

CABINET AGENDA



Monday, 26th January 2009

at 9.00 am

in Committee Room B

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Hall, Hargreaves, Hill, Jackson, Payne, and Tumilty

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To receive the Record of Decision in respect of the meeting held on 12th January 2009 (Previously Circulated)

3.2 To receive the Record of Decision in respect of the meeting of the Emergency Planning Joint Committee held on 15th December 2008 (*attached*)

4. BUDGET AND POLICY FRAMEWORK

No items

5. KEY DECISIONS

5.1 Business Transformation Programme – *Chief Executive*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Stagecoach Services 1, 6, 7 and 7A – Supported Contracts – *Director of Neighbourhood Services*
- 6.2 Healthcare for all – Independent Inquiry to Access to Healthcare for people with Learning Disabilities – Sir Jonathan Michael – *Director of Adult and Community Services*
- 6.3 Land at Surtees Street, Hartlepool (Affordable Housing Scheme) – *Director of Regeneration and Planning Services and Director of Neighbourhood Services*
- 6.4 Future Monitoring Arrangements for CCTV (Closed Circuit Television) – *Director of Regeneration and Planning Services and Director of Neighbourhood Services*

7. ITEMS FOR DISCUSSION

No items

8. ITEMS FOR INFORMATION

No items

9. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

EMERGENCY PLANNING JOINT COMMITTEE

MINUTES AND DECISION RECORD

15 December 2008

The meeting commenced at 1.00 pm in the Emergency Planning Unit,
Fire Station, Middlesbrough

Present:

Councillor Barry Coppinger, Middlesbrough Borough Council (In the Chair)
The Mayor, Stuart Drummond, Hartlepool Borough Council
Councillor Terry Laing, Stockton Borough Council

Denis Hampson, Chief Emergency Planning Officer
Sarah Bird, Democratic Services Officer

18. Apologies for Absence

Apologies had been received from Councillor Dave McLuckie, Redcar and Cleveland Borough Council.

19. Declarations of Interest by Members

None.

20. Confirmation of the Minutes of the Meeting held on 22 September 2008

The minutes were accepted as an accurate record.

21. Internal Audit Report – Chief Emergency Planning Officer

Purpose of Report

The report was presented to inform the Joint Committee that the Internal Auditor of Hartlepool Borough Council had performed a comprehensive internal audit review of the Cleveland Emergency Planning Unit.

Issues for Consideration

A review of arrangements, structures, systems and processes within the Emergency Planning Unit had been conducted in accordance with

the 2008/09 Internal Audit Plan of Hartlepool Borough Council in September 2008 by members of the internal Audit Department. The object of this was to test and evaluate the efficiency and effectiveness of the systems and to ensure that appropriate control measures were in place.

The conclusions of the Audit were positive and in all areas examined the assessment grading was satisfactory. A copy of the Internal Audit Report had been circulated to Members. No follow up or remedial action was required.

Decision

Members noted the report.

22. Local Resilience Forum (LRF) Handbook/Guide – Chief Emergency Planning Officer

Purpose of Report

The report had been produced in order to inform the Joint Committee of the revision and production of the LRF Handbook/Guide which had been produced by the Chief Emergency Planning Officer.

Issues for Consideration

The Chief Emergency Planning Officer in his role as the Manager and Secretariat to the LRF, considered it would be beneficial to produce a single reference document containing:-

- ❖ Details of the LRF, including its terms of reference and membership
- ❖ Details of all Category 1 and 2 Responders in the Cleveland area
- ❖ Details of the Local Resilience Working Group and Cleveland Media Emergency Forum which facilitate integrated emergency and contingency work on behalf of the LRF including terms of reference, aims and objectives and membership details
- ❖ Details of sub groups which work to the 2 multi agency groups

An initial handbook had been produced in 2006 but had been amended to produce the current guide which had been endorsed by the LRF. Although the document was primarily for the LRF Members it was considered that it would contain information useful about the groups and sub groups undertaking work on emergency planning and resilience issues. It was suggested that this document should be placed on the Cleveland Emergency Planning Unit website although it would be de-personalised so as to comply with the Data Protection Act.

Decision

Members acknowledged the handbook as a useful guidance tool and approved the insertion of it on the Emergency Planning Unit website.

23. Humanitarian Assistance Centre Event – *Chief Emergency Planning Officer*

Purpose of Report

The report was presented in order to inform Members that the Emergency Planning Unit was currently in the process of organising an event on Humanitarian Assistance scheduled to take place on 18 March 2009 at the Wynyard Rooms, Wolviston.

Issues for Consideration

Guidance issued by the Cabinet Office states Local Authorities had a duty under the Civil Contingencies legislation to produce a plan to co-ordinate practical and emotional support to those affected by an emergency. Following this an Humanitarian Assistance Centre plan covering all four Local Authorities had been produced.

The event being organised would provide the opportunity for multi-agency training and sharing of best practice. Four speakers had already confirmed their attendance. There would not be a charge for the 100 – 120 delegates who were expected from the four Local Authorities and the voluntary sector. An invitation had been extended to the Members of the Joint Committee. Councillor Coppinger had agreed to open the Conference.

Decision

The report was noted.

24. Pitt Review – Flooding (*Chief Emergency Planning Officer*)

Purpose of Report

The report was presented to inform Members of the Emergency Planning Joint Committee that the interim report written by Sir Michael Pitt was published in December 2007 following his review of the severe floods in 2007 and his final report was published in October 2008. The final report was presently being considered by central Government although it was expected that it would be fully endorsed

Issues for consideration

The EPU had been working with the Environment Agency to identify

what action was required and how it could be satisfactorily met. An action plan had been circulated to members which identified the progress being made on each recommendation and outstanding work across multi-agencies. The final report made 92 recommendations, including the 15 urgent recommendations made in the interim report.

The Chief Emergency Planning Officer had identified the suggested lead departments for the recommended actions and informed them of the recommendations to be taken up within each Authority. The Chief Emergency Planning Officer stated that the Cleveland Local Resilience Forum multi-agency response to adverse weather guidance and protocol which was first produced in October 2005 had allowed the Cleveland area to meet some of the recommendations of the Pitt Review.

The Chief Emergency Planning Officer confirmed that he would inform the lead departments of their responsibilities following the Pitt Review via the Local Resilience Forum.

Decision

Members noted the report and endorsed the actions being pursued on behalf of the four local authorities by the Emergency Planning Unit.

Members also noted the recommendations where actions outside the remit of the Emergency Planning Unit were required of local authorities.

Members endorsed the Adverse Weather Protocol which would be activated in the event of serious adverse weather including flooding should the 'triggers' be reached.

25. Multi-Agency Flood Plans *(Chief Emergency Planning Officer)*

Purpose of Report

The report had been presented in order to inform Members that the EPU were progressing a multi-agency flood plan in line with the national checklist and templates issued by the Environment Agency and also to request support from the Joint Committee to progress a Cleveland wide multi-agency flood plan rather than an individual plan for each local authority.

Issues for Consideration

Members were informed that work had commenced on a draft plan which initially would have a generic front section but would include specific detail relating to Redcar and Cleveland. On completion of this plan, it would be circulated for initial comment to members of the

multi-agency Flood Risk group. It was envisaged that by June 2009 area specific details for the other Local Authorities would be added to the plan. There were also more specific details for the various Agencies i.e. Police, Fire and Ambulance, so the whole plan would be much more comprehensive.

It was clarified that this was Best Practice endorsed by the Department for Environment, Food and Rural Affairs and the Environmental Agency.

Decision

The Members endorsed the report and agreed to support one multi-agency flood plan covering the four local authority areas.

26. Pandemic Influenza Planning *(Chief Emergency Planning Officer)*

Purpose of Report

The report was presented in order to inform members of the present situation in respect of the Cleveland Strategic Plan for pandemic influenza and that it has significantly increased the workload of the EPU. The plan had to be submitted for auditing to the Cabinet Office by 31 December 2008 although several issues were still being worked on by sub groups to ensure that it met Government requirements.

Issues for Consideration

Pandemic influenza is the top risk identified by central Government and through the Cabinet Office and Civil Contingencies Secretariat it sought to ensure that plans and procedures were in place to mitigate this risk. A plan would also be produced for each of the four Local Authorities to personalise for their area.

Audit processes and guidance recently produced identified gaps in the Cleveland Strategic LRF plan. Amendments had to be made for plans for anti-viral distribution, mass vaccination, social care as hospitals had indicated that patients would be sent home to allow hospitals to deal with the potential influx of patients and data collection to Government Office. The EPU was working with a number of agencies regarding the managing of excess deaths. Cleveland is to host the North East testing and exercising of the LRF Pandemic Influenza plan on 11 February. The exercise would focus on communications between the member LRF organisations as well as externally to staff and the public.

Decision

Members noted the report and acknowledged the workload of the EPU

staff generated by the need to have the strategic pandemic influenza plan and associated plans in place. Whilst the strategic plan needed to be submitted to the Cabinet Office by the end of December 2008, work on the other subsidiary plans would continue. The strategic plan would also be subject to regular reviews and updates.

Members noted the planned regional exercise which would be reported on at a future meeting of the Joint Committee and that ongoing work would take place in the respective local authorities.

Members noted that the final Cleveland Strategic Plan for Pandemic Influenza would be circulated to them once completed.

27. Reported Incidents/Cleveland Communications Strategy *(Chief Emergency Planning Officer)*

Purpose of Report

The report was presented in order to inform Members of the incidents reported, severe weather and flood risk warnings received and communications strategy faxes received and dealt with by the EPU between 1 August 2008 and 30 November 2008.

Issues for Consideration

The Chief Emergency Planning Officer informed the Joint Committee that a total of 14 warnings relating to adverse weather conditions, 14 flood warning messages received from the Environment Agency and 16 flood watch messages.

During this period the EPU had received and dealt with 85 'blue' faxes issued by Operators or Agencies involved with the Communications Strategy. This made a total of 161 blue faxes received in the first 8 months of 2008/09 and was already more than the total for the whole of the previous year. Almost half of these received and dealt with were outside normal office hours. In the past four months there had been 9 incidents of note in which the EPU had been involved and on some occasions had seen the deployment of staff to the scene or Incident Command Rooms. A number of other incidents of a minor nature had also been reported, some of which had been dealt with by the Duty Officer, out of hours.

Decision

Members noted the report.

The meeting concluded at 2.05 pm.

CHAIR

CABINET REPORT

26th January 2009



Report of: Chief Executive

Subject: Business Transformation Programme

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To update Cabinet members on the progress made since the last report to Cabinet on 15th September 2008 and provide an outline programme for decision.

