

Committee: OPERATIONS
Date: 28 JUNE 2007
Title: UTTLESFORD IN 2011
TRANSFORMATION PROGRAMME –
PROGRESS REPORT
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Transformation 01799 510330

Agenda Item

8b

Item for information

1 Summary

1. This report gives a brief update on the progress of each of the Uttlesford in 2011 Transformation Programme work streams.

Recommendations

2. That the committee note and comment on the progress of the work streams.

Background Papers

3. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - The report to council on 12 December 2006;
 - The report to council on 15 February 2007.

Impact

Communication/Consultation	A draft of this report was circulated to the Strategic Management Board for comments. Staff communication and consultation has taken place in the form of 'drop-in' sessions and regular updates in the council's monthly newsletter.
Community Safety	None.
Equalities	None.
Finance	See paragraphs 26, 41 and 42.
Human Rights	None.
Legal implications	None.
Ward-specific impacts	None.
Workforce/Workplace	See paragraphs 17 and 18.

Situation

Work stream 1 – Change management

4. A number of change management models have been looked at to ensure that any changes to the organisation, information systems, processes, working environment, people and their behaviours are implemented to deliver overall improvement. The model selected which was developed by a local authority in conjunction with Deloitte and Touche, has been in use successfully for a number of years.
5. The change management toolkit has been integrated with the council's programme and project management toolkit. This will ensure a consistent approach for meeting the transformation programme objectives. It follows four generic lifecycle stages and is based on real-life project experience. The toolkit will be developed to allow on-line accessibility to guidance, techniques and templates.
6. The role of the council's organisational re-engineering team has been broadened to ensure that the council's newly adopted change management model is applied consistently throughout the council.

Work stream 2 – Member support and development

7. Two Member drop-in sessions have been arranged for 9th July (4.00 – 7.00pm) and 23rd July (9.30am – 12.30pm). The purpose of the sessions is to provide all Councillors with the opportunity of establishing their future personal needs, growth and development as a Councillor.
8. At the drop-in sessions there will be an opportunity to view various training providers and development opportunities that may help progress individual needs for the coming year. Once identified, these will be put into action. Throughout the year Mick Purkiss, the council's Democratic Services Manager, will keep Members up to date with any Councillor specific training that arises.
9. The council is introducing the Improvement and Development Agency (IDeA) Charter for Member Development. The charter will help the council adopt a structured approach to Councillor development and to building elected Member capacity.
10. All Councillors have been provided with the opportunity of developing mentor relationship. Mentor training can be provided if requested.
11. The Information and Communications Technology team have held drop-in sessions to assist Members in identifying their ICT requirements. Equipment is now being delivered and installed. All Councillors have been given the opportunity to make use of a mobile device to enable them to receive e-mails.

Work stream 3 – Organisational Re-engineering

12. Phase II of the organisational re-engineering (OR) programme in housing services is nearing completion. The final report containing recommendations and transition plan will be available shortly.
13. The OR programme timetable has been reviewed in conjunction with the revenue savings requirements detailed in the Medium Term Financial Strategy. This was done to identify and prioritise areas of service delivery where it is thought that early service improvement and/or efficiency savings can be made.
14. It was originally planned to approach deployment of initiatives such as home working as part of the phased OR programme. Such initiatives will now be looked at in a cross cutting manner, again so that early service improvement and efficiency savings can be identified and delivered.
15. The revised OR programme for 2007/08 has been divided into three elements, which will all run concurrently: -

Element	Detail
Established OR programme	<ul style="list-style-type: none">▪ Completion of phase II in housing services▪ Phase III in development services and building surveying
Prioritised services	<ul style="list-style-type: none">▪ Democratic services and corporate administration▪ Mailroom services (postal deregulation)▪ Reprographics and printing services▪ Stewarding (including registrar)▪ Environmental services telephony and admin team
Cross cutting areas	<ul style="list-style-type: none">▪ Home working▪ Mobile working▪ Central debt management▪ Administration staff▪ Visiting staff

- Central scanning
- Use of corporate systems (e.g. document imaging)
- Income generation

16. The OR programme has been set a target of £1.115m revenue savings to achieve by 2011. The original programme expected to achieve £0.251m by the end of 2008/09. The revision to the timetable means that £0.467m can now be achieved by the end of 2008/09.

Work stream 4 – Human Resources

17. In the absence of a Head of Division for Human Resources (HR), the Director of Resources has met with the three senior HR staff and agreed a split of the work stream activities. Some of the dates may need revising but the programme of work is now progressing. An outline HR strategy has been produced and this will be developed into a detailed document as a priority.

18. There is also an internal session looking at the strengths, weaknesses, opportunities and threats of surrounding HR. An externally facilitated session is planned to challenge and update what the council should be offering in terms of a modern HR service.

Work stream 5 – Climate change

19. Council officers attended an away day on 20 April 2007 at the Great Notley Discovery Centre near Braintree. The main aim of the day was to build on the recommendations of the Scrutiny Climate Change Investigation Group and develop an overarching climate change strategy for the council. The strategy is now being progressed and will be ready for circulation by 31 July 2007.

20. A Climate Change Working Group has been established to take this work forward. This is made of officers with interest and responsibility for delivering specific parts of the strategy and includes Councillor David Sadler as the Member champion.

21. A key aspect of the climate change strategy is the reduction of CO₂ emissions. The council is one of 45 local authorities taking part in this year's Local Authority Carbon Management (LACM) Programme, run by the Carbon Trust. The council will be working closely with Braintree District Council and Colchester Borough Council as the first group of three councils to operate together in the LACM programme. The Climate Change Working Group will oversee the work required as part of the LACM programme. The programme will help the council measure and reduce its direct CO₂ emissions from buildings, vehicles, business travel

and office waste. A challenging, but achievable, target has been set of reducing the council's direct emissions by 25% by 2011. To help fund the programme, the council has secured £50,000 of match funding from Salix Finance, an independent arm of the Carbon Trust, to assist with energy, carbon and cost saving projects. The LACM programme project plan is attached at appendix 1 to this report. It should be stressed that this forms only part of the work required to reduce climate change.

22. An awareness campaign has already started informing staff of the simple things that can be done to reduce carbon emissions. Energy reports for the Saffron Walden offices have been sent to both Members and staff with tips on how to cut usage.
23. The council has a duty to set an example for the community to follow in reducing the effects of climate change. It also has a responsibility to promote best practice to other local authorities. Jake Roos, the council's Energy Efficiency Surveyor and lead officer for the climate change work stream, recently gave a talk to Suffolk Coastal District Council on the council's work on climate change. He will also be speaking at a Local Government Association conference in July 2007. The Chief Executive will also be speaking to the Inter Authorities Group on 12 July 2007 on tackling climate change.

Work stream 6 – Council properties

24. The future use of the council's properties throughout the district needs to take account of some, if not all, of the following: -
- a) Future service delivery plans, especially with the need to progress shared service delivery and collaborative working;
 - b) Future footprint within the buildings, especially with the introduction of more flexible ways of working;
 - c) The need to have an ongoing presence within the district to deal with customer facing enquiries and our longer term plans for satellite office provision;
 - d) Potential realisation of any capital receipts from any buildings and sites and reduced running costs;
 - e) The extent to which the buildings impinge on our aim to reduce carbon emissions.
25. Discussions about potential options will be progressed over the next few weeks.

