

Report to: **Audit, Best Value and Community Services Scrutiny Committee**
 Date: **10 June 2014**
 By: **Chief Operating Officer**
 Title of report: **Review of the Resources Consolidation**
 Purpose of report: **To provide the Committee with a position statement of progress made against the outcomes set out as the rationale for Resources Consolidation.**

RECOMMENDATIONS – the Committee is recommended to:

- **Note the methodology of the review of Resources Consolidation; and**
 - **Note the key achievements and challenges since the launch of the Business Services Department and next steps to achieving outcomes.**
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1. Financial Appraisal

1.1 There are no direct financial implications of this report. The £2.9m savings from Resources Consolidation were planned to be realised over three years (2013/14 to 2015/16). The majority of the savings required for the three year period have been achieved through the structures implemented in 2013/14 (£1.8m in a full year with £1.4m being achieved in 2013/14). There are further savings to be delivered for 2015/16 which will be enabled by change activity being planned in 2014/15.

2. Background

2.1 The consolidation of resources functions from across the organisation into one department took place during 2013, with the Business Services Department (BSD) launching in September 2013. The rationale for the consolidation was articulated by the Corporate Management Team through a number of key 'outcomes':

- The creation of a single, unified organisation delivering corporate outcomes;
- Provision of high quality advice and the systems and processes to manage departmental resources;
- Develop managers to be able to efficiently manage their resources;
- Sound governance and risk management; and
- Business as usual - deliver corporate and departmental priorities as One Council through effective use of Partnerships and a Commissioning approach. Demonstrate the East Sussex Way.

2.2 A review reference group of officers from across BSD was set up to review progress of the organisation in relation to the outcomes. The key principle for the group was to produce a position statement on progress on achieving the outcomes set in the context of a 5 year journey.

2.3 This report, appendices and presentation at the Committee meeting provide a position statement of progress. They have been evidenced through a desktop review, BSD staff engagement sessions, organisational manager one to one engagement sessions and the findings of a peer review. More information on the methodology can be found at Appendix 1.

3. Progress overview

3.1 The headline message is that Business Services has been consolidated very effectively. This has been a significant challenge and required huge commitment from not only staff in Business Services but also staff across the organisation. It should be recognised as a very significant achievement. Arrangements for BSD have been embedded including office moves, governance arrangements and developing the new vision. Provision of business as usual has continued with minimal impact to customers during this process.

3.2 Key activities include:

- Partnership development has been a key focus, including the launch of the Joint Procurement Service between East Sussex and Surrey County Councils, South East Shared Services, SPACES and The Link activity, with the potential future benefits recognised by central government Transformation Challenge Award funding of over £1.1m.
- A Strategic Workforce Plan and People Strategy have been developed to support the organisation's transformational requirements.
- We are also leading on the Agile Working Programme including the development of an Agile Working Plan and sub-projects.
- Significant work has been undertaken to improve delivery of the Capital Programme, addressing the robustness of the budgets and deliverability of the projects within the Programme.

3.3 These achievements are set in the context of a journey, with the level of progress varying across teams. A number of opportunities for development have been identified, including developing a deeper understanding of the BSD vision and 'one team' approach throughout BSD and evidencing more visible leadership to achieve the vision. Cultural change will be important for BSD to successfully act as a strategic partner. A One Council approach requires a focus on both BSD performance and how the behaviour of customers in other Council departments is changing to work in new ways.

3.4 Appendix 2 provides an overview of key achievements and opportunities, and how they relate to achieving the outcomes.

4. Next Steps

4.1 A clear vision for BSD is crucial to enable and shape progress against the outcomes. The vision for BSD is:

"The delivery of contemporary and awesome services"

The vision has been developed by BSD's Departmental Management Team and is currently being brought to life through staff engagement sessions in order to both promote a culture that supports the vision and enable staff to explore what it means for them.

4.2 BSD has 7 key strategic priorities for 2014/15 underpinning the delivery of the vision:

- 1) Adding Value: Delivering over and above business as usual activity – going beyond expectations and adding greater value for little or no additional cost;
- 2) Cost Reduction: Recognising the need to continue to drive down costs of operations and deliver quality services for the best possible value for money;
- 3) Self Service: Seeking opportunities to automate processes and activity so that staff across the Council are able to complete activities themselves, creating a simple to use, good quality service;
- 4) Partnerships: Working in partnership to find the best ways of delivering our priorities;
- 5) Change Programmes: Supporting and leading programmes of change that help shape the Council in order to meet its priorities and challenges;
- 6) Talent and Capacity Building: Investing in our people to grow them through the organisation; and
- 7) Communications and Engagement: Innovative communications and engagement in order to get deep understanding and alignment to our Business Services Vision.

