

Report No.
CEO1198

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Improvement and Efficiency Sub-Committee

Date: 18th April 2012

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

Title: **TRANSITION REPORT (MOVING TOWARDS OUR
CORPORATE OPERATING PRINCIPLES)**

Contact Officer: Doug Patterson, Chief Executive
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Chief Officer:

Ward: Borough-wide

1. Reason for report

To seek Members' views on how this work should be progressed

2. **RECOMMENDATION(S)**

Comment on the approach to be taken to progress towards the Target Operating Model.

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Chris Spellman
 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
 2. If from existing staff resources, number of staff hours:
-

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 Bromley's Corporate Operating Principles articulate the Target Operating Model that the organisation is transitioning towards. This positions the organisation as a Member led, agile commissioning council with flexibility to choose the delivery model best placed to offer value for money in the longer term. (Appendix 1: Corporate Operating Principles).
- 3.2 Having just completed a challenging financial process to set the budget until 2014 and with a significant further budget gap to find from that point on now is an opportune time to consider the major challenges and opportunities ahead and how the organisation will confront these.
- 3.3 The major issue for the organisation over the coming 12-24 months is how it will prepare itself for a significant reduction in revenue funding while maintaining as far as possible its high quality front line services.
- 3.4 Due to strong financial management and clear decision making since the Comprehensive Spending Review we are well positioned for this and if the correct action is instigated we may be left with positive service and revenue investment decisions to make over the next few years.

Key Issues:

Markey Testing & Outsourcing

- 3.5 Our policy of commissioning services from those that can demonstrate better value for money than direct service provision has historically served us well and it is suggested we continue with this direction of travel. In order to take this forward a programme of activity to ensure we have the most appropriate service delivery model in each area is necessary.

Shared Services

- 3.6 In addition to assessing any existing market in the private sector that could provide the same or more for less we will look for opportunities to deliver services as part of a shared service arrangement.
- 3.7 Specifically Bromley is looking for opportunities to share services with LB Bexley and LB Croydon although opportunities to share with other councils and public sector organisations will also be pursued where they would represent value to our residents.

Alternative Delivery Vehicles & The Right to Challenge

- 3.8 The Community Right to Challenge enables voluntary and community bodies as well as employees of the authority that wish to form a mutual organisation to deliver the services. The authority must consider expressions of interest and, where they accept them, run a procurement exercise for the service.
- 3.9 The Community Right will hand the initiative to groups with ideas about how services can be run differently and aims to ensure their ideas get a fair hearing, and that they get the time they need to prepare effective bids for services.
- 3.10 The recent government announcement of the new financial institution set up to resource groups such as staff, charities and community groups will provide financial backing to those that can repay the investment through the income they generate.
- 3.11 We must therefore consider what scope there is for services to be delivered by these alternative delivery vehicles such as: Mutuels, Social Enterprises and Local Authority Trading Companies and how this should be managed in a Member led authority.

Driving Value from Our Existing & Future Third Part Suppliers

- 3.12 As well examining where currently directly provided services could be provided more cost effectively via one of the models above we must maintain and improve our focus on our existing third party spend, increasingly driving value from our current suppliers and new incumbents as we have done recently in areas such as waste and IT support.

Supporting Service Modernisation & Transformation

- 3.13 As per the Invest to Save Report on this agenda, to meet the challenges of the future will require not just incremental improvements to current ways of doing things, but also fundamental changes to our services.
- 3.14 We are looking to stimulate ideas from our people of how to do things differently, improving the processes for procuring and delivering services and building the right supporting infrastructure and systems, eliminating the 'waste' or avoidable contact generated in our operations through poor communications and failures in day-to-day delivery.
- 3.15 We want to maximise the potential of technology to deliver services more efficiently and effectively and to improve the customer's experience by joining up services both at the point of delivery and in the 'back office' across a range of services.
- 3.16 This programme of change activity will require careful and robust management and at a time when our people are under significant pressure in order to maintain 'business as usual'.

Summary

- 3.17 Based on the capacity we have in the organisation and lead time it is important that these and other key issues for the organisation are progressed in a structured and focused way.
- 3.18 There is a need to quickly identify those areas or services where there is the greatest chance of success and those that will have the biggest impact and take these forward as a matter of priority.
- 3.19 Members views are sought on how they wish to see these issues taken forward given the need for clear objectivity, independence and particular skills in many of the areas.

4. Policy Implications

- 4.1 None directly from this report

5. Financial Implications

- 5.1 None directly from this report

6. Legal Implications

- 6.1 None directly from this report

Appendix 1: Corporate Operating Principles