Work stream 7 – Information and communications technology

26. The council's capital programme for 2007/08 earmarked a sum of £820,000 for the replacement of the planning, environmental services, building surveying and land charges computer system. The current system, Ocella, has been in use for some 17 years. Although longevity of a system should not be a pre-cursor for its replacement, the council is

required to review all its systems to ensure that it is getting value for money from them. In addition, up to date technology can be a key enabler in driving service efficiency and improvement. The decision to replace all, or some, of the current Ocella modules will not be taken without a full, robust business case demonstrating the estimated return on capital and revenue investment. Although the amount of £820,000 has already been approved as part of the capital programme for 2007/08, any proposal to replace the existing system will be reported to the IT Working Group and then this Committee for a decision.

27. The project to re-build the council's financial management system (Integra) will start in July 2007. This will deliver many benefits, including the establishment of a new coding structure based upon current local authority accounting principles, plus the automation of many transactions. It will provide the organisation with the tools to more effectively manage and report on the council's financial affairs. The re-build is expected to be completed by the end of March 2008.

Work stream 8 – Community leadership

28. The council's draft consultation strategy has been produced and circulated to staff and stakeholders. The strategy has regard to hard to reach groups. The consultation framework was reported the Performance Select Committee on 25 April 2007.
29. Discussions with Essex County Council on a joint consultation post are continuing. The council is working with the county and Rochford District Council on Talk Essex and also developing a consultation toolkit.
30. The Improvement and Development Agency (IDeA) Communities of Practice has been set up for the diversity forum as part of the Building Capacity East (BCE) Migrant Worker Communities project.
31. Strategies and services to support migrant workers are being developed as part of the BCE Migrant Worker Communities project. A project manager is in place and the project plan is being developed.
32. Research is currently taking place on locality management/area governance structures in use elsewhere.
33. The Performance Improvement Team have attended regular meetings of the Essex Policy and Performance Network and sub-group on Public Engagement.
34. The Director for Communities is leading on the newly created SOLACE migrant workers forum, which contributes to the national policy agenda on migration issues.

Work stream 9 – Communication

35. Sessions have been held with focus groups to consult over the council's overarching communications strategy. The Strategic Management Board is looking at how we can communicate and engage with staff and customers in more interesting and creative ways. It is proposed to present the draft strategy to Members at the next Performance Select Committee meeting.
36. A series of 'drop-in' sessions were held on 24, 27, 30 April, 1, 2 and 21 May 2007 to discuss the Uttlesford in 2011 Transformation Programme and the council's budget situation. The sessions were very well attended by 127 staff in total. The drop-in sessions were designed to encourage discussion and feedback and there have been lots of ideas and suggestions about how we can work differently and change for the better. Some of these include using parish halls and day centres for holding staff training courses instead of using higher cost venues, reducing the amount of paper we print and charging for advice beyond the level of service that we are required to give. This information has been captured and made available for all staff to see on the intranet. All the ideas put forward are being followed up and staff will be informed of the outcome of their suggestions.
37. An Uttlesford in 2011 discussion forum is accessible through the intranet so that staff can share views and make suggestions about the transformation programme.
38. Regular articles on the transformation programme are appearing in the council's monthly newsletter, 'Utterings'.
39. A 'think tank' of staff representing democratic services, corporate administration, the mail room, print room and key users of these services is to be established at the start of the organisational re-engineering in those areas to seek ideas and suggestions on better ways of working.

Work stream 10 – Customers

40. The Audit Commission access to services on site inspection has been concluded and the draft report is now awaited. The key findings and recommendations will be developed into an action plan and integrated into the overall project plan for the work stream.
41. Information on different access channels is being gathered and analysed to assess the usage.
42. Councillor Howard Rolfe has been appointed the Member champion for customers.

Work stream 11 – Shared and collaborative services

43. The report to the Council meeting on 15 February 2007 highlighted the need for the council to challenge traditional methods of service delivery in order to deliver the transformation and value for money that our community and organisation needs.
44. A strategy for shared services and collaborative working has been developed as a starting point to provide the platform for an early assessment of likely candidates for collaborative working and shared services. The strategy is shown at appendix 2 to this report.
45. In line with the strategy, information on cost, performance and where available quality on different services has been collated and will be discussed by the Strategic Management Board shortly. This will enable a service by service improvement and efficiency capability evaluation to be carried out. The capability evaluations will highlight the potential of each service to reduce costs and/or improve performance/quality. The aim is to ensure that all services are positioned in the top quartile for both cost and quality, that is to say low cost and high performance/quality. Local circumstances, which affect cost and service performance, will be taken into account in the evaluation.
46. The strategy also explains that, irrespective of the prioritised list, where the opportunity arises to consider a service for shared or collaborative working, an assessment will be carried out. The opportunity assessment appended to the strategy has been progressed with an initial meeting taking place between the two Chief Executives and relevant senior managers. The outcome is that option one is pursued immediately with option three being progressed in the longer term if the former works well.

Work stream 12 – Financial management

47. The Medium Term Financial Strategy (MTFS) was approved by council on 15 February 2007. The MTFS has been updated and a budget timetable produced for consideration by this committee.
48. The council's budget situation is a top priority for the Strategic Management Board. The organisational re-engineering programme timetable has been revised (paragraph 15) to provide renewed focus on delivering early revenue savings in 'quick win' service areas.

Risk Analysis

49. A full risk register associated with the Uttlesford in 2011 Transformation Programme is set out in the programme initiation document, which is being considered by this committee at agenda item 8a. It can also be found on the council's intranet.



Uttlesford District Council Carbon Management Programme

Project Plan

Date: 13 June 2007
Version number: 2
Owner: Jake Roos
Approval: Keith Osborne, Mike Brean

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1 What we want to get out of this project

Uttlesford District Council has been undertaking many new initiatives related to sustainability in recent years, which have tended to be outwardly focused. The Council is conscious that its internal activities and practices must stay in step with its outward messages or face accusations of hypocrisy from the public. Furthermore, the Council's energy prices have risen by approximately 70% in the last year, while facing increasing pressure to find savings in the budget. Carbon management offers a way to reduce costs and become more efficient.

1.1 Context for the project

Uttlesford District Council has made a commitment as a signatory to the Nottingham Declaration on Climate Change to address the causes and effects of climate change. Following this, the Council went through a member-led review of our operations to identify areas of improvement with respect to sustainability and climate change. The Council accepted the recommendations of this review, which included undertaking an ongoing programme of measures to reduce our carbon emissions. These recommendations have been integrated into the Council's 5-year business transformation plan in the form of an overarching climate change strategy covering all the Council's operations and areas of influence, which is currently being finalised.

1.2 Outcome sought

The Council sought to be involved in the LACM to get expert support and guidance, along with the imposition of professional rigor and discipline necessary to run a successful carbon management programme, as this is not something the Council has done in the past. By being involved in the LACM, we hope to imbed carbon management into our operations, and begin to reduce carbon emissions and operating costs. To this end, at the end of the LACM process we hope to have established a strong programme of measures supported by robust management and financial mechanisms that can continue indefinitely into the future.

