

**Decision Maker:** Improvement and Efficiency Sub-Committee

**Date:** 18<sup>th</sup> April 2012

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** **ORGANISATIONAL IMPROVEMENT PROGRAMME UPDATE**

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**Chief Officer:** Doug Patterson, Chief Executive

**Ward:** Borough-wide

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1. Reason for report

To update Members on the progress of the Organisational Improvement Programme.

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2. **RECOMMENDATION(S)**

Note the progress made to date on projects led by the Organisational Improvement Team and the new work projects that members of the team are currently supporting.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: N/A No additional costs at this stage
  2. Ongoing costs: N/A. Opportunity cost of Organisational Improvement Team. No additional ongoing costs at this stage. Any business cases for future projects will include ongoing costs.
  3. Budget head/performance centre: Organisational Improvement Team
  4. Total current budget for this head: £328k
  5. Source of funding: Existing revenue budgets
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### Staff

1. Number of staff (current and additional): 5 FTE
  2. If from existing staff resources, number of staff hours:
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### Legal

1. Legal Requirement: Non-statutory - Government guidance.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Dependent on Member Decision Making. Potentially all customers
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 Since the last I&E Sub-Committee, a corporate decision has been made to use the Organisational Improvement Team in a slightly different way.
- 3.2 Some staff have been transferred to other departments to take forward their projects within the relevant service area and others remain as they are still working on cross departmental issues where a corporate lead or support is required, either on a full time or part-time basis.
- 3.3 Details of the work being supported by the team and progress on the cross-cutting projects are provided for Members below.

#### Education & Care Services – Commissioning

- 3.4 The Programme Manager, Organisational Improvement is supporting the Assistant Director of Commissioning and Partnerships (ACS) on a full time basis on the creation of a central commissioning unit for the new department.
- 3.5 The new structure has been drawn up and presented to the Chief Executive and his new Departmental Management Team for Education & Care Services. The functions that will be covered within the new division include strategic commissioning, business development, contracts & compliance, and placements & panel management. These four key areas cover the end-to-end activities that make up the commissioning cycle, and the new teams within the Division have been drawn up to reflect this.
- 3.6 The restructure has since been agreed and all staff within the new Commissioning Division are now being made aware of their new reporting lines. This coming together of the new Commissioning Division is just the first phase in establishing the right structure for delivering on our objectives.
- 3.7 The physical relocation of staff within the new division up onto 3rd floor Stockwell will take place as part of the wider corporate accommodation moves happening during May/ June, although the new Commissioning Division will officially be in place from 1st April.
- 3.8 The new model will focus on bringing together the activities of commissioning, procuring, gate keeping and brokerage as set against the new commissioning model for the division. The core activities are very much in line with our Corporate Operating Principles which confirm that Bromley is *'A commissioning organisation seeking who is best placed to deliver services to the community, based on value for money principles'*.
- 3.9 This is the first phase in bringing together these activities across the former CYP and Adults' Departments where the new Department will now account for around 80% of the Council's spend. Work will continue over the next year to:
  - Redesign previously devolved business processes and tighten our contracting and compliance activities
  - Develop roles around commissioning and market intelligence to strengthen our commercial understanding of best practice services available in the market place
  - Further integrate the work of this new division with our colleagues in Public Health and the newly formed Clinical Commissioning Group over in Health where they continue to opportunities to align resources to achieve better outcomes.
  - Continue to make efficiency savings through contract negotiation, redesigning services and decommissioning services if they are no longer fit for purpose.

## **Public Health**

- 3.10 The Project Manager, Organisational Improvement has been seconded for two days a week to the Public Health Transition team at NHS London supporting the transfer of Public Health from PCTs to Local Government.
- 3.11 The work is being carried out predominantly with the 6 South East London Boroughs, supporting the design process of setting up a model for Public Health which is fit for purpose for that local authority, or cluster of local authorities.
- 3.12 Workshops are being carried out with health and local authority leads from Greenwich, Lambeth, Lewisham and Southwark to establish whether a shared model of public health across 4 boroughs is viable and if so to what extent, taking account of risks and benefits.
- 3.13 Support is also being given to LB Bexley to analyse their PCT's financial submission to Department of Health (DH) which led to them receiving the lowest Public Health shadow allocation across the country.
- 3.14 Across the South East London cluster, work is ongoing to support boroughs with their transition planning process, collating the information in such a way as to summarise and feedback to DH as part of their assurance process.
- 3.15 In Bromley, the Project Manager, Organisational Improvement, is working closely with the Director of Public Health to plan the transition process locally and ensure that each of the workstreams are delivered to meet the April 2013 transfer date.
- 3.16 Work is also ongoing supporting the Health & Wellbeing Board, and specifically planning development opportunities for the Board using the £15k grant from NHS London, working closely with the Portfolio Holder for Resources and the Director Public Health.