2. SUMMARY OF CONTENTS

- 2.1 Cabinet have received a number of reports on the development of a Business Transformation Programme for the authority. The report considered by Cabinet on 15th September established the key components of the proposed programme, the rationale for these, agreed a programme of work to review these outline Business cases and established a proposed programme for the authority.
- 2.2 Hartlepool Borough Council is aiming to be an organisation which can:
- Maintain and continue to improve service performance
 - Make more efficient and effective use of its resources; people, buildings etc
 - Deliver services in a responsive manner
 - Maximise the extent to which services are delivered directly to the user and minimising the number of “transactions” or hand offs to achieve this.
- 2.3 The environment in which local authorities operate is constantly changing and is a reflection of the expectations placed upon them by central government including the need to achieve significant and increasing efficiency savings.
- 2.4 It has been identified that we need a bolder, more co-ordinated approach cutting across traditional organisational boundaries, and set out over a longer period, if we are to make best use of resources whilst continuing to meet needs most effectively. This requires consideration of more radical solutions to service than has been customary for Hartlepool, if we are to make significant moves away from the salami slicing of the past.

The primary purpose of Business Transformation is to avoid the need to balance future budgets through such damaging annual cuts in service, unsustainable use of balances, or excessive increases in local taxation, by delivering a manageable programme of cashable efficiency savings into the medium term.

- 2.5 The Programme which has been developed is ambitious but it is believed manageable. Any programme of this scale and nature has a series of inherent risks (and further detail on these is given on the section on risk in this report and the attached risk register). The premise of the programme has been, as has been stated, that continued “salami-slicing” of budgets needs replacing with a fundamental review of the organisation as part of a managed programme of change.
- 2.6 The Programme aims to ensure we make best use of our resources through:
- Most effective use of assets, people, budgets, and information
 - Maximum benefit from ICT and other investments
 - Maximum benefit from partnership opportunities
 - Streamlined processes where all steps deliver value for the service user
 - Benchmarking for best value and best practice in service delivery and procurement
 - Questioning current practice and delivering change
 - Maximising the ability to strengthen functions across the council through the pooling of expertise and skills
- 2.7 An important consideration in determining this programme is the extent to which the programme is aligned with any potential restructure of Council departments and the impact of this on the programme, the timescales and what can be achieved under these alternative models.
- 2.8 There are a range of options in respect of the overall development and implementation of the Programme and considerable work has been undertaken to more accurately establish any double counting between savings estimates as they relate to the overall Transformation Programme and between this programme and the budget proposals currently being consulted upon for 2009/10. This is to ensure we have a deliverable and reasonably costed programme in place.
- 2.9 Current departmental structures all combine service delivery, access to services, administration, support services, commissioning and management. The proposals included in the transformation programme make a range of radical changes to deliver some, but not all of these functions in a different and more effective manner.
- 2.10 As part of the development of the transformation proposals, and the other elements which make up the programme, consideration has been given to proposals for restructuring the authority to maximise the opportunities to synchronise it with the other structural changes in the broader programme,

such as creating central teams for asset management, procurement, transactional services (i.e. financial administration, human resources administration and administration functions in departments). The restructure proposals are for the restructure of the Authority from 5 departments to 3 with the creation of a People Department and a Place Department in conjunction with a revised Chief Executive's Department. There are a range of both financial and non financial benefits to the proposed changes.

- 2.11 Assuming that the restructure takes place, the Management Structures business case would be delivered by tier within the new departments, or by prioritising in terms of impact and minimising any multiple changes in service areas. This ensures that the restructure is not being undertaken divorced from other elements of the overall programme. This provides the best opportunity to maximise the service and efficiency benefits that may be available.
- 2.12 It should be noted, as has been previously stated, that the Transformation Programme, whilst significantly addressing required efficiency targets does not completely address them. Not pursuing the restructure would require a likely minimum of £600,000 to be found through other measures.
- 2.13 The Department for Children Schools and Families (DCFS) has recently issued guidance in respect of the potential to combine the roles of Director of Adults and Children's services. The guidance suggests that such a combination is not recommended without very strong justification. A number of authorities have such joint Directors in place currently and there are a limited number which are planning to progress down this route. It will be necessary, should this be pursued, to ensure that DCSF and management internally are adequately reassured that risk management arrangements as they relate to individuals are not compromised in any way.
- 2.14 The major proposals in the programme and overall timescales are incorporated in section 5 of the report and the appendices but encompass;
 - i) Restructure and Management Structures: (**Appendix 3**)
 - ii) Transactional Business case: (**Appendix 4**)
 - iii) Non-Transactional Business Case: (**Appendix 5**)
 - iv) Asset Management Business Case (**Appendix 6**):
 - v) Service Delivery Options: (**Appendix 7**)
 - vi) Customer Services (**Appendix 8**)
- 2.15 The Budget proposals considered by Cabinet on 22nd December 2008 identify a medium term structural deficit of some £4m (including the need to achieve the existing 3% efficiency target) in 2010/11. This is on the assumption that future demographic pressure can be contained within the headroom provision, which maybe optimistic. Beyond 2011 the position is not determinate because we are into the next Parliament and further spending reviews. The position is unlikely to improve. Clearly if the Council are unable to achieve efficiencies through the Business Transformation programme, or those efficiencies are delayed in their implementation, then in

budgeting terms the Council will still need to balance its 2010/11 budget and without Business Transformation this will require once more the allocation of targeted savings to departments. For indicative purpose this is the equivalent to a flat rate 5% cut across all departments.

- 2.16 The Business Cases identify cashable gross saving opportunities totalling £8.2m (including the restructure) (see **Appendix 9**). This could take 4 or 5 years to deliver, due to the longer timescales for Service Delivery Options and Asset Management. The advisors report had identified potential efficiencies of greater proportions at their maximum (the range of savings identified was from £6.2M to £12.9M). The work of the Business Transformation Team over the last couple of months has been to ensure that these are a realistic assessment of the opportunities and discount any elements of double counting.

The overall financial projection would be of efficiency savings of £8,160,000, less allowances for savings already taken into the budget (£1.6m) and for estimation errors (£0.6m), leaving £5,960,000. The costs of delivery would be repaid over a 5 year period, leaving net contributions to the budget of:

	Annual Efficiency £'000	Cumulative Efficiency £'000
Value of Programme for 2009/10 budget	0	0
Value of Programme for 2010/11 budget	2,088	2,088
Value of Programme for 2011/12 budget	1,105	3,193
Value of Programme for 2012/13 budget	2,020	5,213
Value of Programme for 2015/16 budget	427	5,640
Value of Programme for 2016/17 budget	320	5,960

- 2.17 Potentially, the net savings constitute an important contribution to the balancing of the Medium Term Financial Strategy, and would be generally preferred to the only alternative, which is continuation of piecemeal and incremental 'salami-slicing' of budgets. They also make a reasonable return on the investment required.
- 2.18 The costs of achieving the Programme are identified in **Appendix 9**.
- 2.19 The realisation of the benefits from the programme are crucial to its overall success and to the support of the medium financial strategy for the authority. The realising of these benefits is one area which has been identified, both through previous activity within the council, and from discussions with other authorities, as requiring a clear and agreed approach from the outset of the programme.
- 2.20 The Programme which has been established is attached as **Appendix 2**. The programme aligns key elements of the programme to ensure that change is managed across the organisation and that multiple affects on areas of the organisation are minimised.

- 2.21 A risk register for the programme and the component parts has been established in line with the Risk Management Strategy of the authority. The register will be managed and reviewed as part of the implementation of the programme.
- 2.22 The programme of change that the authority will be embarking on is significant. As part of the management of the risks associated with this the effective communication of intent, plans and actual activity is crucial. Investigation into the key success factors that other authorities have identified in the effective delivery of such programmes (and our own experiences of change in the past) have reinforced the importance of this element and the need for it to be integral to the overall programme and its component parts.
- 2.23 The development of the programme has highlighted that there will be a need for communication to be effectively targeted at both a programme and a project level. The project has a broad reaching affect and there are a range of key messages and requirements aligned to the overall timetable. In addition each of the component parts of the programme will, in a more detailed way affect various groups of staff and stakeholders over a different timescale. This means that the programme will have an overall communications plan but that there will also be separate plans for the individual workstreams to ensure that there is effective communication and engagement in the process as it evolves and is implemented.
- 2.24 A communications plan has been developed as part of the programme review which has been undertaken since the report to Cabinet in September 2008. The proposed plan is included as **Appendix 11**.
- 2.25 A predicted Diversity Impact Assessment (DIA) has been completed for the programme. The DIA has been attached to this report as **Appendix 12**.
- 2.26 There is the potential for a feasible programme of Business Transformation, capable of delivering a significant portion of the efficiency savings target for a two or three year period. This can be most beneficially delivered along with a corporate restructure and a change in organisational vision and culture as this maximises the potential benefits available to the authority and provides a sustainable basis for future developments.
- 2.27 The Transformation Programme is an ambitious programme combining a number of project areas which have been considered to align them effectively and maximise the benefits attributable, in the medium term, to each component part. The programme and its implementation is not without risk. These risks have been considered alongside the risk of either doing nothing or not taking a more radical approach to the provision of services by the authority and the resources to do this.
- 2.28 There are a range of options in addition to those which have been proposed. The options which have been proposed are considered the most appropriate

given the balance of risk, deliverability and need to deliver to the scale which has been identified in this report and related budget reports.

- 2.29 The change programme provides for a fundamental consideration of the nature and delivery of a variety of roles across the authority. It fundamentally reconsiders the nature (and provision) of support functions across the authority to reconfigure these to be provided centrally where they relate to administrative support (including areas such as finance, human resources) or where the pooling and sharing of expertise can provide for increased effectiveness (procurement, Information technology, asset management).
- 2.30 The proposals also provide for the strengthening of key functional areas within departments, providing for a broader and deeper range of expertise and greater alignment of clearly associated functional areas. This is covered in greater detail in section 4 of this report.
- 2.31 These changes are designed to minimise the resources utilised in administration of back office functions through the standardisation of processes and activities and maximise the efficiencies through utilising economies of scale by bringing these functions and processes together centrally. In addition opportunities to maximise and better coordinate departmental resources through their restructuring and alignment offers the opportunity to deliver these functions more efficiently and with enhanced professional support.
- 2.32 It is important to note that the proposals included as part of this report have been developed as a package of measures to assist the authority to address the financial burdens that it faces whilst still being in a position to manage and deliver high quality services. Any change such as this will need to develop and evolve as new factors come to light. This programme gives a strategic direction to the authority in terms of its management and operation and the principles that will underpin this. It is important to set this context to provide for service users, staff who work here and elected members, the reassurance and framework within which they can operate effectively.

3. RELEVANCE TO CABINET

- 3.1 The decision relates to the overall Transformation of the Authority and the Medium Term Financial Strategy and as such is of relevance to Cabinet

4. TYPE OF DECISION

- 4.1 Key Decision Test (i) applies.