1.3 Objectives

To establish a Carbon Management programme within Uttlesford District Council by 31 December 2007 that will:

- Reduce CO2 emissions from Council operations by 25% compared to 2006-07 by 2011 (draft target)
- Reduce energy consumption of Uttlesford District Council by 25% compared to 2006-07 2011 (draft target)
- Encourage workforce involvement in the identification of opportunities and the implementation of action
- Lead by example and encourage our partners and the community to make changes to reduce carbon emissions
- Raise the environmental profile of the Council locally
- Bring together existing and future carbon management projects into a consistently managed and coherent programme by 31 December 2007 with management oversight from the Strategic Management Board

1.4 Deliverables

- Project Plan complete and signed off by Sponsor by 11 June 2007
- Strategy and Implementation plan complete and signed off by Sponsor by 30 March 2008
- Input carbon reduction targets into the Council Climate Change Strategy by 31 July 2007
- Input carbon reduction targets into the Corporate Plan by 31 March 2008

2 What to be involved with the project

2.1 Project team

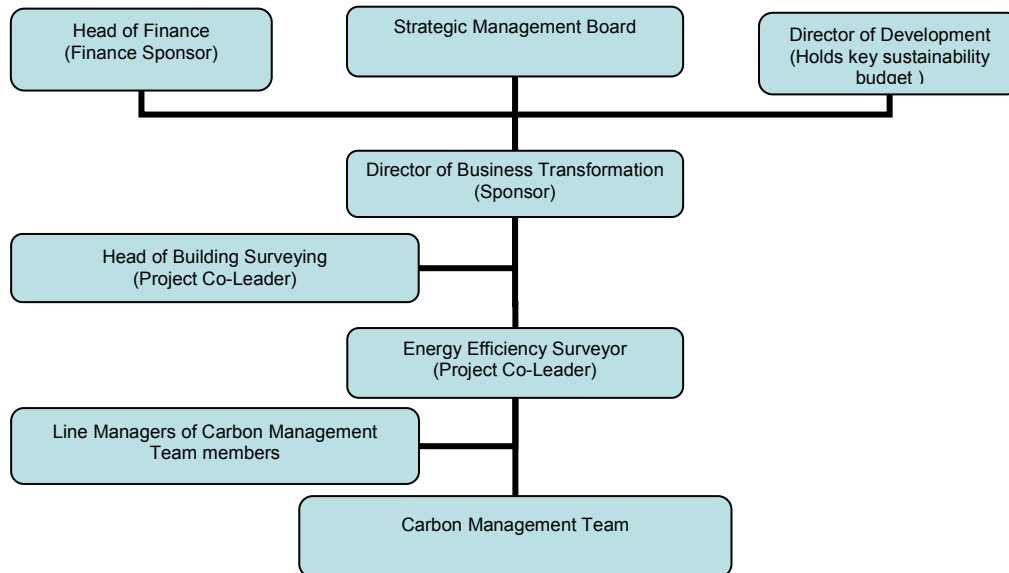
Role in Carbon Management programme	Name and position in the LA	Contact details
Sponsor	Mike Brean Director of Business Transformation	01799 510330 mbrean@uttlesford.gov.uk
Councillor Sponsor	Cllr David Sadler	01799 513161 cllrsadler@uttlesford.gov.uk
Project Co-leader	Jake Roos Energy Efficiency Surveyor	01799 510511 jroos@uttlesford.gov.uk
Project Co-leader	Keith Osborne Head of Building Surveying	01799 510531 kosborne@uttlesford.gov.uk
Finance Champion	John Dyson Head of Finance	01799 510310 jdyson@uttlesford.gov.uk
Team members	John Farnell Energy Manager	01799 510538 jfarnell@uttlesford.gov.uk
	Russell Goodey Repairs Manager	01799 510526 rgoodey@uttlesford.gov.uk
	Ron Pridham Head of Street Services	01799 510597 rpriham@uttlesford.gov.uk
	Andrea Oram Human Resources Officer	01799 510363 aoram@uttlesford.gov.uk
	Sally Johnson Head Steward	01799 510620 sjohnson@uttlesford.gov.uk
	Richard Auty Head of Communications	01799 510500 rauty@uttlesford.gov.uk

2.2 Governance structure

The project leaders will report directly to the Director Sponsor. There will be a monthly Carbon Management Team (CMT) meeting, as the main part of a monthly meeting for the Council's wider business transformation 'Sustainability' work stream.

As the Carbon Management Team already has many senior staff (heads of division) as its members and UDC is a small organisation, there will not be a carbon management programme board set up. Instead, monthly progress reports from the Carbon Management Team will go directly to the Strategic Management Board (which consists of directors and the chief executive) as part of a regular report on the Sustainability Work stream. The Strategic Management Board (SMB) is the most senior officer grouping in the Council.

Progress will be discussed between the project leads and sponsors as part of every monthly CMT meeting. Any serious issues requiring strategic direction will be discussed at SMB.



2.3 Key stakeholder groups or individuals

See Annex A for communications plan

- Members of the Carbon Management Team
- Chief Executive and Directors
- Heads of Division
- General staff
- Council leader
- Chairman
- Member sponsor
- Other Councillors
- Local Agenda 21
- Residents



3. What our project will cover

The project will cover all sources of direct emissions, that is, the emissions arising from activities we pay for. The emissions arising from activities we are involved with but we do not directly pay for will not be included at this time.

3.1 Scope

The sources of emissions to be managed through this project include:

- Council buildings (existing and new)
- Council vehicle fleet
- Staff travel
- Existing contracts which represent a significant amount of 'outsourced' emissions
- Council waste

The sources of emissions that will be excluded from this project:

- Staff commuting
- Council housing (where utility bills are paid directly by the tenant)
- Domestic and trade waste the Council collects

3.2 Existing projects

- Council Climate Change Strategy – In draft form, needs to be finalised and published. Carbon Target from LACM process should be included in this
- Salix Finance – we have secured £50,000 match-funding from Salix for carbon management projects. LACM programme of projects should make full use of this and match with spending targets
- New Thaxted Day Centre – the Council is building a new day centre. The brief has been for this building to be an exemplar of sustainable construction. Work begins summer 2007. £12,000 funding for a PV array has been secured.
- Display Campaign – The council has joined the pan-European 'Display' campaign and will be producing and displaying energy performance posters for all its major buildings.
- Weekly electricity use reports for main council office are being sent by email to all staff.

