public and third sector co-location where appropriate.

## FCC Assets - The Approach: 3 Phases



3.23 The Assets Workstream is crucial to the delivery of other related activities and is the critical path activity that will drive change. The current inflexible working practices which see too many employees out in the field adopting out dated and ineffective work practices and employee performance judged on physical presence at a desk must change. Employees are dissatisfied with the inflexibility of their roles and this has an impact on recruitment and the retention of staff.

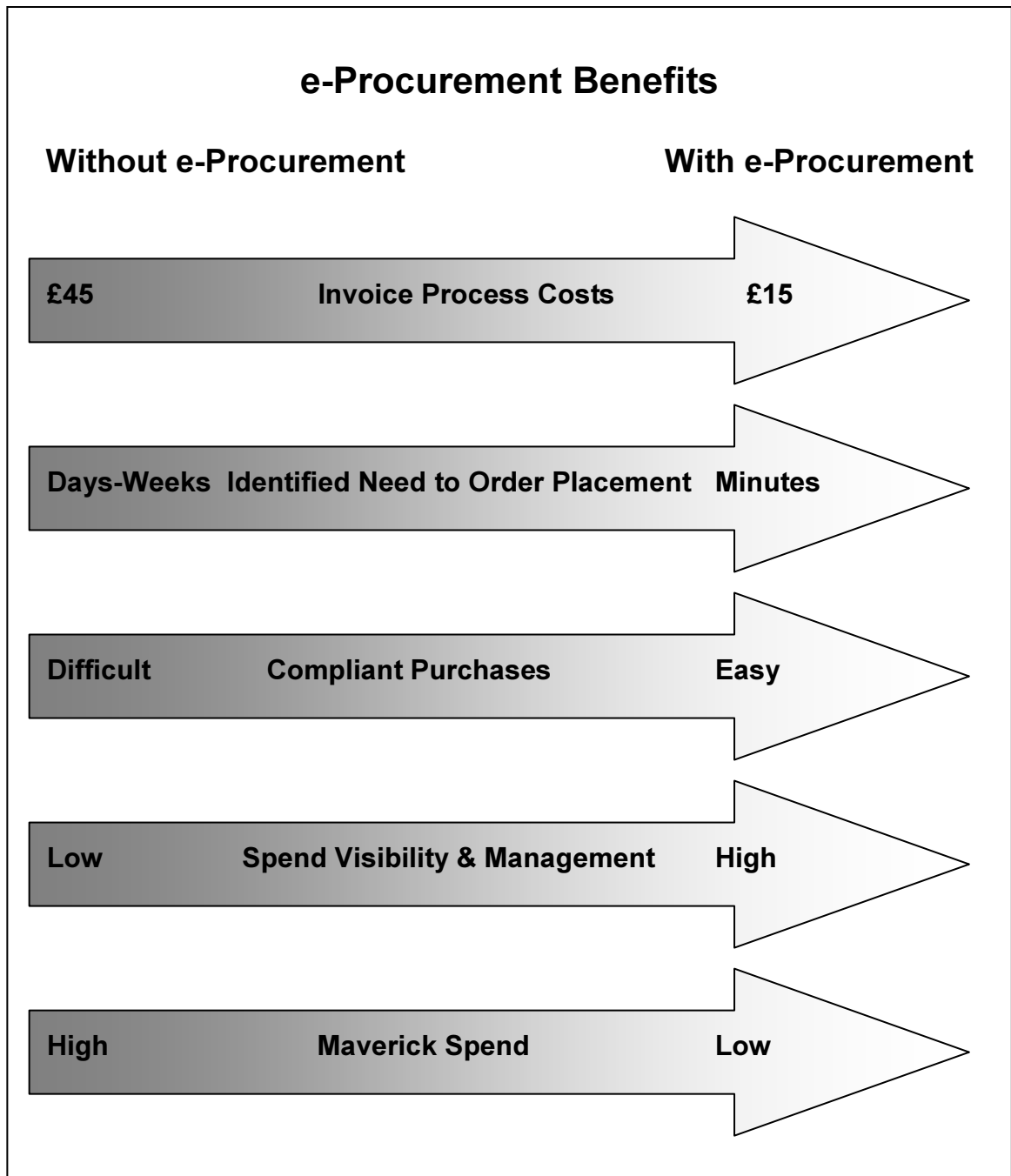
3.24 Progress to date on this workstream includes:-