5. DECISION MAKING ROUTE

- 5.1 Cabinet 26th January 2009

6. DECISION(S) REQUIRED

6.1 Cabinet are asked to

- i. Agree to the restructure of the authority from 5 departments to 3 in line with the principals in section 4 of this report with the detailed departmental structures to be developed.
- ii. Agree to the review of the remuneration of the new posts of Director of People and Place, in line with the agreed Council Remuneration strategy, to be agreed by Cabinet.
- iii. Agree to the recruitment of Directors of Place and People in line with the Councils procedures.
- iv. Agree to outline departmental structures being developed by the appointed Directors delivering the efficiencies required to be agreed by Cabinet.
- v. Agree to the review of the current structure of the Chief Executives department, the development of new structures, if appropriate, to be agreed by Cabinet.
- vi. Agree to the continuation of the Business Transformation Team to support Directors and manage and deliver elements of the programme.
- vii. Agree to the implementation of the Business Case proposals identified in section 5 of this report (and the specific recommendations for each included in Appendices 3 to 7)
 - a) Restructure and Management Structures: (**Appendix 3**)
 - b) Transactional Services (**Appendix 4**)
 - c) Non-Transactional Services: (**Appendix 5**)
 - d) Asset Management (**Appendix 6**):
 - e) Service Delivery Options: (**Appendix 7**)
- viii. Agree to receive a further report on the implementation of the business case for Customer Services (**Appendix 8**).
- ix. Agree to receive a report on the Service Delivery Options incorporating a programme for future years, comprising at least 4 reviews per year and service delivery principles and evaluation criteria.
- x. Agree that the authority implement;
 - a) Restrictions on filling vacancies across the Council, with limited exemptions.
 - b) A managed process to receive expressions of interest in voluntary redundancy in line with programme timescales.

- xi. Agree the principle of funding one-off severance costs of £3.1m on a loan basis repayable over a 5 year period from the gross savings achieved from implementing the Business Transformation programme, and to refer this proposal to Council for approval as part of the 2009/10 budget proposals on 12th February 2009.
- xii. Agree the principle of funding other one-off programme costs of £0.64m on a loan basis repayable over a 5 year period from the gross savings achieved from implementing the Business Transformation programme, and to refer this proposal to Council for approval as part of the 2009/10 budget proposals on 12th February 2009.
- xiii. Agree that proposals for a Workforce Development Programme be developed for consideration by either Cabinet or the Performance Portfolio holder to underpin the requirements of the programme
- xiv. Agree that proposals for an invest to save programme for energy efficiency be developed and submitted for consideration and approval
- xv. Agree the Communications Plan included as **Appendix 11**

Report of: CHIEF EXECUTIVE

Subject: Business Transformation Programme

1. PURPOSE OF REPORT

- 1.1 To update Cabinet members on the progress made since the last report to Cabinet on 15th September 2008 and provide an outline programme for decision.

2. BACKGROUND

- 2.1 Cabinet have received a number of reports on the development of a Business Transformation Programme for the authority. The first of these, considered by Cabinet on 11th February 2008, established the need to implement a Business Transformation programme and for the appointment of advisors to assist in the initial considerations on the scope and likely benefits of such a programme. The report considered by Cabinet on 15th September established the key components of the proposed programme, the rationale for these, agreed a programme of work to review these outline Business cases and established a proposed programme for the authority.
- 2.2 The rationale for the programme was predicated on a number of considerations. These are shown below:
- 2.2.1 Hartlepool Borough Council is aiming to be an organisation which can:
- Maintain and continue to improve service performance
 - Make more efficient and effective use of its resources; people, buildings etc
 - Deliver services in a responsive manner
 - Maximise the extent to which services are delivered directly to the user and minimising the number of “transactions” or hand offs to achieve this.
- 2.2.2 The environment in which local authorities operate is constantly changing and is a reflection of the expectations placed upon them by central government. The Comprehensive Spending Review in 2004 (CSR04) placed upon local authorities the requirement to make 2 ½ % efficiency gains for each of 3 years (05/06 – 07/08), these were expected to be 50% cashable and 50% non-cashable with broad definitions provided by government of what these categories could include. These have subsequently been increased to 3% cashable in the last spending review, and in the Chancellor's last pre budget speech it was indicated that the overall target for efficiencies from the public sector would need to increase again, although any proportion attributable to Local Government has not been clarified.

2.2.3 Whilst the Council is not failing or in financial crisis, the economic downturn has increased the financial challenge to our medium term financial strategy. One effect is that the Council's efficiency target will be increased from 2010/11 or 2011/12, with an equivalent reduction in government grant expected. The need for efficiencies locally has also increased as the Council has once more entered a period when it has a structural deficit. A summary of the financial position for the authority is attached to this report as **Appendix 1**. The exact details of this will change, dependant upon the budget decisions taken by Council when they set the budget in February.

2.2.4 It has been identified that we need a bolder, more co-ordinated approach cutting across traditional organisational boundaries, and set out over a longer period, if we are to make best use of resources whilst continuing to meet needs most effectively. This requires consideration of more radical solutions to service than has been customary for Hartlepool, if we are to make significant moves away from the salami slicing of the past.

The primary purpose of Business Transformation is to avoid the need to balance future budgets through such damaging annual cuts in service, unsustainable use of balances, or excessive increases in local taxation, by delivering a manageable programme of cashable efficiency savings into the medium term.

2.3 As has been stated above the environment in which local government operates is constantly changing. The currently evolving economic situation and the development of the budget proposals for 2009/10 and beyond has emphasised the need to fundamentally review the manner in which the organisation operates and the transformation needed to mitigate the risk that this places on the authority and service delivery.

2.4 The Programme which has been developed is ambitious but it is believed manageable. Any programme of this scale and nature has a series of inherent risks (and further detail on these is given on the section on risk in this report and the attached risk register). The premise of the programme has been, as has been stated, that continued "salami-slicing" of budgets needs replacing with a fundamental review of the organisation as part of a managed programme of change. This brings with it a series of direct and implied management and operational considerations which must be considered against the objectives of the Council to provide for a sustainable base for the organisation in the short, medium and long terms.

2.5 The work of the advisors (reported to Cabinet in September 2008) has provided a context and external challenge to the authority, within which to frame and develop this programme of transformation. It is not suggested that the programme will be without difficulty. It is a fundamental series of changes which are, in many cases, interlinked and will require careful management if they are to be implemented successfully and not seriously damage service provision. This was the reason for taking the opportunity of the Mobilisation Phase to determine a programme for Hartlepool that was tailored to meet our local needs.

- 2.6 Part of the success of the authority in recent years has been the ability to react to changing circumstances and opportunities and to make best use of the ability to be “fleet of foot” and flexible. The flexibility comes from an ability to manage and prioritise available resources and expertise to meet these changing requirements. It is important to note that whilst the proposed programme does manage and mitigate a range of risks, it is ultimately reducing the overall capacity of the organisation to do this. In the longer term this will impact adversely on that ability to be flexible and fleet of foot.
- 2.7 Proposals for the restructure of the authority were submitted to Cabinet in June 2008 and considered by Scrutiny over the period July to September 2008. The proposals for the restructure have been considered as part of the development of the overall Business Transformation Programme.
- 2.8 The Programme Board (comprising members of the Executive, other Elected Members, Trade Unions and Officers) has met in relation to the programme proposals, with the Business Cases which are appended to this report and the proposals on the priorities for the programme and timescales forming part of the agenda.

3. BUSINESS TRANSFORMATION PROGRAMME

- 3.1 As part of the development of the programme, and as agreed by Cabinet, a Programme Team was established to review the Outline Business Cases (OBCs) received from the advisors. This review has incorporated a number of key features to ensure that the proposed programme is deliverable, that experiences from other authorities that have embarked on such a programme are considered (and lessons learned), and that risks are identified (to enable them to be effectively managed).
- 3.2 The review has incorporated
- Consideration of the baseline data that informs the potential for change within each of the business cases and the deliverability of both the change and the potential efficiencies
 - Identification and alignment with programmes of activity and plans already in place within the authority. This has included projects such as the planned replacement of HR and Payroll systems, already established efficiency programmes, current (and past proposals) in respect of the Medium Term Financial Strategy and Budget
 - A review of activity and success in other authorities that have embarked on similar programmes of change.
 - The development of aligned project plans and programme requirements including underlying assumptions, resources requirements and implications.
- 3.3 The Programme aims to ensure we make best use of our resources through:
- Most effective use of assets, people, budgets, and information

- Maximum benefit from ICT and other investments
 - Maximum benefit from partnership opportunities
 - Streamlined processes where all steps deliver value for the service user
 - Benchmarking for best value and best practice in service delivery and procurement
 - Questioning current practice and delivering change
 - Maximising the ability to strengthen functions across the council through the pooling of expertise and skills
- 3.4 The Programme will also seek to improve 'customer care' in terms of moving towards:
- Access to one stop, prompt services, with e-alternatives, and extended hours
 - A Service and customer ethos, offering customer choice
 - Front offices designed and arranged for the convenience of various types of customer (including citizens and businesses)
 - Purpose built facilities, which are well equipped but functional
 - Being driven to obtain the lowest cost for the goods and services produced
 - Being focussed on the strengths of the organisation and demand in the town
 - Being well known and understood in the community
- 3.5 We have delivered an authority which has a track record of achievement and of high performance, and we want to be in a position where we can continue this. We therefore need to be conscious of impacting on other factors which help us to remain an excellent authority.
- 3.6 Aside from the savings delivered by the individual business projects, the Programme will also begin to deliver a new vision and changes in culture for the Council. The Programme aims to create a more responsive and better co-ordinated Council, with an improved focus on People and Place, and with Departments better integrated, using standardised systems and shared support.
- 3.7 The Business Transformation Programme is not something which the Authority has embarked upon lightly. The need for the programme is reinforced by the current considerations in respect of the budget position for the authority and the previously considered assertion that that the authority cannot continue to consider efficiencies in the manner which it has to date. Cabinet has identified previously the need to have in place a programme of change, that considers this change over the medium term and allows for it to be managed at a Council wide level and to contribute significantly to the delivery of the necessary efficiency savings.
- 3.8 The consideration of the programme, and the associated recommendations in respect of the overall configuration of the programme (including the underlying assumptions, requirements and subsequent timescales) have

incorporated a number of options in respect of the alignment of the programme provided by the advisors, the review of these programme elements and the proposed restructure of the Council.