3.3 Identification of opportunities

Quick wins

- Initial Salix projects can be implemented immediately
 - Insulation museum roof
 - Controls improvements at certain sites
 - Point of use hot water at main council office
- Heating system switch off in summer, major buildings
- Pipe insulation work at sheltered housing sites
- Reduce outdoor lighting in car parks late at night
- Switch off software for office PCs (PowerOut)
- Fluorescent tubes – immediate change out of old type
- Programmable timers for vending machines, printers etc



working
with



- Improved recycling facilities in office

Other projects

- Boiler replacements at sheltered housing sites
- Boiler firing optimisation
- Other lighting improvements
- Voltage modulation (Power Perfector)
- Combined heat and power at sheltered housing sites
- Purchase of nine new fleet vehicles planned
- Changes to car lease and loan policy
- Special reimbursement rate for car-sharing
- New servers



4. When things need to be done and preparing for what might go wrong

4.1 Dependencies

- Budget setting - ring fencing needs to be established by end ? 2008 (John D?)
- Salix spending targets – £20,000 Salix eligible projects by November 2007, another £40,000 by June 2008, another £40,000 by November 2008.
- £12,000 DTI grant for photovoltaic array on Vicarage Mead Sheltered Housing must be spent within 6 months of the grant offer letter (approximately December 2007).
- David Osborn, Architectural Surveyor who is leading Thaxted Day Centre Project, and to a lesser extent Vicarage Mead Sheltered Housing PV array, is leaving Council July 2008.
- Electricity contract will be renewed June 2008, and gas contract will be renewed October 2008
- Council Climate change strategy is scheduled to be completed and published by end July 2007 and it was envisioned this would include the Council's internal carbon reduction target.

4.2 Risks and issues

See Annex B for more details

Risks

Budget deficit – The Council has a budget shortfall and staff are being pressed to find savings. Although this complements the energy cost saving aspect of LACM, it may impact on the 'ring-fencing' of energy budget savings and staff resources available to implement projects as posts are left vacant. This should not affect funding availability for investment in projects as the funding for this has already been agreed and more importantly comes from outside the general fund budget where savings must be found. Provided projects have a robust business case and plan, there should be no difficulty authorising expenditure.

Staff resources – It was hoped a 0.3 FTE 'Carbon Manager' would be appointed to implement carbon reduction projects. This now does not look like it will be possible. It falls to existing staff to implement these projects, who must balance with their other workload.

Meeting Salix reporting requirements – Match fund has been secured from Salix Finance by the Council for carbon-saving projects. However, the Council must implement a programme of measures to meet spending targets, and their reporting requirements must be met, which may impact on staff resources for LACM. As the work is complementary it is anticipated this will not be a major problem and may accelerate LACM progress by giving added impetus to find projects.

Issues

Staff absence - Jake Roos, Project Co-leader will be on holiday for all of December 2007.

New administration – There has been a change of administration following the May 2007 election. The new leading party is supportive of carbon management, but relationships and understanding must be built with new councillors.

4.3 Main activities and milestones

See Annex C for details

Summary of milestones

- | | | |
|---|------|--------------------------|
| ○ Producing Project Plan and getting sign-off | (M1) | 11 th June |
| ○ Defining Governance for project | (M2) | 18 th June |
| ○ Holding first CMT meeting | | by 20 th July |

Uttlesford District Council
Carbon Management Programme
Project Plan



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- First report to SMB 24th July
- Produce emissions baseline (M3) 13th August
- Implemented all Salix Tranche 1 projects by 18th November
- Opportunities fully documented (M4) 12th November
- Sign off on final Strategic Implementation Plan (M5) 24th March

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5 Annex A - Stakeholder Communications Plan

Individual or Group	Influence	Impact	Their interest or issues	Their information needs or messages	Means of Communication
Members of the Carbon Management Team	H	H	Carbon management, their other duties	Kept informed of programme as a whole, what they need to do, how they fit in	Monthly meetings, email
Chief Executive and Directors	H	H	Impact on budgets, progress made, impact on service delivery	Progress reports, if there are any problems needing strategic direction	SMB meetings, email updates
Heads of Division	H	H	Impact on service delivery	Progress reports, any resource implications	HoD meetings, email updates
General staff	M	M	How it affects their day-to-day job	Success stories and progress, importance of their habits on energy performance	Email updates, staff magazine, energy certificates in UDC buildings
Council leader	H	H	Impact on budgets, progress made, impact on service delivery	Progress reports, any issues of a political nature	Member's bulletin, member champion, Council meetings and committee reports
Chairman	M	M	Examples to use in her sustainability campaign	Progress reports, good news stories	Member's bulletin, direct briefings
Other Councillors	M	M	If the programme is producing results	Progress reports, good news stories	Member's bulletin, member champion, Council meetings and committee reports
Local Agenda 21	L	M	Sustainability, whether the Council sets a good example.	Progress reports	LA21 meetings
Residents	L	M	If council is spending their money wisely, actions on environment matching words.	Whether the programme producing positive outcomes That Council is serious, making progress reducing carbon footprint	Local press, Uttlesford Life, energy certificates in UDC buildings, Council Climate Change Strategy

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6 Annex B – Risk and Issue Log

	Description	Impact	Probability	Mitigating actions	Status
1	Budget deficit puts strain on staff resources through vacant posts	H	L	Check with team regularly on progress with tasks, balance with other workload reallocate	No planned departures of CMT staff as far as is known. David Osborn's departure may have knock on effects on Russell Goodey's time.
2	General lack of staff resource to identify and implement projects	H	M	Investigate alternative arrangements for Carbon Management staff support – e.g. graduate work placement, buying staff time from partner local authorities	
3	Salix reporting requirements, need to deliver Salix projects delays delivery of LACM project milestones	H	I	Work with Salix to set up reporting following delivery of first funding tranche to establish workload, delegate tasks to Finance section if possible	Salix waiting on signed agreements from UDC
4	Jake Roos will be absent for 1 month in December	L	I	Secure cover from CMT members for missed teleconference	

Impact: a subjective evaluation of the scale of the impact of the risk, should it happen - High (H), Medium (M) or Low (L)

Probability: a subjective evaluation of how likely the risk is to occur - High (H), Medium (M) or Low (L), or I if it is a current issue

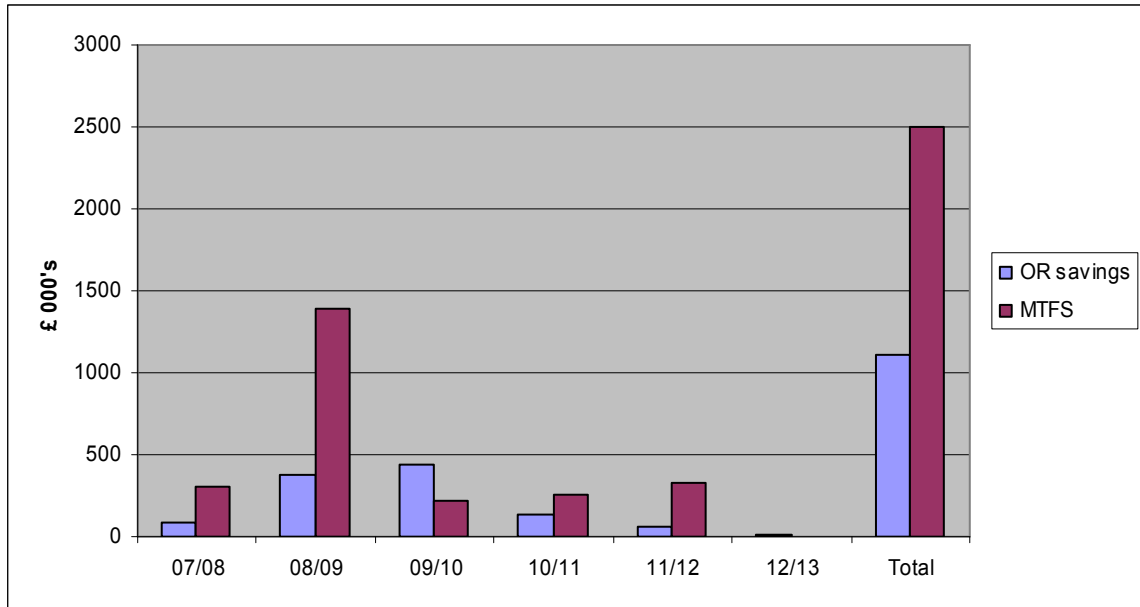
Strategy for shared services and collaborative working