- Rationalisation of leaseholds started with significant efficiencies already within 2012/13 budget.
- Leisure staff relocated from County Hall to Deeside Leisure Centre in modern agile environment using latest technologies.
- Reconfiguration of office accommodation in Flint County Offices to accommodate closure of Canton and relocation of staff.
- Development and publication of Agile Working Toolkit.

- Agile working pilots and evaluations undertaken in several services e.g. Revenues and Benefits
- Report to Cabinet in October for agreement on Community Asset Transfer policy
- Review of facilities management arrangements started with new working arrangements currently being piloted.

### **Procurement Workstream**

- 3.25 We spend around £150m on goods and services each year. Every 1% less spent could save £1.5m, that's £7.5m over 5 years. We currently have 44,000 suppliers, place 40,000 orders and process approximately 135,000 manual invoices per year; the process costs involved with handling and maintaining these volumes are huge. We need to make buying goods and services simple and streamlined with easy to use electronic systems. We need to ensure we buy as one Council, not as individual services; a single Flintshire contract as a minimum, or even better in partnership with others.
- 3.26 Transforming procurement and ensuring a robust procurement model and infrastructure is a priority. The Flintshire Futures procurement project is looking at procurement from all angles:-
- how we can reduce what we actually spend,
  - how we reduce procurement processing costs; and
  - how we ensure consistent professional procurement practices are implemented.
- 3.27 To enable these changes to be made we are introducing a modern suite of computer systems that will automate the end to end process of order placement through to payment, simplify existing processes and introduce controls to enforce consistency and adherence to financial procedure rules.



3.28 This system consists of an electronic procurement hub which holds supplier catalogues in the same way internet based suppliers such as Amazon.com do. Orders are placed and authorised electronically and sent to the supplier over the internet, the expenditure is committed to our ledgers providing improved budget control, goods are receipted and electronic invoices authorised and paid and posted to our ledgers all using the new e-procurement solution.

3.29 Rollout of the electronic Purchase to Pay (P2P) system is complete across Corporate Services, rollout in Environment and Community Services is underway. We are also participating in a Welsh

Government electronic invoicing project alongside two South Wales councils.

- 3.30 Alongside the new IT systems we are reviewing the central procurement support and service based procurement activities, to ensure that we have robust professional procurement practice across the organisation.
- 3.31 We currently have an arrangement with Denbighshire County Council for their Head of Strategic Procurement to provide strategic procurement advice and management support within Flintshire. This arrangement has now been in place for almost 12 months and is working very well.
- 3.32 We have been participants in the development of regional and national procurement service business cases. Decisions on both collaborations to be made by March 2013.

### **Finance Workstream**

- 3.33 The Medium Term Financial Plan (MTFP) shows that we are facing major financial challenges. By 2014 our funding from the Welsh Government will be 0.4% less in cash terms than it was in 2010. At the same time we are seeing huge service pressures, inflation continues to increase and we have seen an unsustainable pay freeze for staff for the past 3 years.
- 3.34 To meet these challenges we have to look at ways of doing more with less by:-
- Maximising our income.
  - reducing the amount of money we are owed
  - reducing debt recovery costs
  - modernising internal processes
- We are also looking at:-
- new ways of funding our priorities such as Local Asset Backed Vehicles
  - maximising prudential borrowing, and
  - consider our options for joint ventures
- 3.35 The Finance workstream encompasses four projects which together, examine all non direct employee expenditure and income maximisation opportunities through fees and charges.
- 3.36 In addition to the opportunities for efficiency which are being examined through individual service reviews and collaborative projects, the opportunity exists to challenge spending across all services on particular budget heads and to determine whether, for the future, those



budgets are needed at their current levels or possibly even at all, taking account of current external funding levels and Council priorities.