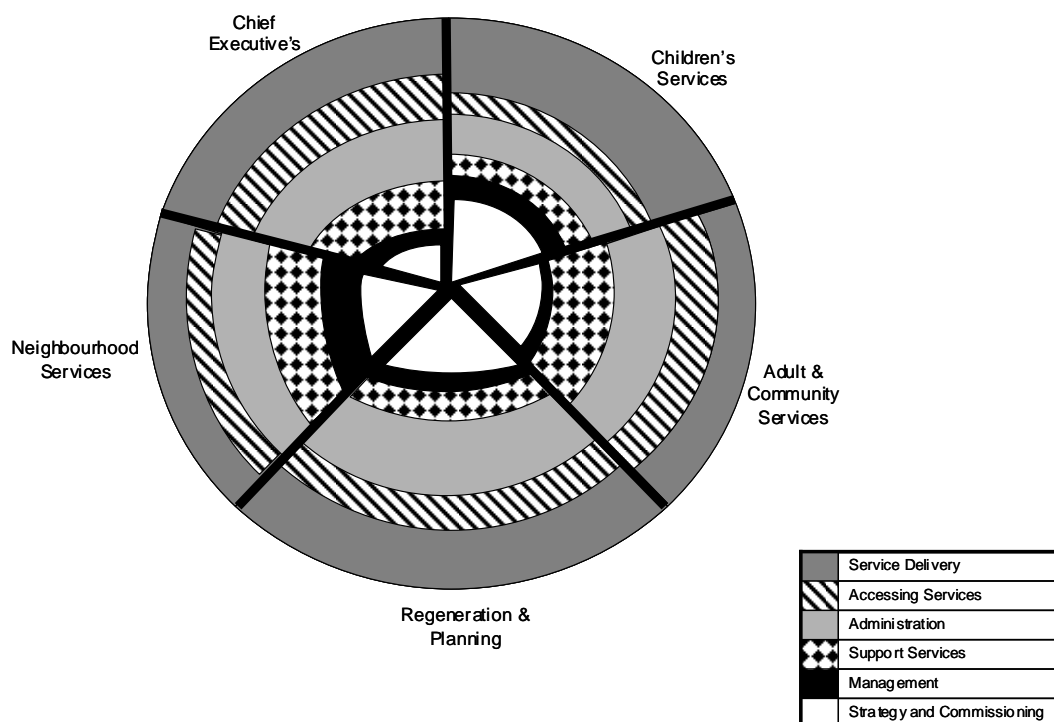
- 3.9 An important consideration in determining this programme is the extent to which the programme is aligned with any potential restructure of Council departments and the impact of this on the programme, the timescales and what can be achieved under these alternative models.

4. SHAPE OF THE AUTHORITY AND RESTRUCTURE

- 4.1 There are a range of options in respect of the overall development and implementation of the Programme. The advisors have provided an estimate of both savings and costs of delivery which have been considered in detail in each of the individual business cases (and through this report and the appendices). In addition, considerable work has been undertaken to more accurately establish any double counting between savings estimates as they relate to the overall Transformation Programme and between this programme and the budget proposals currently being consulted upon for 2009/10. This is to ensure we have a deliverable and reasonably costed programme in place.
- 4.2 The programme proposals move us from the current departmental structures with specialised systems and support structures, a professional ethos, dealing with budget via annual departmental percentage cuts towards a more integrated approach for the Council. This approach incorporates the greater utilisation of standardised systems and shared support, the further development of a customer service ethos, and handling the short and medium term financial strategy through corporate medium term managed programmes which take a radical yet manageable approach to the change needed.
- 4.3 An important factor in the consideration of the overall programme and the associated management and delivery of it is the consideration of the proposals for a corporate restructure which have been considered by Cabinet and Scrutiny.
- 4.4 There are a range of options available to the authority in respect of any such potential restructure. The programme has been developed based upon a number of assumptions in respect of this which enable the greater alignment of the component elements of the programme, minimising multiple “impacts” on service areas through transformation and the maximisation of benefits attributable to the programme changes. The programme has been designed to enable it to be restructured should any of the underlying assumptions be fundamentally changed.

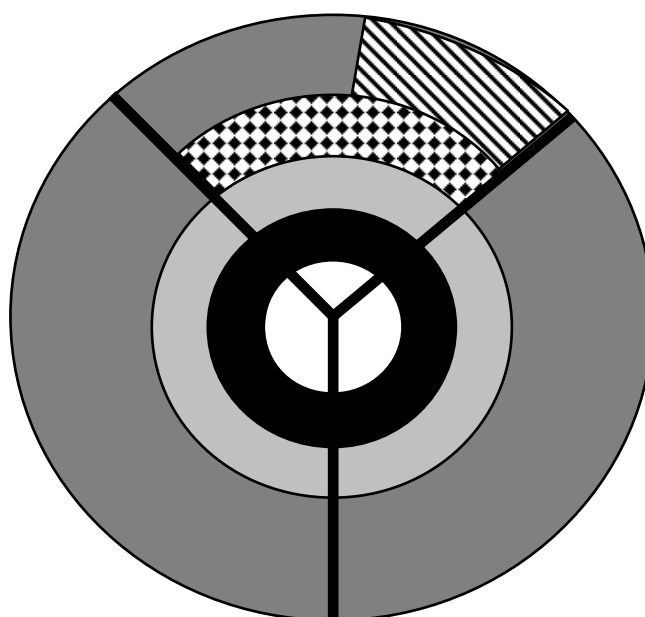
4.5 Notwithstanding any restructure the Transformation programme is proposing to fundamentally change the shape and operating practices of the authority. We are currently an organisation, as with many others which is organised departmentally. Shown below (in diagram 1), and this is a very simplified view, is the current functional structure of the organisation which has been used previously in reports to Cabinet and members seminars.

4.6 Diagram 1 Representation of the Authority



4.7 As can be seen the departmental structures all combine service delivery, access to services, administration, support services, commissioning and management. The proposals included in the transformation programme make a range of radical changes to deliver some, but not all of these functions in a different and more effective manner. The diagram below demonstrates the major changes.

4.8 Diagram 2 – The authority “To be”



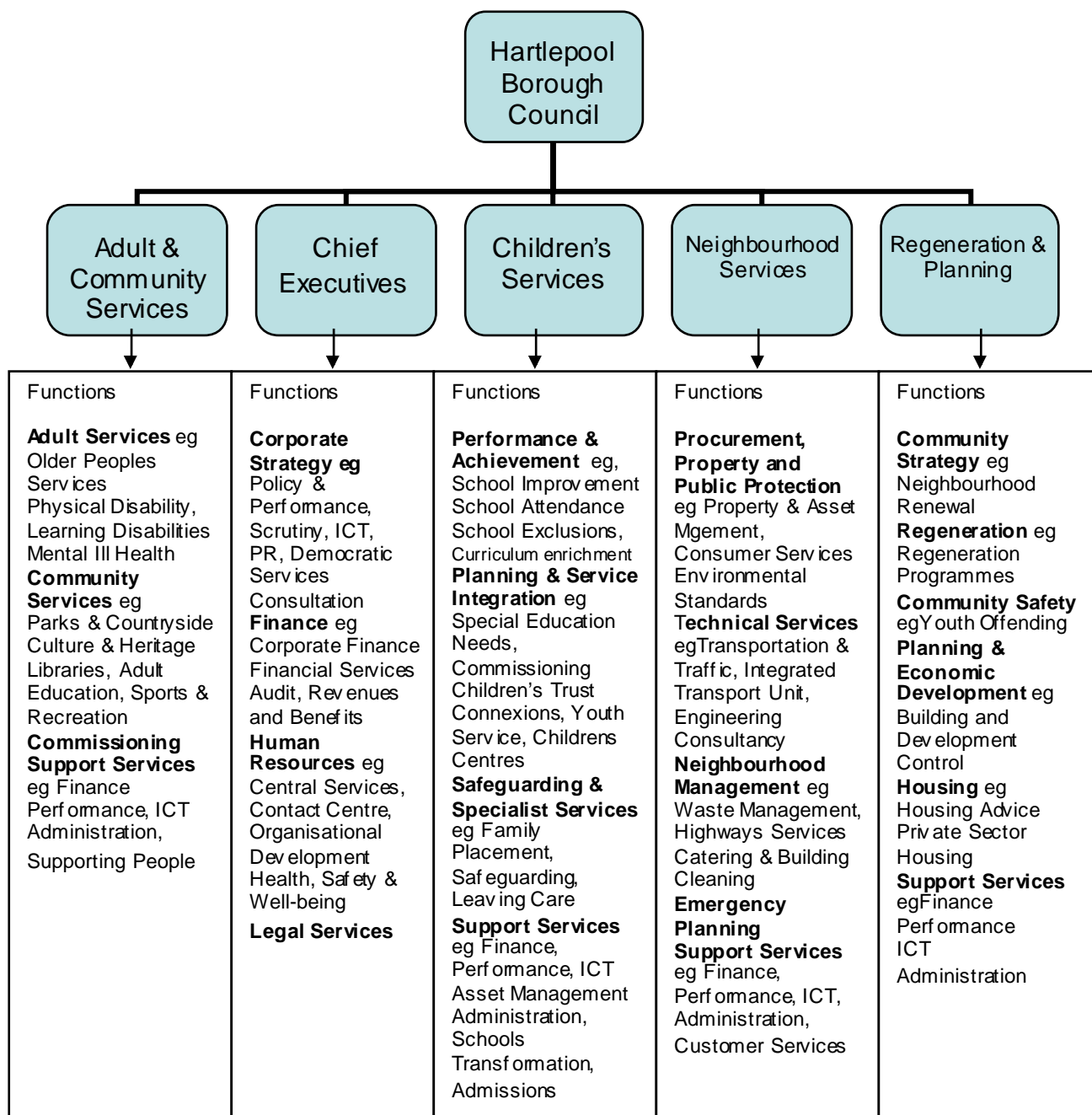
	Strategy and Commissioning
	Management
	Administration
	Corporate Support Services (Transactional (HR / Finance), ICT, Procurement, Asset Management, Policy, Legal etc)
	Accessing Services
	Service Delivery

4.9 The Transactional and Non Transactional services business cases, when considered in conjunction with the Asset Management business case, will result in financial and human resources administration, ICT support, procurement and asset management being delivered centrally. This enables the greater standardisation of process and practise and provides for administrative or corporate functions to be managed and delivered effectively to support the policy, service development and delivery which becomes more the focus for the remaining departments combined with management functions. Such a model can be delivered based on any number of departments, as it is predicated on a functional shift rather than structural.

4.10 What is illustrated above is an overall change in the functional configuration of the authority. As has been stated it relates clearly to the Transactional, Non Transactional and Asset Management Business Cases. However it is

also important to put this, in illustrative terms, into the context of the current organisational structure. A simplified version of the current structure of the organisation, identifying the five departments and the broad structural units that comprise them is shown below.