Introduction

1. Between 2001 and 2006, the Government committed £675 million in capital investment to help deliver the infrastructure for local electronic government, including £0.9 million in capital grant to every local authority. Building on this investment as part of the national focus on Transformational Government and acting on the recommendations of the Varney Report on service transformation, requires us to make the technology work much harder at transforming public services as citizens receive them, driving out efficiencies through improved service design and delivery.
2. The current efficiency agenda puts shared service delivery in the centre of Government policy and local authorities can no longer undertake any activity on a standalone basis as the most cost effective way of delivering services.
3. The council has already provided services jointly, or in collaboration with other councils, for example the joint audit partnership with Stevenage Borough Council. However, such developments have been fragmented and have not been the standard way of developing services.
4. This strategy approaches joint working as a sensible, but pragmatic way forward. It complements the work already carried out by the Cabinet Office, which is set out in the e-Government report 'Transformational Government – Enabled by Technology'.

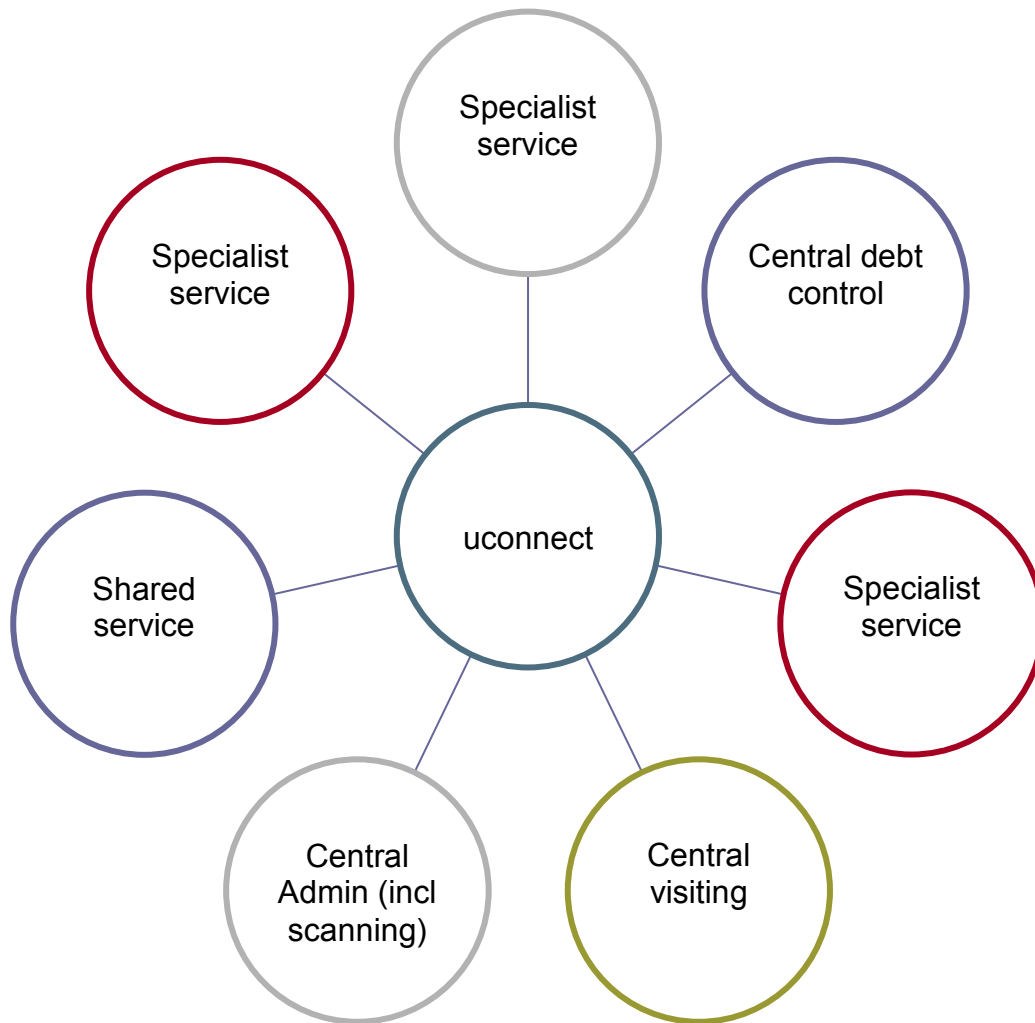
Budgetary position

5. In order to deliver the transformation and value for money that our community needs, we will have to challenge traditional methods of service delivery, eliminating waste in order to drive efficiency.
6. The Medium Term Financial Strategy (MTFS) for 2007/08 – 2011/12 was approved by the council on 15 February 2007 and sets out the estimated general fund expenditure and required budgetary savings over the next 4 years. Recent changes in the budgetary position means that a total of £2.495m cashable savings is required between now and 2011/12.
7. The Uttlesford in 2011 Transformation Programme has been set a cashable efficiency savings target of £1.5m. The Organisational Re-engineering programme has targeted cashable savings to achieve of £1.115m through to 2012/13. £250,000 of this has already been taken into account in the 2007/08 budget savings exercise. This leaves a shortfall in the required general fund revenue savings of £1.38m. The chart below shows the full OR savings target of £1.115 against the MTFS.



Organisation Design

8. The way the council is organised and operates is changing with the re-structuring of the senior management team and heads of division. In addition, the implementation of the uconnect customer service centre means that our customers are at the heart of everything we do.
9. The OR programme is set to re-engineer all services, both customer facing and support, over the next 4 years. This will enable routine enquiries to be dealt with by uconnect at the first point of contact, freeing up expert staff to deal with complex and specialist work. Another key aspect of the OR programme is the investigation of cross cutting functions such, as debt recovery, to see how they can be delivered more efficiently.
10. Taking all these things into account, the organisation design model below illustrates in general terms how the council will look and operate in the future.