4.3 A number of specific activities are underway or are being scoped, including various sessions and communications to develop awareness of and to implement the BSD vision across the department. The three critical programmes of activity for immediate focus are:

- 1) Shared Services: Exploring, in the first instance, opportunities to develop South East Shared Services in the areas that cover transactional business services;
- 2) Customer experience: Developing SAP functionality in order to enhance the user experience, create value add through better business intelligence and support self service development; and

3) Commercialisation: Evaluation of the commercial opportunities that exist or can be created from exploitation of our assets.

4.4 CMT and BSD's internal customers will be engaged in shaping and implementing these activities, as this will be central to effectively embedding change and achieving the outcomes.

5. Conclusion and recommendation

5.1 Business Services has been consolidated very effectively and there have been many achievements since the launch of BSD including savings and service reviews and development. Opportunities for development have also been identified and the next steps outline how BSD works with the rest of the organisation to ensure that progress against the outcomes continues throughout business as usual through a strong vision, actions and monitoring.

5.2 The Audit, Best Value and Community Services Scrutiny Committee is recommended to:

- Note the methodology of the review of Resources Consolidation; and
- Note the key achievements and challenges since the launch of the Business Services Department and next steps to achieving outcomes.

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Methodology for the Review of Resources Consolidation

A review reference group of officers from across BSD was set up to review progress of the organisation in relation to the outcomes for Resources Consolidation set by the Corporate Management Team. The key principle for the group was to produce a position statement on progress on achieving the outcomes set in the context of a 5 year journey.

This document provides an overview about how the information used to inform the reference group was gathered. This information has contributed to the development of the successes/position statement (Appendix 2) and has shaped next steps and strategic priorities.

Activity	Participants	Engagement format	Facilitator	Timescale
BSD Vision sessions	All BSD staff.	All staff in BSD participated in engagement sessions to share and help shape the Vision for BSD. Opportunity to feedback on successes/challenges and look at <i>how</i> to achieve the vision.	BSD Heads of Service	May 2014
Desktop review	Review of Consolidation reference group (2 BSD DMT members and representatives from each of the BSD service areas). Other managers (including the Corporate Management Team) also contributed feedback.	Desktop review to identify: <ul style="list-style-type: none"> Key successes for each service area and across the department. Challenges and opportunities for improvement going forward. 	Review of Consolidation reference group	March to May 2014
129 ICONIC peer review	<ul style="list-style-type: none"> Cllr. Elkin (Deputy Leader and Lead Member for Resources). Cllr. Blanch (Chair of Audit, Best Value and Community Services Scrutiny Committee). A number of Corporate Management Team members and Assistant Directors from across all departments. BSD Departmental Management Team. BSD Heads of Service. 	Informal one to one interviews to consider: <ul style="list-style-type: none"> Is there a common understanding and acceptance of Business Services vision? What areas could be prioritised for change? How could these priorities be implemented most effectively? A number of key areas for future focus were identified.	Three colleagues from Surrey, Hampshire and West Sussex County Councils as part of the ICONIC Leadership Programme (working towards a brief prepared by ESCC)	March 2014
BSD staff engagement sessions	Over 30 members of BSD staff from all service areas and levels.	Staff from across BSD self selected to attend an informal discussion session with the Chief Operating Officer. Key discussion topics were feedback on progress and how to improve communications.	Kevin Foster	February 2014
Manager Feedback One to One sessions	25 managers from across all ESCC departments, including different roles such as Practice Managers, Service Managers, Operational Managers and Heads of Service.	Interviews to help understand: the current support that's valued, potential challenges, opportunities and support needed for managers over the coming three years in the context of the Council's four priorities and three key operating principles.	Adult Social Care Workforce Planning team	December 2013 to January 2014

Outcomes

- The creation of a single, unified organisation delivering corporate outcomes;
- Provision of high quality advice and the systems and processes to manage departmental resources;
- Develop managers to be able to efficiently manage their resources;
- Sound governance and risk management; and
- Business as usual - deliver corporate and departmental priorities as One Council through effective use of Partnerships and a Commissioning approach. Demonstrate the East Sussex Way.

Achievements

The organisation is on a journey to achieving the outcomes. The achievements referenced below should be recognised as examples of progress to date in the context of this journey.

Opportunities

A number of opportunities have been identified which will enable the organisation to make progress further along the journey.