- 4.11 **NB it is not intended that this diagram shows all of the functions and services of the authority. It is designed to be illustrative.**

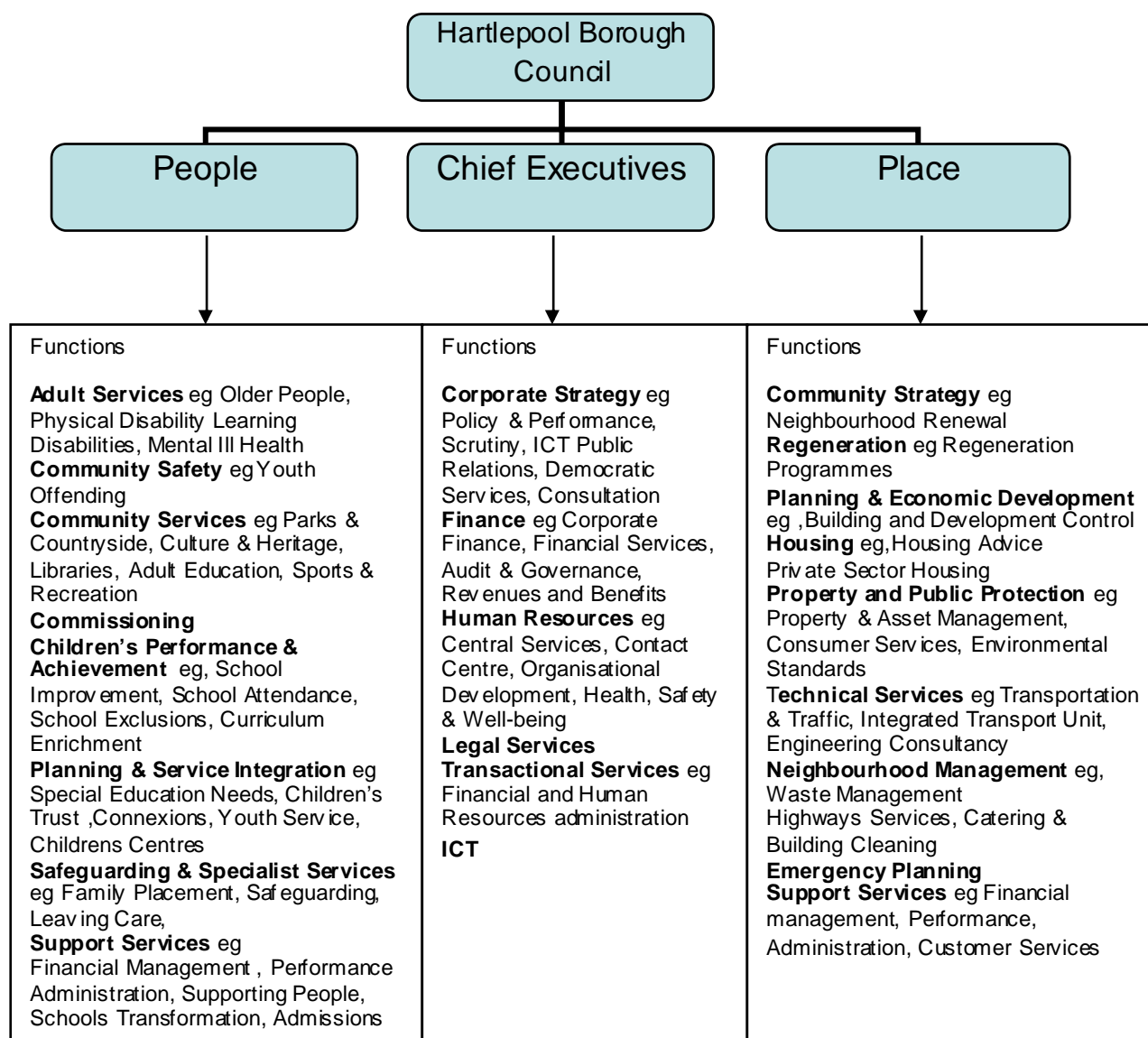


- 4.12 As part of the development of the transformation proposals, and the other elements which make up the programme consideration has been given to proposals for restructuring the authority to maximise the opportunities to synchronise it with the other structural changes in the broader programme, such as creating central teams for asset management, procurement,

transactional services (i.e. financial administration, human resources administration and administration functions in departments).

- 4.13 The functional changes identified focus on changes to ensure arrangements are in place to provide shared support, standardise and improve ICT support, reduce overheads, streamline management, and ensure we have sustainable models and arrangements for service delivery.
- 4.14 The restructure proposals are for the restructure of the Authority from 5 departments to 3 with the creation of a People Department and a Place Department in conjunction with a revised Chief Executive's Department.
- 4.15 There are a range of both financial and non financial benefits to the proposed changes. The effective reorganisation of functional areas can make better use of specialist knowledge, especially in a smaller authority, by sharing strengths across service areas, eg commissioning for personal services, etc. It can also make joint working easier by reducing the number of 'seams' in the authority, which can be barriers to the sharing of responsibilities, information and other resources. For example, a People Department could share a common focus, enabling more holistic support to vulnerable families, or young people in care during transition to adults services. A Place department would be more effectively placed to take a more holistic approach to development and management of the infrastructure of the town, maximising the benefits which may be available.
- 4.16 There are also a range of direct financial benefits in reducing the number of directorates, through fewer Directors and the support arrangements including, for example, merged departmental support service structures. In addition, a comprehensive functional review will clearly open up broader opportunities for efficiency savings in management structures than if some departments are left untouched. Small departments in a small authority can be more expensive to sustain.
- 4.17 Consideration has also been given to further potential efficiencies realisable through implementing such a restructure in respect of a variety of support services. The total savings foregone if a restructure were not taken could be of the order of £400,000 to £600,000 per annum but this is a conservative estimate. There are broader opportunities which may be realised through aligning the programme (in particular in relation to management structures and transactional services).
- 4.18 The detailed implementation of new departmental structures is something which, within a broad framework, would be best led by the Directors who will be responsible for the development of the departments and the management of the change process in respect of this change. As a result detailed and finalised structures have not been determined. For illustrative purposes the following does give an indication of a potential structure. It will however be necessary for further detailed work to be undertaken to ensure that the structure maximises the benefits which are available.

- 4.19 NB the structure below is NOT a final structure and is not intended to represent all operational or service units. It is illustrative to demonstrate, in conjunction with the changes resulting from the other Business Cases, the overall shape of the authority.



- 4.19 The outline structure above provides a representation of the potential overall shape of the organisation. It is not a finalised structure chart or represent to most efficient and sustainable configuration of services. This, as is covered in 4.15 above, will require further consideration.
- 4.20 In considering practical options around any restructure a fast track process could see the appointment of Directors designate in May/June 2009, establishment of the new Departments in August 2009, and most staff recruited to their new posts by the end of March 2010.
- 4.21 Building in more time for discussion and consultation, Directors designate could still be appointed by August 2009, Departments could be established by November 2009, and most staff recruited by the end of May 2010.

A later date than this would also be an option, but at the cost of delaying the achievement of savings across the Programme.

- 4.22 Assuming that the restructure takes place, the Management Structures business case would be delivered by tier within the new departments, or by prioritising in terms of impact and minimising any multiple changes in service areas. This ensures that the restructure is not being undertaken divorced from other elements of the overall programme. This provides the best opportunity to maximise the service and efficiency benefits that may be available. However it would make sense, if possible, for staffing changes arising from the business cases (especially those relating to the Transactional Services Business Case), to be made as the new Departments come into effect, to reduce the risk of successive upheavals. This managed approach to integrating any restructure into the broader programme of transformation also maximises the opportunities to fundamentally reconsider the configuration and operation of the organisation.
- 4.23 As has been stated there is an option to implement the business cases without the corporate restructure, this would reduce the efficiencies attributable to the programme (on an ongoing basis) by a minimum of £0.4m to £0.6m. This would require reconsideration of the delivery plans for the component parts of the programme. There is a further option of considering a further alternative to the programme of a reduction from 5 departments to 4 (Children's Services, Adult and Community Services, Place, and Chief Executives). The full financial implications of this have not been calculated in detail but could be assumed to be a reduction in the efficiencies attributable to the programme in the region of £0.2m to £0.3m. The Business Case attached as part of the programme is predicated on a restructure from 5 departments to 3.
- 4.24 It should be noted, as has been previously stated, that the Transformation Programme, whilst significantly addressing required efficiency targets does not completely address them. Not pursuing the restructure would require a likely minimum of £600,000 to be found through other measures.
- 4.25 There can be risks to broadening the role of Directors, in that they already have significant responsibilities, and work in complex environments, orchestrating several agencies. They would need to maintain clear accountability and leadership, and be able to effectively champion and give personal focus to more areas of responsibility. The roles, functions and supporting structures would therefore need to be drawn up with care. However there is no evidence that Council performance is necessarily worse in those authorities with fewer departments.
- 4.26 The Department for Children, Schools and Families (DCSF) has recently issued guidance in respect of the potential to combine the roles of Director of Adults and Children's services. The guidance suggests that such a combination is not recommended without very strong justification. A number of authorities have such joint Directors in place currently and there are a limited number which are planning to progress down this route.

It will be necessary, should this option be agreed to pursue, to ensure that DCSF and management internally are adequately reassured that risk management arrangements as they relate to individuals are not compromised in any way

5. PROGRAMME PROPOSALS

5.1 The major proposals in the programme and overall timescales (in **Appendix 2**), in line with the considerations and information above and the Cabinet report of 15th September 2008 are as follows:

NB The programme proposals are capable of revision should the underpinning assumptions change

i) Restructure and Management Structures: (**Appendix 3**)

- A restructure of the authority from 5 departments to 3 is proposed, aligned with the management structures and transformational services business cases, and commencing in Q2 2009/10.
- A model for re-design of management structures is proposed based on a simplification of the management structures and a consolidation of the existing multiple management tiers.
- The alignment of a restructure, delivery of the management structures business case and alignment with other parts of the Transformation Programme provides the opportunity to maximise the benefits of the programme in both financial and management terms.

ii) Transactional Business case: (**Appendix 4**)

- Establish a corporate shared service for the provision of HR/Payroll, creditors, debtors and income receipting.
- Establish 3 directorate based shared service teams for the provision of Administrative Services based upon a 10% reduction in headcount in this area
- Review arrangements for the provision of professional and technical services (e.g. Financial Management and Training) within the Directorates.
- Introduce measurable standards within formalised Service Delivery Agreements

iii) Non-Transactional Business Case: (**Appendix 5**)

- Establish a Corporate Procurement Unit enabling significant savings in spend budgets
- Re-organise ICT resources to improve planning and delivery of development projects, and to better support IT. Small saving expected.

- Drive out cost savings from procurement , ICT infrastructure, and a review of income opportunities
- Develop a model for improving business processes to be applied to both support services and front line provision

iv) Asset Management Business Case (**Appendix 6**):

- An Accommodation Strategy is introduced based on 8 or 10 sq.m. per workstation, hot-desking, meeting and break out spaces for peripatetic working, and stringent storage targets.
- A trial based on the principles included within the Accommodation Strategy be implemented on level 3 of the civic centre as part of the refurbishment programme.
- The council will dispose of at least one major administration building within two years.
- A review of non administrative operational buildings and land be undertaken during 2009/10 as part of the overall property rationalisation programme, with a view to reduce the surplus portfolio by 10% via disposal, community transfer and/ or shared service provision, thus reducing annual running costs.
- A commercial approach is taken to review and challenge the property and land on the asset register as part of the asset and property rationalisation programme, aiming to reduce the surplus portfolio by 25%.
- A centrally managed service for asset and property management be introduced.
- An invest-to-save programme for energy efficiency projects is prepared identifying the resources required to invest in Council property to reduce consumption, realise efficiencies and reduce the authority's carbon foot print.

v) Service Delivery Options: (**Appendix 7**)

- That a draft improvement programme be considered for fundamental service reviews in 2009/10.
- That a process be agreed for determining a programme for future years, comprising at least 4 reviews per year and that service delivery principles and evaluation criteria be developed for use in reviews and reported to Cabinet for agreement.
- That the savings target for each review would normally be a minimum of 10% of direct service costs.

vi) Customer Services (**Appendix 8**)

- The customer services aspect of the programme is being investigated to a slightly different timeline to the other elements of the programme to allow consideration to be given, as part of this, to a new national performance indicator of avoidable contact. A summary of the current position is attached.