- 3.37 In relation to income, there are three projects which are being dealt with Fees and Charges, Corporate Debt and Methods of Payment. Essentially, together, the projects will identify opportunities to increase or introduce fees and charges for services, introduce a corporate policy and standards for the collection of monies owed to the Council and review the methods by which customers can pay not only fees and charges but also council tax, rent or any other payments to the Council. The Methods of Payment project is part of the Channel Shift project under the Customer workstream.
- 3.38 Value for Money (VFM) is central to the Council's objectives of modernising and reshaping service delivery and responding to the challenging financial environment
- 3.39 There is a piece of work within the Finance Workstream to produce a VFM strategy and process which can be used across the organisation. This strategy will be applied across all elements of the Flintshire Futures programme.

### **Workforce Workstream**

- 3.40 We have already made major changes to the organisation with major changes to the senior management structure and a large number of service reviews. To date this has delivered in excess of £4m in savings.
- 3.41 We now need to take an organisational wide view in terms of organisational layers and spans of control, reducing management costs to reinvest in frontline services. There is potential for major savings without the need for a major redundancy programme using effective approaches to vacancy management. Service reviews to date have looked at services vertically we now need to look horizontally across the organisation at support functions and eliminate duplication. The administration review in Corporate Services reduced costs by 29% delivering £138,000 p.a. savings with only 1 redundancy.
- 3.42 The Workforce workstream consists of 4 areas of work:-
- Organisational Design and Development
  - Readiness for Change
  - Manager and Employee Self Service
  - Consultants and Interims – Procurement and Expenditure
- 3.43 The first area of work Organisational Design and Development is one of the largest projects within the Flintshire Futures programme as a whole. It will have a major impact across the organisation requiring

effective project and change management. The focus of this work is covered in 3.47 above and will challenge structures in terms of hierarchies and management responsibilities. At the same time existing workings practice will be challenged and transformed focussing on what the customer needs and ensuring Value for Money. Work has already begun on developing guidance for managers and OD principles for adoption across the organisation.

- 3.44 The Flintshire Futures programme is a massive programme for change and we need to ensure we develop and support our managers who will be responsible for delivering and leading change. The Readiness for Change project is about the design of development programmes and desired organisation competencies equipping managers with the skills and competencies they need.
- 3.45 Considerable progress has been made in implementing self service facilities for employees and managers allowing changes to personal details, on-line access to pay information, electronic expenses and electronic establishment changes. We need to promote these facilities and ensure their use consistently across the organisation to streamline the process, improve the quality and timeliness of information and deliver the associated efficiencies.
- 3.46 The Consultants and Interims projects within this work stream will aim to reduce the use, dependency and costs of consultants and interims through more effective resourcing and procurement arrangements. The work is aligned to a review of the Council's Contract Procedure Rules and is aiming to have recommendations in relation to future arrangements and controls on the procurement of consultants and interims early next year.

#### **4.00 RECOMMENDATIONS**

- 4.01 That Members note the report, the scope and scale of change within the programme and progress to date.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 None directly from this report. A further report will be provided as part of the committee's scrutiny of the 2013/14 budget and MTFP focussing on efficiencies arising from the programme.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 None directly from this report.

#### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 None directly from this report.

## **8.00 EQUALITIES IMPACT**

8.01 None directly from this report.

## **9.00 PERSONNEL IMPLICATIONS**

9.01 None directly from this report.

## **10.00 CONSULTATION REQUIRED**

10.01 None.

## **11.00 CONSULTATION UNDERTAKEN**

11.01 None

## **12.00 Appendices**

Appendix 1 The Flintshire Futures Programme

Appendix 2 Board terms of Reference

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 BACKGROUND DOCUMENTS**

Flintshire Futures Programme Documentation

Contact Officer: Chris Guest

Telephone: 01352 702800

E-Mail: [chris\\_guest@flintshire.gov.uk](mailto:chris_guest@flintshire.gov.uk)