The creation of a single, unified organisation delivering corporate outcomes

- Establishing consolidated team structures - bringing teams together where staff were previously located in separate departments/offices with minimal organisational disruption.
- Developing strategies with service stakeholders – planning ahead and identifying savings opportunities. Ongoing engagement about strategies with client groups/corporate working groups (e.g. Human Resources Management Board).
- Leadership role on transformation programmes e.g. Agile Programme.

- BSD developing a 'one department' approach as part of One Council.
- Enhanced communication/clarity about the overall vision of BSD required since the launch event.
- BSD managers to have a focus on broader outcomes and vision rather than operational running of functions.

Provision of high quality advice and the systems and processes to manage departmental resources

Maintaining and developing work and previous practices, so that we can bring consistency/best practice, avoiding duplication of activities and making best use of resources. For example:

- Compliance with the Information Governance Toolkit, allowing us to share information with Healthcare professionals.
- Roll out of In-Tend e-tendering and contract management (e-CMS).
- Launch of new Procurement Standing Orders (constitutional change).
- Development of a detailed PAT casework management system enabling timely and accurate reporting of key metrics.
- A new streamlined PAT processing system has been introduced and a new processing tool to support this has been developed; this will enable current manual systems and processes to

- Expectations of the organisation for BSD to deliver a step-change in the level of service to customers.
- Enhancing the reputation and perception of BSD teams - we want to become the 'go to' people seen as adding value.
- Maintaining communication channels with service stakeholders whilst located remotely (where relevant).
- Improvements in service delivery required to meet new expectations e.g. relating to the Agile programme.

be undertaken automatically in future.

- Integrating the external funding activity into the corporate planning process so that opportunities for additional resources are better aligned to corporate priorities.
- Development of the Council's corporate Facilities Management contract into a strategic tool to deliver ongoing efficiencies and support other council initiatives.
- Programme planning improvements through the integrated network of property functions including acquisitions, capital project delivery, maintenance and disposals.

Develop managers to be able to efficiently manage their resources

- Introduction of new roles to engage with managers within departments to improve customer engagement.
- The development of a Strategic Workforce Plan and People Strategy to support the business transformational requirements through the implementation of an organisational development programme.
- The delivery of a series of employee engagement events to managers and staff across the organisation the share The East Sussex Way.

- The behaviour shift/culture change required in BSD and across the organisation to achieve the outcomes and improve customer experience.
- Development of managers across the organisation to enable them to 'self serve' where this supports managers.

Sound governance and risk management

- The creation of a Statutory Officers' Group that facilitates regular and direct communication between Statutory Officers with robust action taken where necessary.
- Consolidating financial planning activity for both revenue and capital into one process.
- Strengthening of corporate risk management arrangements and more visibility/profile of risk management.
- Successful closure of 2012/13 accounts for the ESCC, Pension Fund and East Sussex Fire Authority within the statutory deadline and achieving positive audit opinion from external auditors.
- Establishing effective governance arrangements e.g. for the oversight of the ICT investment programme and the Agile Programme.
- Anti-fraud and corruption arrangements have been strengthened following appointment of new Counter Fraud Specialist.

- Continuing to work as One Council to improve the RPPR process and ensure it is embedded into business as usual.

Business as usual - deliver corporate and departmental priorities as One Council through effective use of Partnerships and a Commissioning approach. Demonstrate the East Sussex Way

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| <ul style="list-style-type: none">• Closer working between teams to make best use of combined skills and experience.• Improved knowledge sharing and problem solving facilitated by co-location and the ability to allocate resources more flexibly to match priorities.• A number of large ICT projects have been delivered with very little user disruption e.g. The Link network and the voice implementation Exchange upgrade.• Learning and development: New job descriptions have been created for consolidated teams. A commitment has been made to professional training where required and an emphasis on 'on the job training' opportunities (job-shadowing, peer support, reverse mentoring, lunch and learns etc).• Partnership working including SPACES and successfully entering into a new shared services arrangement with Surrey County Council, bringing together a number of transactional services under the South East Shared Services brand in April 2013, which was extended to include the joint hosting and external technical support of the SAP financial system from September 2013.• Delivery of a £7 million maintenance budget of planned, term and reactive projects. | <ul style="list-style-type: none">• Delivering and exceeding savings expectations.• Further development of innovation ways of working within reducing resources.• Delivery of a fit for purpose accommodation solution, informed through effective and adequate stakeholder engagement that achieves full benefit realisation.• Realising collaborative opportunities with South East Shared Services. |
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