6. MEDIUM TERM FINANCIAL STRATEGY

- 6.1 The Budget proposals considered by Cabinet on 22nd December 2008 identify a medium term structural deficit of some £4m (including the need to achieve the existing 3% efficiency target) in 2010/11. This is on the assumption that future demographic pressure can be contained within the headroom provision, which maybe optimistic. Beyond 2011 the position is not determinate because we are into the next Parliament and further spending reviews, but the position is unlikely to improve. Clearly if the Council are unable to achieve efficiencies through the Business Transformation programme, or those efficiencies are delayed in their implementation, then in budgeting terms the Council will still need to balance its 2010/11 budget and without Business Transformation this will require once more the allocation of targeted savings to departments. For indicative purpose this is the equivalent to a flat rate 5% cut across all departments.

7. POTENTIAL EFFICIENCIES

- 7.1 The Business Cases identify cashable gross saving opportunities totalling £8.2m (including the restructure) (see **Appendix 9**). This could take 4 or 5 years to deliver, due to the longer timescales for Service Delivery Options and Asset Management. A summary of the efficiencies by programme area is shown below :

	2009/10 £000s	2010/11 £000s	2011/12 £000s	Full Year £000s
Restructure and Management Structures	320	1850	1850	1850
Transactional Services	145	625	900	900
Non Transactional Services	120	300	300	300
Asset Management	150	290	440	510
Service Delivery Options	200	1350	2500	4600
Customer Services	To follow			
Total	935	4415	5990	8160

- 7.2 For budgetary purposes these projections must be discounted for possible overlap with existing departmental efficiency proposals (estimated to be in the region of £1.6m), and for risks from estimation, delivery, and slippage (£0.6m).
- 7.3 The advisors report had identified potential efficiencies of greater proportions at their maximum (the range of savings identified was from £6.2M to £12.9M). The work of the Business Transformation Team over the last couple of months has been to ensure that these are a realistic assessment of the opportunities and discount any elements of double counting.

- 7.4 If a restructure were not carried out that would preclude some specific management savings, and also make it less likely that savings in support costs could be fully realised. The impact would be of the order £0.4m to £0.6m per annum as a minimum. If the restructure was from 5 departments to 4 this would (estimated) be in the order of £0.2 m to £0.3m as a minimum. If these potential savings are excluded from the programme at the outset then the budget position identified in **Appendix 1** would be exacerbated by this amount which would need to be realised elsewhere.
- 7.5 The efficiencies identified as being achievable through the programme do not incorporate any potential capital receipts which may be realisable through the asset management element of the programme. They have not been incorporated due to the currently uncertain economic circumstances. In addition these resources are one off and therefore have not been included in the ongoing savings profile for this reason.

8. COSTS OF ACHIEVING THE PROGRAMME

- 8.1 The costs of achieving the Programme are identified in **Appendix 9**.
- 8.2 The Programme Team requires a variable level of resourcing over 3 years, as projects peak and are mainstreamed. It may be staffed internally by secondment or appointment, at a total cost of approximately £535,000, which compares favourably with the advisors' externally provided proposal, and would be largely offset by the existing Programme budget.
- 8.3 Individual workstreams and projects also require specific resources to support the work, procure ICT infrastructure, etc, at approx £545,000. This excludes the purchase of the HR/Payroll system, already budgeted for. It would also be prudent to make allowance for redundancy and early retirement costs of up to £3.1m. These costs are all detailed in the attached financial summary and in the Business Case summaries attached to this report.
- 8.4 A summary of the costs is shown below ;

	2009/10 £000s	2010/11 £000s	2011/12 £000s	Total £000's
Potential Severance costs (Including Voluntary redundancies and early retirements)	1910	1230	0	3140
Programme Team	334	169	32	535
Other Programme costs (incl Project management, business process reengineering etc)	330	200	15	545
Total	2574	1599	47	4220

NB – further detailed costings need to be undertaken - the figures identified are initial estimates only.

9. FINANCIAL CONSIDERATIONS

- 9.1 Given the magnitude of the severance costs and the need to take to revenue the maximum saving possible, use of reserves to fund these costs would be the most flexible approach. Unfortunately, as members will recall from previous reports the Council's reserves are generally allocated to meeting other risks/issues, so this is not directly a feasible option. The exception to this is the Council's insurance fund which is currently allocated to underpinning the historic costs of Job Evaluation. There is some possibility that there may be scope in this, when the Council has a better assessment of the risks facing it from JE appeals, for release of some monies as a contribution towards the termination costs. In the meantime it would not be unreasonable to use the insurance fund and other reserves to fund loans to cover the termination costs, subject to repayment.
- 9.2 The cost of the Programme Team over the three year period from April 2009 is £535,000, and the other implementation costs £545,000. Council and Cabinet have already approved budgets for the Programme of £727,000, and after allowing for the cost of the advisors work, and the running of the Programme Team in the current year, there will be £440,000 to carry forward into 2009/10. This will leave £640,000 still to be funded, in a similar way to the severance costs above.
- 9.3 The overall financial projection would be of efficiency savings of £8,160,000, less allowances for savings already taken into the budget (£1.6m) and for estimation errors (£0.6m), leaving £5,960,000. The costs of delivery would repaid over a 5 year period, leaving net contributions to the budget of:

	Annual Efficiency £'000	Cumulative Efficiency £'000
Value of Programme for 2009/10 budget	0	0
Value of Programme for 2010/11 budget	2,088	2,088
Value of Programme for 2011/12 budget	1,105	3,193
Value of Programme for 2012/13 budget	2,020	5,213
Value of Programme for 2015/16 budget	427	5,640
Value of Programme for 2016/17 budget	320	5,960

- 9.4 The effects of this on the Medium Term Financial Strategy are shown in **Appendix 1**. The Strategy covers the three years 2009/10 to 2011/12. Forecasts beyond 2010/11, which is the end of the current three year grant settlement for local authorities, are extremely difficult in the current uncertain financial climate, but it is likely to be a period of lower grant increases and increased efficiency targets for local authorities. An initial forecast for 2011/12 has been included in the MTFS so that it covers a three-year period, in line with recommended best practise.

- 9.5 Potentially, the net savings from Business Transformation constitute an important contribution to the balancing of the current and future Medium Term Financial Strategies, and would be generally preferred to the only alternative, which is continuation of piecemeal and incremental 'salami-slicing' of budgets. They also make a reasonable return on the investment required.

10. REALISING THE BENEFITS

- 10.1 The realisation of the benefits from the programme are crucial to its overall success and to the support of the medium financial strategy for the authority. The realising of these benefits is one area which has been identified, both through previous activity within the council, and from discussions with other authorities, as requiring a clear and agreed approach from the outset of the programme. Attempting to determine this after the initial stages of implementation have been undertaken reduces the effectiveness of the programme overall and increases the risk of not realising the savings.
- 10.2 The overall timeline for the programme does not require the realisation of benefits until the beginning of the new financial year at the earliest, and model for the realisation of benefits is currently being developed by the team. The model is being developed based on a combination of consultations with other local authorities which have commenced the implementation of their transformation programmes and current arrangements in place within the authority. The aim is to establish a mechanism that is sustainable and accurately reflects both the baseline position and the varied nature of the component elements of the programme.
- 10.3 The mechanism for realising the benefits will be determined by April 2009.
- 10.4 Given the comments above on the timescale to realise the financial benefits I would draw members attention to the fact that in the medium term the Business Transformation programme will not in itself solve all the Council financial difficulties. It will in the period 2010/11 to 2012/13 make a very significant contribution to them and make the resultant problem more manageable.

11. PROGRAMMING AND OVERALL TIMESCALES

- 11.1 The programme which has been established is attached as **Appendix 2**. The programme has been established to take advantage of the ability to align key elements of the programme to ensure that change is managed across the organisation and that multiple affects on areas of the organisation are minimised.
- 11.2 The Programme which has been attached is the high level project plan which will require further refinement to ensure that each of the component workplans incorporate sufficient detail to ensure that the programme, any associated risks and the communication process surrounding it, can be effectively managed.

- 11.3 The timescales incorporated in the programme have been considered for deliverability risk and are therefore not profiles of the quickest possible delivery route.
- 11.4 The programme overall has a delivery timescale of broadly three years, which is the shortest that is thought practical, although the realisation of some benefits will be slightly longer than this. The focus for change will be over the next 12 to 18 months if the changes are to be delivered and the efficiencies realised to support the medium term financial strategy. It is imperative if the broader timescales in respect of the contribution to the medium term financial strategy are to be met, that work on the programme commences in advance of the end of the current financial year.

12. WORKFORCE IMPLICATIONS

- 12.1 There is a preference for savings which do not affect levels of employment. However, the various business cases do deliver savings and other benefits in part from reductions in posts across the organisation (perhaps 90 ftes in total), and also from other changes such as skill mix. These should be met in the first instance by natural wastage and redeployment, but there are likely to be redundancies in some areas. The structuring of the programme has been determined to manage this process within existing constraints and in order to minimise compulsory redundancies we will need:

- Restrictions on filling vacancies across the Council, with limited exemptions.
- An effective redeployment process which finds successful matches.
- A widespread offer to receive expressions of interest in voluntary redundancy. The discretionary elements of such offers may have to be managed, as the funding available would be very limited. Applications would only be accepted where it will directly or indirectly enable the achievement of this Programme.
- To maintain an accurate corporate record of structures and pay budgets.

The changes and prospect of change may have an impact on recruitment and retention for some posts.

- 12.2 The changing Council will need to address current skills gaps and changes in management competences required. This will call for a re-shaped programme of organisational and workforce development, and a fresh management training offer. This has been highlighted in the Management Structures business case and will require some further consideration.

Whilst the Programme does not require major revision of service standards and HR policies, there may need to be changes in service delivery which go beyond existing custom and practice.