Options for shared and collaborative services

11. The Communities for Local Government (CLG) has produced a list of the various options for collaboration and shared services. The council will have regard to these models when considering shared services:

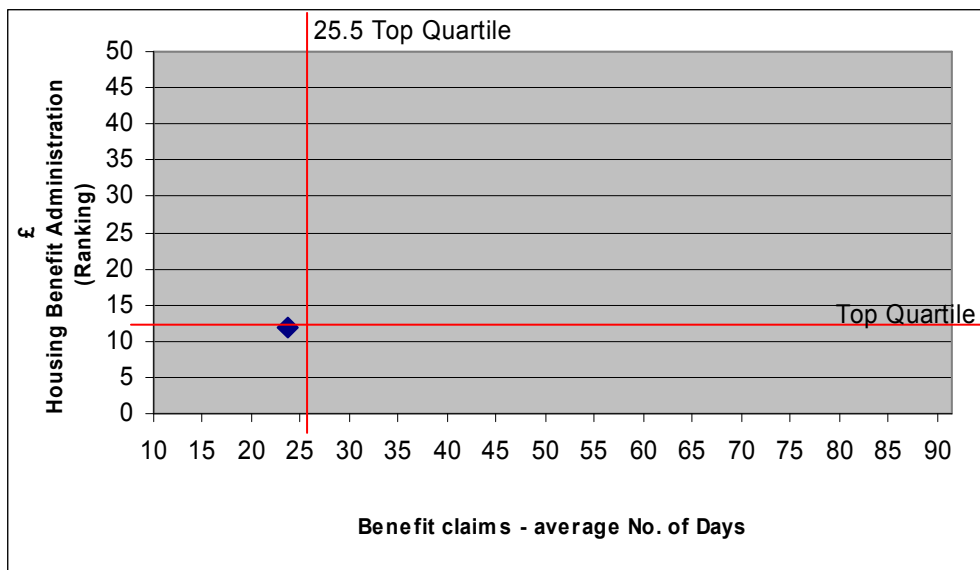
- a. Centralisation and standardisation within a single local authority;
- b. Collaboration between authorities on strategic approaches;
- c. Collaboration between bodies for the better delivery of services, improved procurement and working with other public bodies;
- d. Franchise approaches, such as local authorities providing direct support to another;
- e. Joint service delivery between local authorities;
- f. Joint service delivery between different types of public body;
- g. Commercial trading to provide new income for the benefit of the initiating authority or authorities;
- h. Commercial trading in partnership with a private sector partner.

Service cost and quality analysis

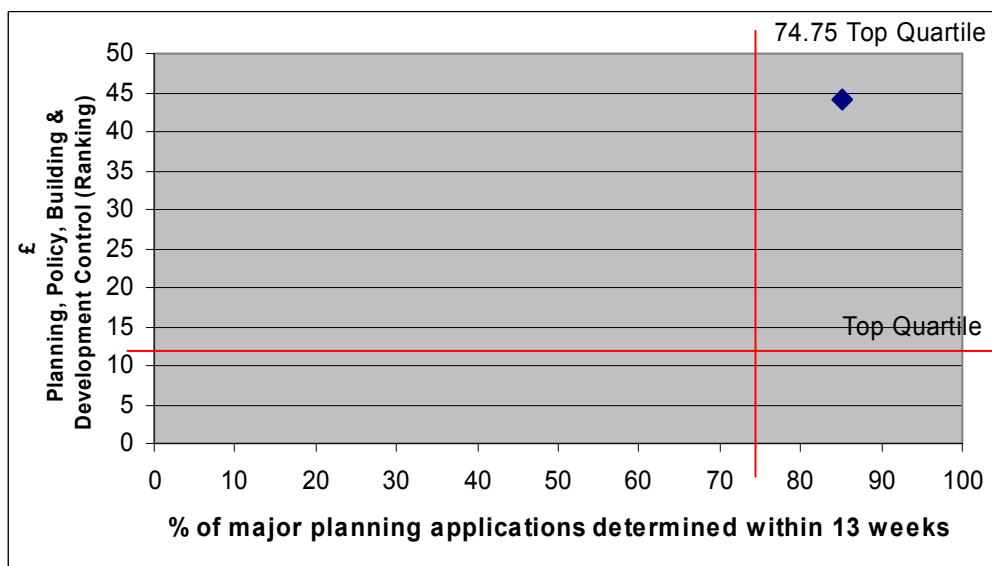
12. Information was recently presented to SMB on the 2005/06 costs of key services for sparsely populated local authorities. The performance and quality data for services is currently being collected and will be used in conjunction with the cost information for comparison purposes.

13. Examples of the data being analysed are shown below:-

Example 1



Example 2

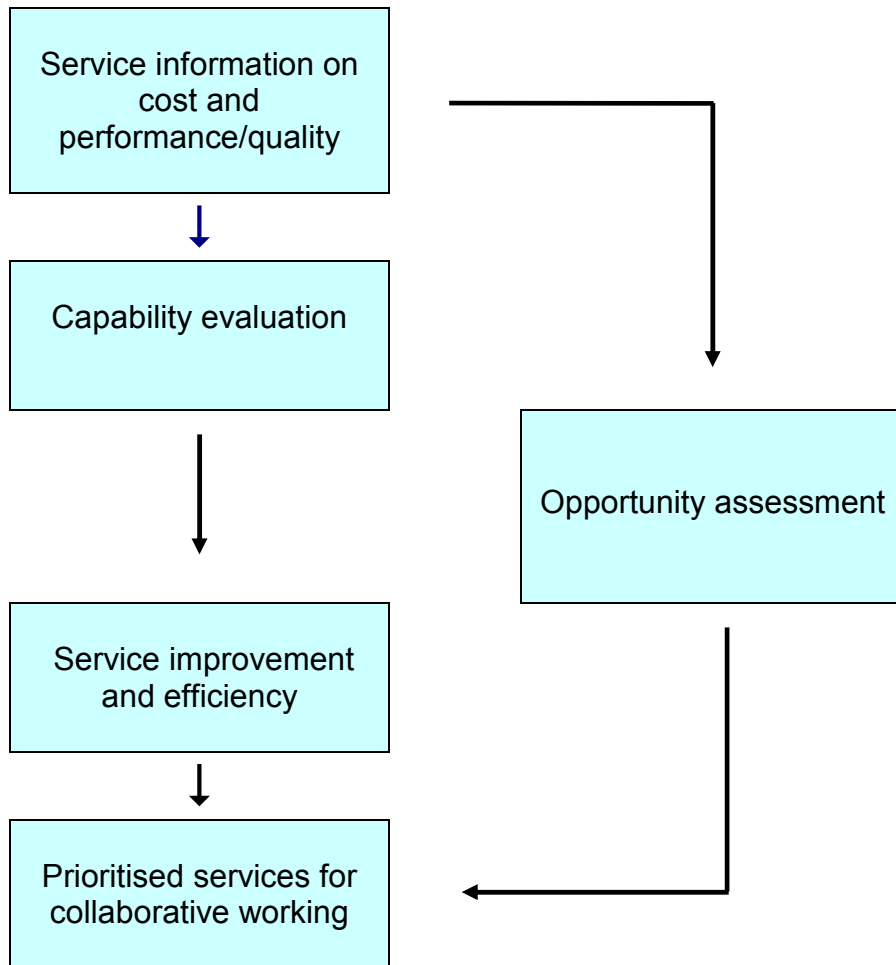


Service improvement and efficiency

14. The above information will be circulated to SMB as soon as the data collation exercise has been completed so that a service by service improvement and efficiency capability evaluation can be carried out.
15. The capability evaluations will highlight the potential of each service to reduce costs and/or improve performance/quality. The aim is to ensure that all services are positioned in the top quartile for both cost and quality, that is to say low cost and high performance/quality.
16. Services that are unable to demonstrate the potential for improved performance and/or efficiency through the capability evaluation will be prioritised for shared service and collaboration.
17. Of course, local circumstances, which affect cost and service performance, will be taken into account in the evaluation.