## **Customer Service Improvement (CCC)**

- 3.17 Several projects are underway as part of the overall development of customer service to provide new and wider channels for customers to contact the council, carry out transactions, make appointments, etc. The main areas are summarised below:

### Voice recognition

- 3.18 The main focus of this work is to extend the use of the voice recognition system to services, starting with the highest volume services provided by environmental services. The first piece of work is on reports of missed bins which is currently being tested prior to making necessary amendments before going live. Once that is complete further services will be added.

### Extended use of the contact centre

- 3.19 Landscapes calls have been transferred to the contact centre, and work is underway to develop further integration of the confirm system to link information captured at the point of contact directly through to the team's back office system which will be more efficient. This is expected to be completed by May 2012.
- 3.20 Appointments for the Registrar service are now on line and exploratory work on business cases are being developed for bulky waste collections, Housing needs and Council Tax benefit / Housing benefit.

3.21 As part of the refurbishment of North Block and upgrading on main reception we will bring in a queue management system the new reception facilities to help manage the flow of customers and provide them with better information about their appointments and expected waiting times.

#### New Technology Working Group recommendations

3.22 Recommendations from the New Technology Working Group are being progressed including:

- Developing the use of technology options used, e-forms, and social media systems , e.g. Facebook and You Tube,
- As part of the centralisation of support services the intention is to bring together the management of all the web portals (e.g. MyLife, Planning Portal etc) over time, which will provide increased consistency and efficiency.

#### Tell Us Once

3.23 Tell Us Once (TUO) the service that allows customers registering a death to inform several Council and Government departments at once has been live since October 2011. An updated version now allows customers to take away a reference number and self-serve online, choosing themselves, which public services they wish to inform of the death.

3.24 Subsequent to a follow-up meeting between the Superintendent Registrar and Department of Work and Pensions (DWP) on 10 January, the service has decided not to progress with the Tell Us Once service for births at this point in time due to limited resources and capacity.

#### **Shared Services**

3.25 The Shared Services Board, comprised of the Chief Executives and one other Chief Officer from Bromley, Bexley and Croydon, continue to meet on a 6 weekly basis to review the workstreams with the greatest potential for sharing. The three Leaders and Chief Executives meet on a quarterly basis.

3.26 The Library shared service with Bexley went live on 1 January 2012, ahead of schedule. Further work is now underway to investigate whether front office savings could be achieved, as well as whether the formation of a Libraries' Trust would generate savings through Business rate relief.

3.27 This item is subject to a fuller report, elsewhere on the agenda. It is worth noting that the areas that are being pursued with the greatest momentum given their potential for forming a shared service are:

- - Regulatory Services (Croydon/Bexley/Bromley)
- - Property services – asset management and facilities management (Bexley/Bromley)
- - Shared transport – Adults' and SEN transport (Bexley/Bromley/Croydon)
- - Parking – IT systems, enforcement contracts, back-office processes (Bexley/Bromley)
- - Parks – reduced contract costs (Bexley/Bromley)

3.28 The Chief Executives' Shared Services Board has been in place since July 2010. Given the momentum of the projects on the shortlist, it is considered that a board of directors across the three boroughs may be necessary to keep the pace and unblock any obstructions as a result of the service leading the shared service project in their area.