13. DEIVERABILITY AND RISK

- 13.1 Any programme of change, particularly one as significant as this, carries with it inherent risks. The approach that the authority has taken to date in respect of this programme has sought to manage these risks, take a measured (but ambitious) approach and take the opportunities available to review, validate and plan effectively for the change.
- 13.2 A key consideration in the development of the programme has been the extent to which there is an alternative to such a broad reaching change which will deliver the balance of service and efficiency which is critical in the medium term. The original basis for the programme (reported to Cabinet in February 2008 and through members seminars prior to consideration by Council) still remains. The ability of the authority to achieve the efficiency savings required by continuing the approach that has been in place for a number of years is not sustainable in the future. Significant additional pressures on the base budget of the authority, through a range of factors but including increasing costs of care and the likely increase by central government of the efficiency targets expected from local authorities further reinforce this need.
- 13.3 A risk register for the programme and the component parts has been established in line with the Risk Management Strategy of the authority. The register will be managed and reviewed as part of the implementation of the programme.
- 13.4 It should be noted that the financial projections above are still outline estimates at this stage, and subject to a degree of estimating error, delivery risk, and potential slippage. It has been shown from discussions with other authorities that to attempt to determine an absolute and fixed position at the outset will ultimately result in not embarking on the programme at all, this is not considered a viable option. The close monitoring of the programme as it evolves further will be a fundamental part of its management (see draft risk register at **Appendix 10**).
- 13.5 The estimating risk includes possible overlap with initiatives under the existing efficiency strategy, double counting between business cases, lack of baseline data with some research still being in progress, and the possibility of project and programme slippage although every effort has been made to identify and account for these.
- 13.6 Delivery risk includes known factors and barriers (see attached risk register) and the unknown factors associated with any first time transformation programme. Not least is the requirement for major cultural shifts, and wide stakeholder engagement. Delivery risks can be controlled and minimised by use of piloting, phasing, and use of external expertise. Another factor is the effectiveness of management in complex individual change projects. We need to build up and organise the Council's development capacity, and may need to buy in some project management expertise in the short term.

- 13.7 The undertaking of such a radical programme of change does place a range of services at potential risk. The management and delivery of services with very tight resources does mean that significant change can exacerbate existing risk areas. The nature of the changes proposed (and previously mentioned guidance in respect of this) does mean that the management of these risks through an overall programme is crucial if any potential impacts are to be managed effectively. The risks on service delivery extend across the organisation but given the limited nature of any options in respect of the change required will have to be subject to rigorous management rather than having the potential for an alternative course of action.
- 13.8 As has been demonstrated in recent Cabinet reports (22nd December 2008), in respect of the budget, there are immediate and longer term risks to the overall budget of the council which we have limited control over. The recent announcements in respect of levels of government funding to local authorities and the potential for efficiency targets to be increased further when allied to increasing demographic pressures on local authority services mean that the authority must try to place itself in a position to manage and mitigate as many of these risks as it can through a programme such as this. Failure to implement such a programme would risk making the resultant deficit position unmanageable.
- 13.9 Realisation of benefits is an area of skill and knowledge in itself, and one where the Council has limited experience. It will be most important to agree in advance what each case should deliver, who is accountable for them, how changes will be tracked, measured, and monitored, and how they will be related to wider service and financial plans. Some investment in bringing in Benefit Realisation expertise at an early stage will be beneficial to the long term success of the programme.

To realise the full benefits of technological change and opportunities we would benefit from a transformational approach from key partners, in particular our ICT partner. We will also need to drive improvement in processes, via a consistent corporate approach to Business Process Improvement and Re-engineering, more focussed on cashable process savings.

- 13.10 In order to be most cost effective, services need to call upon one another for specialist support, rather than work in silos. For this to develop properly and be used with confidence, we need a means of establishing and challenging standards of service, without creating a new bureaucracy.

The proposals outlined above set out major changes in organisational structure, vision and culture, and controlling the change management risks involved will require clear and consistent leadership from Members and senior management, full engagement from middle management, and the involvement of the unions and workforce. A Communications and Engagement Plan is attached and is covered below.

- 13.11 The risk register recognises that both the changes made and the change process itself could impact on the capacity of the Council to meet other challenges, and for this reason alternatives to the most radical approach will always be given.

14. GOVERNANCE AND ROLES

- 14.1 The basic governance structures would be similar to those employed for the Mobilisation Phase. The key stakeholder roles in the Implementation Phase will include:

CABINET or PORTFOLIO HOLDER	Member decisions in relation to the Programme.
PROGRAMME BOARD	Overview on the planning and conduct of the Programme. Stakeholder input to strategic direction and priorities.
CORPORATE MANAGEMENT TEAM	High level officer decisions and ownership in relation to overall Programme and projects. Ensuring workforce ownership and engagement. Managing interplay with service and financial planning.
BUSINESS TRANS TEAM	Propose and manage overall Programme. Support and co-ordinate project leads. Monitor and report on Programme and projects. Brief and consult Unions and stakeholders.
PROJECT LEADS	Leadership and management for project delivery. Co-ordination of sub-projects/strands and project resources.
ASST DIRECTORS/ HEADS of SERVICE	Provide service perspective in programme planning and delivery (DMTs) within department. Managing performance through the change.
STRATEGIC MANAGERS	Provide service perspective in project delivery. Managing provision through the change.

15. COMMUNICATIONS

- 15.1 The programme of change that the authority will be embarking on is significant. As part of the management of the risks associated with this the

effective communication of intent, plans and actual activity is crucial. Investigation into the key success factors that other authorities have identified in the effective delivery of such programmes (and our own experiences of change in the past) have reinforced the importance of this element and the need for it to be integral to the overall programme and its component parts. An assessment of the risk to employee wellbeing as a result of the change process will be undertaken in conjunction with the Health Safety and Wellbeing Team.

- 15.2 As the programme has been developed over the last 3 months there have been regular meetings held between officers and trade union officials (this has included a meeting with regional officers to ascertain, from their experience the factors which contribute to a successful programme of this type). These meetings have provided the opportunity to share the key components of the programme as they develop with trade union colleagues and for trade union representatives to raise any areas of concern they would wish to be taken into account.
- 15.3 The development of the programme has highlighted that there will be a need for communication to be effectively targeted at both a programme and a project level. The project has a broad reaching affect and there are a range of key messages and requirements aligned to the overall timetable. In addition each of the component parts of the programme will, in a more detailed way, affect various groups of staff and stakeholders over a different timescale. This means that the programme will have an overall communications plan but that there will also be separate plans for the individual workstreams to ensure that there is effective communication and engagement in the process as it evolves and is implemented
- 15.4 A communications plan has been developed as part of the programme review which has been undertaken since the report to Cabinet in September 2008. The proposed plan is included as **Appendix 11**.

16. DIVERSITY IMPACT ASSESSMENT

- 16.1 A predicted Diversity Impact Assessment (DIA) has been completed for the programme. The DIA has been attached to this report as **Appendix 12**. As the programme develops, the DIA will be reviewed to ensure that changes which are being made in relation to the development of the programme are not detrimental to any group and maximise the positive benefits attributable to such changes.
- 16.2 The broad scale and nature of the programme does mean that this will be kept under review at a project level to ensure a robust approach is taken in respect of any change.

17. CONCLUSIONS

- 17.1 There is the potential for a feasible programme of Business Transformation capable of delivering a significant portion of the Council's efficiency savings

target for a two or three year period. This can be most beneficially delivered along with a corporate restructure and a change in organisational vision and culture, as this maximises the potential benefits available to the authority and provides a sustainable basis for future developments.

- 17.2 The Transformation Programme is an ambitious programme combining a number of project areas which have been considered to align them effectively and maximise the benefits attributable, in the medium term, to each component part. The programme and its implementation is not without risk. These risks have been considered alongside the risk of either doing nothing or not taking a more radical approach to the provision of services by the authority and the resources to do this.
- 17.3 There are a range of options in addition to those which have been proposed. The options which have been proposed are considered the most appropriate given the balance of risk, deliverability and need to deliver to the scale which has been identified in this report and related budget reports.
- 17.4 The change programme provides for a fundamental consideration of the nature and delivery of a variety of roles across the authority. It fundamentally reconsiders the nature (and provision) of support functions across the authority to reconfigure these to be provided centrally where they relate to administrative support (including areas such as finance, human resources) or where the pooling and sharing of expertise can provide for increased effectiveness (procurement, Information technology, asset management).
- 17.5 The proposals also provide for the strengthening of key functional areas within departments, providing for a broader and deeper range of expertise and greater alignment of clearly associated functional areas. This is covered in greater detail in Section 4 of this report.
- 17.6 These changes are designed to minimise the resources utilised in administration of back office functions through the standardisation of processes and activities and maximise the efficiencies through utilising economies of scale by bringing these functions and processes together centrally. In addition opportunities to maximise and better coordinate departmental resources through their restructuring and alignment offers the opportunity to deliver these functions more efficiently and with enhanced professional support.
- 17.7 The proposed structural changes will require consideration to be given to the recently issued guidance from the Department for Children, Schools and Families (DCSF) in respect of the potential to combine the roles of Director of Adults and Children's services. The guidance suggests that such a combination is not recommended without very strong justification. A number of authorities have such joint Directors in place currently and there are a limited number which are planning to progress down this route. It will be necessary, should this option be agreed to pursue, to ensure that DCSF and

management internally are adequately reassured that risk management arrangements as they relate to individuals are not compromised in any way.

- 17.8 It is important to note that the proposals included as part of this report have been developed as a package of measures to assist the authority to address the financial burdens that it faces whilst still being in a position to manage and deliver high quality services. Any change such as this is part of a continuum and will need to develop and evolve as new factors come to light. This programme gives a strategic direction to the authority in terms of its management and operation and the principals that will underpin this. It is important to set this context to provide, for service users, staff who work here and elected members, the reassurance and framework within which they can operate effectively.