Opportunity assessment

18. Where there is a need, or desire, to consider shared services or collaborative working, an opportunity assessment will be carried out. This may be in advance of any prioritisation exercise that has already been carried out where the opportunity presents itself for collaborative working.
19. The opportunity assessment will cover the following: -
 - Service overview
 - Collaboration opportunities - options
 - Benefits of collaboration
 - Roadmap
 - Decision points
 - Key dependencies
 - Challenges
20. The assessment will broadly cover service characteristics and compare cost and performance information with other prospective shared service partners. This will enable a high-level view to be taken of the benefits of and potential for delivery of a shared service.
21. An opportunity has already presented itself to work in collaboration with another council to provide revenues and benefits services. Appendix 1 gives details of the opportunity assessment currently being developed.
22. The process covered in paragraphs 11 to 21 can be summarised as follows:



Business case for change

23. The opportunity assessment will outline the options for collaborative working. A full business case will then be developed for those options showing potential for shared services, setting out the estimated financial savings and performance improvements.

Systems replacement

24. Councils use different suppliers and systems and this should not be a barrier to collaborative working. However, it is evident from shared service arrangements already in place in other local authorities that collaborative working is much easier to implement with quicker benefits realisation in councils where the same system is in use.

25. To help the council assess potential partners for shared service delivery, information is being gathered on the systems currently being used by other Essex and neighbouring local authorities. This will be used to inform our future plans for shared services and highlight any potential partners.

Organisational re-engineering

26. To complement the above work, the remit of the OR team will be broadened to ensure that service and performance capability evaluations are established and being followed through.

Business Improvement Package

27. The CLG has recognised that by setting out the case for business improvement as part of a coherent corporate change programme, local authorities will be better able to improve efficiency and build capability for longer-term transformation.

28. The recently released Business Improvement Package (BIP) has been developed to help support change in individual and collective local authority behaviour as part of the Government's transformation and efficiency agenda. The CLG have clearly stated that the BIP is not an exercise in Government specification and inspection. The package draws together the models of best practice to facilitate shared learning across all local authorities.

29. Interestingly, much of the content of the BIP has already been included in the Uttlesford in 2011 Transformation Programme work streams. The BIP itself has four main themes:

- Business process improvement (deploying re-engineering tools to eliminate waste);
- Service transaction costs;
- Access channel management;
- Collaboration and shared services.

30. The BIP will be used to ensure that the Uttlesford in 2011 Transformation Programme follows local authority best practice in the shared service and other relevant work streams.

An assessment of the opportunity for joint revenues and benefits service delivery between Brentwood Borough Council and Uttlesford District Council.

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 - 2.1.1 Scope - council tax and business rates
 - 2.1.2 Scope - benefits
 - 2.1.3 Revenues and benefits service - characteristics
 - 2.2 Collaborative working – options
 - 2.3 Benefits of collaboration
 - 2.4 Roadmap
 - 2.5 Decision points
 - 2.6 Key dependencies
 - 2.7 Challenges
 - 2.8 Governance
 - 2.9 Next steps

1. Opportunity Assessment

1.1. Introduction

An opportunity has arisen for the exploration of a joint revenues and benefits service between Brentwood and Uttlesford.

This report is a high-level appraisal of the joint service delivery opportunity that is available and which can be maximised through the adoption of common organisation structures, working practices, processes and technology. It also covers the options around fully integrating both services.

This report contains summary service information for comparison purposes, which is available in the public domain. In order for a robust appraisal to be carried out, more detailed information will be required.

2. Revenues and benefits

2.1 Service overview

2.1.1 Council tax and business rates

The scope is as follows: -

- a. Billing and collection
- b. Recovery
- c. Systems
- d. Customer service – face to face
- e. Customer service – telephone

2.1.2 Benefits

The scope of the benefits service is: -

- a. Administration
- b. Claims processing
- c. Interventions
- d. Counter fraud
- e. Adjudication and overpayments
- f. Quality, systems and finance (subsidy)
- g. Customer service – face to face
- h. Customer service – telephone

2.1.3 Revenues and benefits service - characteristics

Organisation

- a. Uttlesford has recently appointed a new Head of Revenues and Procurement to manage the division. Uttlesford is also mindful of the situation regarding the Head of Service at Brentwood.
- b. The revenues service is effectively organised around the core taxation process activities:

- Determining liability and raising the bill;
 - Collection of local taxes due, including the different payment methods;
 - Recovery, including legal action to deal with non payment.
- c. The benefits service is effectively organised around the core benefits process activities:
- Assessment and claims processing;
 - Verification, overpayments recovery, appeals and counter fraud;
 - Interventions.
- d. The recovery team deals with council tax, business rates and benefits overpayment. It is separate to the council tax billing and collection team and the benefits processing team.
- e. In addition, the counter fraud team is located in the Assistant Chief Executive's department. However, this would not preclude it from any future plans to work in collaboration.
- f. Uttlesford's routine face to face and telephone enquiries are being dealt with through its new uconnect customer service centre.
- g. Scanning and indexing of documents is in the process of being transferred to a central scanning unit.

Process

- h. The revenues and benefits service is heavily driven by national regulations so there is the potential for significant convergence of process.
- i. Uttlesford has already re-engineered revenues and benefits processes using its own internal team. This has enabled routine enquiries and processes to be dealt with by the uconnect customer service centre.
- j. Tables 1 and 2 below provide key revenues and benefits performance data for both councils for 2005/06. Further comparator information will be required if the initial discussions for joint service delivery are to be progressed.

k.

Table 1		
Characteristic	Brentwood	Uttlesford
<u>Council tax</u>		
% council tax collected	98.00%	98.80%
<u>Business rates</u>		
% business rates collected	99.10%	99.63%

Table 2		
Characteristic	Brentwood	Uttlesford
<u>Benefits</u>		
Average time for processing new claims	32.9	23.7
Average time for processing changes in circumstances	24.3	8.4
Percentage of cases calculated correctly	95.80%	99.00%
Customer satisfaction (2003/04)	75.00%	87.00%

Systems

- i. Both councils use the Northgate IS revenues and benefits system. Uttlesford uses the Anite Iclipse document management system. It is understood that Brentwood uses a different document management system.
- m. The Northgate revenues and benefits system integrates with Northgate's CRM solution, which is being used in the uconnect customer service centre.
- n. Uttlesford's revenues and benefits server is located at the council offices, but is managed by Digica. It is understood that Brentwood's server is managed off-site by Northgate IS.

- o. Uttlesford has a staffing resource used to carry out day to day systems administration work, such as updating parameters, ensuring software releases are checked and loaded, and annual billing.
- p. Uttlesford uses Northgate’s e-benefits mobile working solution.

Premises

- q. Brentwood’s and Uttlesford’s revenues and benefits services are located in the towns of Brentwood and Saffron Walden respectively.
- r. Uttlesford has successfully used home working in revenues and benefits for a number of years.