## Regulatory Services

- 3.29 In 2011 the Shared Services Board requested that evaluative work be undertaken to consider if defined 'regulatory services' could be delivered more efficiently and effectively on a shared basis. Subsequent work commissioned by the three Chief Executives recommended moving the operational delivery of the services into a single shared provider unit on a phased basis with the provider ultimately forming a separate legal entity if beneficial to the commissioning authorities.
- 3.30 This target operating model was endorsed by the Shared Services Board and a project was initiated to transition incrementally to a Bromley hosted provider. Services are intended to be provided back to all three organisations and monitored through a client function retained in each local authority.
- 3.31 The 'basket' of regulatory services in scope for this shared service has changed slightly from the original brief based on Chief Officer advice. An amended list of services now in scope is set out below and are consistent with the original proposal.
- Trading Standards
  - Licensing
  - Food Safety
  - Pollution Control
  - Pest control
  - Internal Health & Safety
  - External (public) Health & Safety
  - Stray dogs
  - Public Health Nuisance
  - Private Sector Housing
- 3.32 At the last Leader's Shared Services Board in February a scoping exercise was requested by London Borough of Bexley to establish greater certainty around future standards of service delivery for each Borough and the financial benefits that would be achievable.
- 3.33 This has now been completed and supports the findings of the initial work that in the first instance a management cost saving of 20% is deliverable by moving to a shared arrangement. The combined cost of providing the current separate arrangements is c. £1.4m.
- 3.34 It is anticipated that additional and greater levels of savings are likely to be generated through integration and review of services, once a shared management structure is in place.
- 3.35 As detailed analysis of this integration has not yet been undertaken, the costs and benefits are less certain but savings are likely to be significant. In other similar shared service examples between 15-20% of the total service expenditure is generally achievable. The total combined expenditure across the three authorities is circa £7m. However, it should be reinforced that this level of saving is not guaranteed and is dependent upon the outcome of the review of services and the transition costs and complexities.
- 3.36 Apportionment of costs and savings has been agreed by the boroughs based on the respective share of gross expenditure as at the 2012/13 budget and the list of management posts that would potentially be in scope of the shared service has been clarified.
- 3.37 The formal mandate to proceed with these arrangements are currently being sought through the relevant Portfolio Holders, PDS Chairmen and are likely to go to a special meeting of the Executive.

- 3.38 Assuming Members are supportive of this proposal a shared management team is projected to be in place by January 2013 with phase 1 savings being realised from April 2013.

### **Civic centre accommodation**

- 3.39 As Members will have observed, works on the Civic Centre site are well underway. The current estimated completion of the refurbishment of North Block is 11th May. The basement areas in Exchequer House and the Old Town Hall, which were used for storage, have been completely cleared in preparation for vacating the buildings once the accommodation works are completed.
- 3.40 Property Division and Organisational Improvement have been working with Chief Officers to agree the future allocation of space to departments and teams, taking account of the corporate restructure taking place with effect from April 2012. Discussions with managers are now taking place to finalise their detailed requirements so that the all the operational matters involved in scheduling and implementing the whole set of moves can be known and arrangements put into place. It is expected that all the main moves will take two months to complete and will start as soon after delivery of North Block as possible.

The first move, which will be done as soon as possible and independently from the main schedule, will be to assist the formation of the Education & Care directorate by bringing the senior management team, and their direct support, together in Stockwell on 13<sup>th</sup> April.

- 3.41 Once all staff, including partners' staff, are relocated then the three buildings planned to be vacated (Old Town Hall/Exchequer House, Joseph Lancaster and Ann Springman) will be available.
- 3.42 Consistent with the findings of the accommodation policy/budget review, all Chief Officers have agreed to aim for departmental teams to be co-located as far as possible and , in some cases, to as low as 70% desk/FTE ratio - to the extent this is possible given the limitations of some of our existing buildings and without incurring any cost beyond the approved budget limit.
- 3.43 Further developments, for example, consideration of whether further buildings can be released are dependent on higher level strategic decisions, for example whether the Council will remain on this site or move to a different site as part of the overall town centre developments.

### **Organisational Design**

- 3.44 The organisational restructure is now in place (wef 1<sup>st</sup> April) and officers are now operating within their new departmental reporting lines. The Education and Care department's senior management team, chaired by the Chief Executive pending the appointment of a new director, is leading the integration of adults and children's services and teams.
- 3.45 To assist the integration and visibility of the integration the assistant directors will be the first to be relocated as part of the accommodation changes, and will be co-located (on the third floor of Stockwell ) from 13<sup>th</sup> April.

### **Centralisation/Rationalisation of Support Services**

- 3.46 A project, led by the Director of Resources and Organisational Improvement is reviewing the distribution of support services across the organisation with a view to delivering £350K full year savings.
- 3.47 Some staff (and associated budgets) in respect of Customer Services and ICT functions have already been brought into the Resources directorate and further moves will take place, for example, staff providing financial support services in Adult services will transfer to Finance and

others linked in with future projects under the customer services improvement work mentioned above.

- 3.48 The establishment of the Education and Care department together with the accommodation moves will also enable some consolidation of functions, e.g. the commissioning functions covered in paras 3.4 – 3.9, and other strategic and business support functions.
- 3.49 Generally the Director of Resources (in the main) and Chief Executive to a lesser extent will deliver the full range of generic business support to the whole organisation, and the three 'service' departments will continue to manage their 'local' support, i.e. direct support for senior managers and their service teams.
- 3.50 Work is now underway pulling together all the 2012/13 generic business support running expense budgets (ICT related costs, all furniture & equipment (F&E) and other general office expenses), which are currently distributed across many departments and teams. The intention is that all these budgets will also be consolidated so that savings can be achieved through economies of scale, corporate prioritisation and by utilising the skills of the central procurement team on those areas. By way of example it is expected that, as the accommodation moves will involve fitting out many offices with space efficient furniture there will be a much reduced need to spend on F&E for the foreseeable future.