2.2 Collaborative working – options

- a. Although the two council’s revenues and benefits services have forged good working relationships, there is no evidence of joint working.
- b. Based on the above high level service overview, the opportunities for collaboration are summarised in table 3 below:

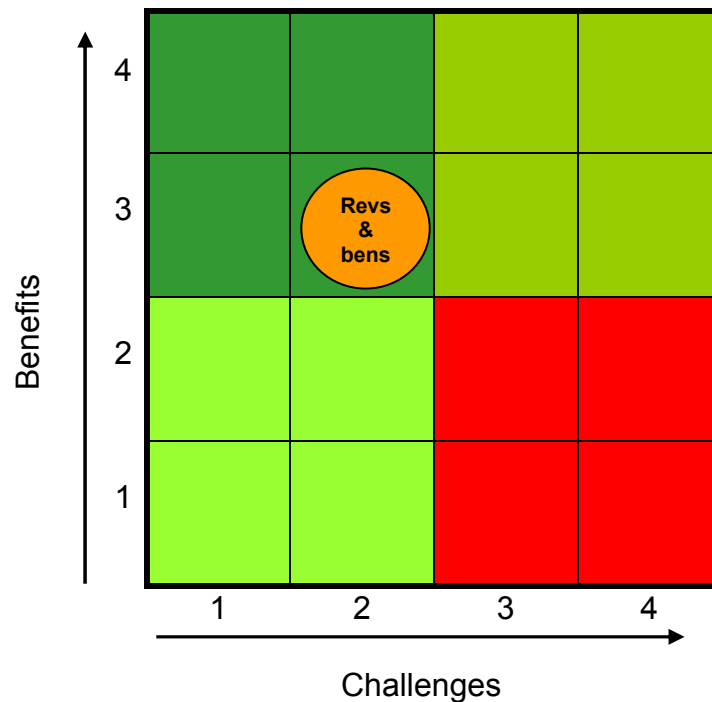
Table 3	
Option 1	The sharing of best practices, skills, knowledge, experience and training.
Option 2	The sharing of the revenues system, made available by one council as a hosted application.
Option 3	Delivery of a single revenues service for both councils through integrated teams. Both councils retaining face to face and telephony operations. The back office processes to be provided by a virtual team taking advantage of home working solutions.
Option 4	Delivery of a single revenues service for both councils through integrated teams. Both councils retaining face to face and telephony operations. The back office processes to be provided by a co-located team. Home working solutions to be maximised.
Option 5	Delivery of a single revenues service for both councils through integrated teams. Both councils retaining face to face operations. Routine telephony enquiries dealt with by one council. The back office processes to be provided by a virtual or co-located team. Home working solutions to be maximised.

- c. The above options have been given approximate timescales for delivery. The following table summarises the collaboration models available in the short, medium and long term:

Table 4					
Collaboration models					
Service area - Revenues	Integrated Teams				
	Option 1	Option 2	Option 3	Option 4	Option 5
Short – 2007-08	Green	Red	Orange	Red	Red
Medium – 2008-10	White	Orange	Green	Orange	Orange
Long – 2010+	White	Green	White	Green	Green

- d. The first step would be to eliminate any of the above options as unsuitable. The remaining options would be subject to a full business case detailing the financial savings and performance improvements.
- e. On initial observation, it would appear that the benefits from joint service delivery are medium to low in terms of performance as both councils are achieving top quartile performance in most service areas. However, significant savings could be realised in terms of economies of scale in supervision and processing staff, hosted systems, coordinated training programmes and flexible working. The savings alone for a joint Head of Service are estimated to be in the range of £20-£40k per annum.
- f. There are challenges and benefits attributable to all available options. The model to deliver a joint service through an integrated virtual team (option 3) has been plotted against the matrix of benefits and challenges in table 5 below. The reference point is plotted in the green quadrant as there is commonality with systems, performance and size. The benefits currently outweigh the anticipated cost of change. A similar exercise would need to be carried out for the options subject to a full business case:

Table 5



2.3 Benefits of collaboration

In general, these can be summarised for all options as follows:

a. Cost

- Efficiency gains from integrated teams;
- Savings in IT investment and support costs;
- Release of office space;
- Savings from the joint procurement of services;
- Potential to attract further partners at a later date.

b. Capacity

- Both councils are relatively small and resource levels are tight. An integrated team would better enable service levels to be maintained during busy periods and staff absences;
- An integrated team would provide additional capacity to deepen knowledge of the legislative regulatory framework;

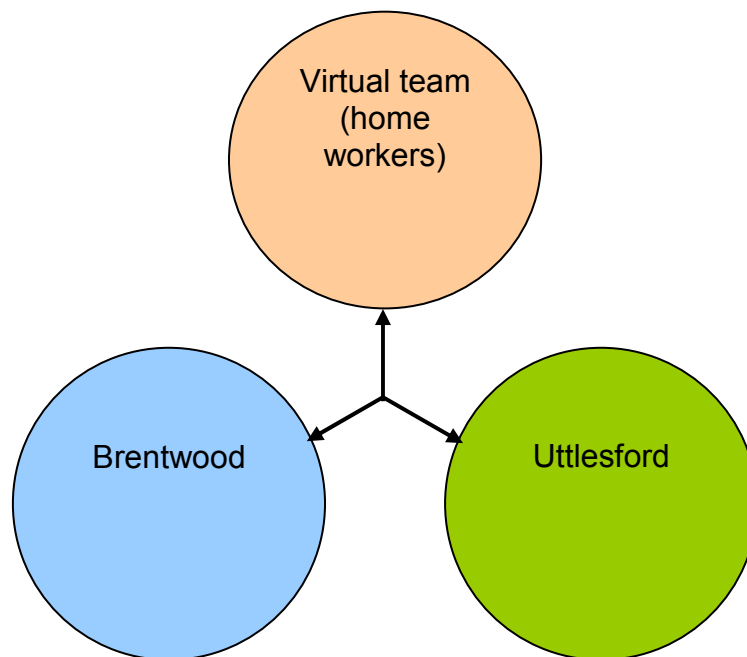
- Opportunity to integrate areas of a specialist knowledge, such as systems administration, training and subsidy;
- Better retention of staff through improved opportunities for career development.

c. Quality

- Service improvement through adopting best practice;
- Improved customer service.

2.4 Roadmap

- A roadmap for the feasible options would be produced as part of the business case showing key milestones and specific challenges.
- The diagram on the following page sets out in broad terms how a virtual, integrated service could look in the medium term.



2.5 Decision points

- The following decisions are required.

Decision points	Timing
Agreement to progress development of collaborative working.	2007/08
Agree suitable options and sanction production of business case.	2007/08

2.6 Key dependencies

- a. The progression of collaborative working between the two councils is dependent upon:

Service specific:

- Both councils have different document management systems. Although it would be beneficial for them to use the same system, this is not mission critical.
- A decision would have to be made in conjunction with the benefits service.

Generic:

- Home working arrangements, including IT requirements to enable information and systems to be accessible between the councils and remote staff.

2.7 Challenges

- a. The challenges to an integrated service span organisation, process and technology alignment. Both councils also face financial pressures.
- b. The principal barrier is seen as organisational change. In addition, the revenues service cannot be viewed in isolation and the following factors need to be considered:
 - Process integration with the benefits service;
 - Organisation, process and technology integration with customer and other services.

2.8 Governance

- a. Initially, it is not proposed to set up formal contractual arrangements concerning the joint service.

2.9 Next steps

- a. Both councils discuss in more detail the opportunity assessment. If the proposal is to be progressed, a robust business case be developed incorporating the various options.

Mike Brean
Director of Business Transformation
12 April 2007