### **Invest to Save for Special Educational Needs Provision**

- 3.51 The CYP department have engaged an external specialist consultant to lead a project team on the development of an invest to save case to enhance local provision for secondary aged children with autism to help to address a projected increased demand of 156 places over the next ten years. If no action is taken to develop additional capacity locally these places would be commissioned from independent providers at a far higher unit cost, averaging £14K pa per place. Development of local provision will also result in lower SEN transport costs as in borough costs average
- 3.52 As this is closely aligned to the policy /finance review of SEN & Disability, carried out by Organisational Improvement, the team is represented on the invest to save project team.
- 3.53 The work has included involvement of the Member officer Working Group on Special Educational Needs (MOWGSEN) and, in addition to a comprehensive analysis of children's needs has included appraisal of different options in terms of future provision which concluded that the expansion of existing special schools offers the best value for money.
- 3.54 The CYP department have engaged an external consultant to lead a project team on the development of an invest to save case to enhance local provision for secondary aged children with autism to help to address a projected increased demand of 156 places over the next ten years, equivalent to three additional forms of entry. If no action is taken to develop additional capacity these places will be commissioned from independent providers at a far higher cost to both the Dedicated Scholls Grant (DSG) which funds the educational placements and the Revenue Support Grant (RSG) which funds the SEN transport costs. The do nothing option, by 2021, would drive up costs each year resulting in extra demand of £4.2M pa on the DSG and £675K pa on RSG.
- 3.55 As this is closely aligned to the policy /finance review of SEN & Disability, carried out by Organisational Improvement, continuity has been maintained through representation on the invest to save project team.
- 3.56 The work has progressed with the involvement of the Member officer Working Group on Special Educational Needs (MOWGSEN). In addition to a comprehensive analysis of children's needs, has included appraisal of different options in terms of future provision which concluded that the expansion of existing special schools offers the best value for money.



- 3.57 The first practical option, which has been agreed by the Portfolio Holder for CYP and MOWGSEN subject to statutory consultation and approval by the Executive on 11 April, is to expand the Riverside School site in St Paul's Cray by one additional form of entry which, within seven years, will be able to meet the needs of an additional 52 pupils.
- 3.58 Financially this will require £1.2M investment to be met from Basic Need Capital allocations and this was agreed by the CYP portfolio Holder in March. By 2018/19 cumulative savings on placements (DSG funded) will be £ 3.05M (£728K pa) and on SEN Transport (RSG funded) savings will be £462K (equivalent to £110K pa).
- 3.59 Members can access further details on this specific development from the report to the Executive on 11 April, which can be viewed via the following link: [Link to report to Executive](#)
- 3.60 Further detailed work is underway looking at the further expansion to create two additional forms of school entry and at the issue of extended short breaks (respite) provision to gain an accurate projection of future needs and the likely implications, if any, on the use of out of borough residential placements. The work will include detailed modelling of any effects on DSG funded placements, and RSG funded short breaks and transport.
- 3.61 The programme going forward aims to complete a fully detailed business case, covering all elements, by July 2012 for presentation to the Executive.

#### **4 POLICY IMPLICATIONS**

- 4.1 Many of the workstreams that propose a shared service across boroughs or integration of services across Council departments within Bromley are likely to lead to changes in existing policies.

#### **5 FINANCIAL IMPLICATIONS**

- 5.1 All of the workstreams referred to in this report are being progressed as components of the organisation's Financial Strategy to deliver the substantial savings necessary following the Comprehensive Spending Review. Some of the cross-cutting workstreams address smaller efficiency savings which are still of note.

#### **6 LEGAL IMPLICATIONS**

- 6.1 Many of the areas of work highlighted in this report may risk legal challenge due to proposed changes in organisational structure and/or policy. In others, such as market testing, shared services and Public Health, issues including TUPE will be relevant.

#### **7 PERSONNEL IMPLICATIONS**

- 7.1 Many of the projects mentioned above may have personnel implications as we continue to move towards a well skilled but smaller workforce.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	Report to Executive 11 April . ES 12005 Development of Autism Spectrum Disorder (ASD) Secondary Provision.