18. RECOMMENDATIONS

18.1 Cabinet are recommended to:

- i. Agree to the restructure of the authority from 5 departments to 3 in line with the principals in section 4 of this report, with the detailed departmental structures to be developed.
- ii. Agree to the review of the remuneration of the Directors of People and Place in line with the agreed Council Remuneration strategy to be agreed by Cabinet.
- iii. Agree to the recruitment of Directors of Place and People in line with the Councils procedures.
- iv. Agree to outline departmental structures being developed by the appointed Directors delivering the efficiencies required to be agreed by Cabinet.
- v. Agree to the review of the current structure of the Chief Executives department, with the development of new structures, if appropriate, to be agreed by Cabinet.
- vi. Agree to the continuation of the Business Transformation Team to support Directors and manage and deliver elements of the programme.
- vii. Agree to the implementation of the Business Case proposals identified in section 5 of this report (and the specific recommendations for each included in Appendices 3 to 7)
 - a) Restructure and Management Structures: (**Appendix 3**)
 - b) Transactional Services (**Appendix 4**)
 - c) Non-Transactional Services: (**Appendix 5**)
 - d) Asset Management (**Appendix 6**):
 - e) Service Delivery Options: (**Appendix 7**)

- viii. Agree to receive a further report on the implementation of the business case for Customer Services (**Appendix 8**).
- ix. Agree to receive a report on the Service Delivery Options incorporating a programme for future years, comprising at least 4 reviews per year and service delivery principles and evaluation criteria.
- x. Agree that the authority implement:
 - a) Restrictions on filling vacancies across the Council, with limited exemptions.
 - b) A managed process to receive expressions of interest in voluntary redundancy in line with programme timescales.
- xi. Agree the principle of funding one-off severance costs of £3.1m on a loan basis repayable over a 5 year period from the gross savings achieved from implementing the Business Transformation programme, and to refer this proposal to Council for approval as part of the 2009/10 budget proposals on 12th February 2009.
- xii. Agree the principle of funding other one-off programme costs of £0.64m on a loan basis repayable over a 5 year period from the gross savings achieved from implementing the Business Transformation programme, and to refer this proposal to Council for approval as part of the 2009/10 budget proposals on 12th February 2009.
- xiii. Agree that proposals for a Workforce Development Programme be developed for consideration by either Cabinet or the Performance Portfolio holder to underpin the requirements of the programme.
- xiv. Agree that proposals for an invest to save programme for energy efficiency be developed and submitted for consideration and approval.
- xv. Agree the Communications Plan included as **Appendix 11**

Background Papers

Cabinet Report	11 th February 2008 The Way Forward – Business Transformation Programme
Cabinet Report	23 rd June 2008 Departmental Structures and Efficiencies
Cabinet Report	15 th September 2008 Business Transformation Programme

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COUNCIL OVERALL FINANCIAL SUMMARY

5.1 APPENDIX 1

Table 1 - Summary of Budget forecasts and Business Transformation

	2010/11 £'000	2011/12 £'000
Net Deficit	1,525	1,312
Add back 3% 2010/11 efficiency target	2,522	2,585
Add back 3% 2011/12 efficiency target	0	2,522
Total Annual Efficiency Target	4,047	6,419
Less 2010/11 Business Transformation Efficiencies	(2,088)	(2,140)
Less 2011/12 Business Transformation Efficiencies		(1,105)
Revised budget deficit	1,959	3,174

Table 2 - Summary of Net Business Transformation efficiencies

	Annual Efficiency £'000	Cumulative Efficiency £'000
Value of Business Transformation efficiency forecast for 2009/10	0	0
Value of Business Transformation efficiency forecast for 2010/11	2,088	2,088
Value of Business Transformation efficiency forecast for 2011/12	1,105	3,193
Value of Business Transformation efficiency forecast for 2012/13	2,020	5,213
Value of Business Transformation efficiency forecast for 2015/16	427	5,640
Value of Business Transformation efficiency forecast for 2016/17	320	5,960

cont'd

Table 3 - Summary of Business Transformation Efficiencies and how used 2010/11 to 2016/17

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Cumulative efficiency from BTP (gross before repayment of one off costs over five years and after efficiencies already reflected in departmental proposals and "estimation error").	2,515	3,940	5,960	5,960	5,960	5,960	5,960
<u>How Cumulative BTP Efficiencies used</u>							
Repayment 2009/10 one off cost (final repayment 2014/15)	427	427	427	427	427	0	0
Repayment 2010/11 one off cost (final repayment 2015/16)	0	320	320	320	320	320	0
Taken as saving in MTFS from 2010/11	2,088	2,088	2,088	2,088	2,088	2,088	2,088
Taken as saving in MTFS from 2011/12	0	1,105	1,105	1,105	1,105	1,105	1,105
Taken as saving in MTFS from 2012/13	0	0	2,020	2,020	2,020	2,020	2,020
Taken as saving in MTFS from 2015/16	0	0	0	0	0	427	427
Taken as saving in MTFS from 2016/17	0	0	0	0	0	0	320
	2,515	3,940	5,960	5,960	5,960	5,960	5,960

Management Structures and Restructure

Summary of key points

There are potential options for the implementation of this business case.

The proposals for restructure were referred for consideration as part of the overall Business Transformation Programme, and there are benefits attributable to the integration of an organisational restructure with the broader programme.

Options have been considered for the integration of the restructure (or not) and the associated timescales and impact.

The alignment of a restructure, delivery of the management structures business case and alignment with other parts of the Transformation Programme provides the opportunity to maximise the benefits of the programme in both financial and management terms.

A restructure of the authority from 5 departments to 3, aligned with the management structures and transformational services business cases (assumption 3 below) is proposed in Q2 2009/10. (Given the increased profile of these service areas discussion will be necessary with DCSF as part of the preparatory phase for this option)

Three options have been considered for this business case based on the following assumptions and with the following benefits and disbenefits:-

Options	Benefits	Risks
<i>Assumption 1</i> (Based around sore thumbing by department)	Potential efficiencies & savings would be generated earlier (but not to the extent of the other assumptions).	Potential disruption to services (but over a limited time period).
<i>Assumption 2</i> (Based on a phased and targeted approach)	Potential efficiencies & savings would be generated (but phased over a longer period of time).	Potential disruption to services would be phased over a period of time but this potentially elongates the uncertainty
<i>Assumption 3</i> (Based around the Corporate Restructure)	Greater potential for efficiencies & savings through departments merging.	Potential disruption to services would be over a limited time period but the scale of disruption is potentially greater.

Planning for a restructure and alignment with the rest of the transformation programme provides for the following

Early restructure (Q1 of 2009/10)

Benefits

- Savings from Management Structures business case generated earlier (4th Quarter 2009/10).
- 25% of total annual savings from Management Structures business case to be realised in 2009/10.
- Shorter period of uncertainty across the organisation.
- Potential disruption to services would be over a shorter period of time.

Disadvantages

- Short period of time to undertake the preparation stage of the business case (Jan – March 09) – develop the framework of the new management structures, determining the services for the new directorates and devise a Corporate Management Framework with Council having to make a decision by mid- February.
- Risk that a delay in this model could disrupt the whole Business Transformation Programme.
- No opportunity to use the new HR/Payroll system in restructuring, which will not go live until July/August 2009

Later restructure (Q2 of 2009/10)

Advantages

- Longer period of time to be able to undertake the preparation stage of the business case (Jan – May 09). With further ability to learn from experiences of others and time to develop (and consult on) the framework of the new management structures, determining the services for the new directorates and devise a Corporate Management Framework.
- Ability to plan for a more structured exercise.
- Opportunity to use the new HR/Payroll system in restructuring which will go live July/August 2009
- The changes can be undertaken as part of a managed programme for the authority which aligns with the Medium term financial strategy

Disadvantages

- Savings from Management Structures business case generated later (1st Quarter 2010/11).
- Longer uncertainty for the organisation
- Potential disruption to services would be over a longer period of time.
- Greater likelihood of delay in the implementation of the other Business Cases.
- The longer the wait to implement the greater the risk the opportunities in the Business Cases become non-deliverable.

Restructure at Q1 2010/11

Advantages

- A significant period of time to plan in detail for the potential change to organisational structures

Disadvantages

- Management Structures business case not delivered until March 2011 (4th Quarter 2010/11) and potential delay of the other business cases.
- The longer the wait to implement the greater the risk the opportunities in the Business Cases become non-deliverable.
- Very significant period of uncertainty for the organisation
- Potential disruption to services would be over a longer period of time.
- The ability to align the reorganisation with the medium term financial strategy and budget process is minimal

Baseline findings – summary

The potential gross savings, capital receipts and investment programme from this review are summarised in the following tables

Savings Profile	2009/10	2010/11	2011/12
Advisors – Lower financial benefit – based on a reduction of 22 posts	£220,000	£880,000	£880,000
Advisors – Higher financial benefit – based on a reduction of 62 posts	£620,000	£2,480,000	£2,480,000
Business Transformation Team based on Assumptions 1 & 2, 36 posts	£360,000	£1,440,000	£1,440,000
Business Transformation Team based on Assumption 3 (Q2 2009/10) 46 posts	£320,000	£1,850,000	£1,850,000

Investment programme

Options	Costs
Assumption 1 (Based around sore thumbing by department)	Cost of delivering Assumption 1 = £137,464 incl BT team
Assumption 2 (Based broadly on a phased and targeted approach)	Cost of delivering Assumption 2 = £204,775 incl BT team
Assumption 3 – (Based around the Corporate Restructure (Q2 2009/10)	Cost of delivering Assumption 3 = £174,607 incl BT team

Provision for Redundancy (Including Voluntary Redundancy) & Early Retirement

Therefore based on Assumptions 1 and 2 and using a worst case scenario as it is expected that this can partly be managed through resignations and natural wastage) the redundancy cost, based on a approximate figure of £30,000 per employee would be £1,080,000.

Assumption 3 gives the greater potential for savings and efficiencies but therefore will cost the most for redundancy costs, (again the worst case scenario) would cost £1,380,000.

Background

In April 2008 the council commissioned advisors to conduct a review of possible opportunities for the Councils Business Transformation programme.

The advisors produced a range of outline business cases one of which stated an opportunity to simplify and streamline management structures which would comprise a redesign of management structures and implementing a consistent Corporate Management Framework which would:-

- Increase the number of posts managed by each manager.
- Make best use of professionals and specialists across the organisation.
- Clarify and focus manager's accountabilities.
- Enable effective and consistent learning and development programmes to be devised for managers at each tier in the organisation.
- Make provision for succession planning in management structures.
- Create efficiency savings by reducing the number of management posts.

The advisors presented two sets of recommendations. Both represented a move towards a good practice position and both involved the following:-

- A move towards becoming an organisation that is driven by managerial rather than professional accountability.
- A simplification of the management structures.
- A consolidation of the existing multiple management tiers into four,

A reduction in the current number of posts with direct line management responsibility

This business case is more than a headcount reduction exercise; the focus is on delivering sustainable cost reduction through increased organisational effectiveness.

The vision for this business case is for Hartlepool Borough Council to have management structures which are designed to ensure they are sustainable in terms of capability and capacity to deliver a high performing council whilst freeing up resources to service delivery and front line services.

Evidence from the advisors and elsewhere (other authorities who are further ahead of Hartlepool in undertaking similar business cases) indicates the principles of the business case are achievable.

Spans of Control (Average Team Size)

The advisors undertook some analysis and found that the council employed 394 officers with other officers reporting into them or “direct reports” this equates to 13% of all officers employed by the council.

The average team size or “span of control” (i.e. the average number of officers reporting into another officer) for the whole council is 6.8 staff. However this is skewed by team sizes in Neighbourhood Services where the average is 14.3 compared to other directorates, where the average is 5 or less.

Exclusions from the Scope

The advisors stated an opportunity to make management a specialist role within the council, for example the notion that a Planning Manager could become a Social Worker Manager. In Hartlepool the complexity of case work has always increased upwards in the hierarchy and moving towards having specialist managers would leave a void for the higher level case work and would appear at present to be too radical a step.

Assumptions

Three options have been considered based upon a number of assumptions

- Assumption 1 – Based broadly around “sore thumbing by department”
- Assumption 2 – Based broadly on a phased and targeted approach
- Assumption 3 – Based around a Corporate Restructure

The delivery plans for the three assumptions will be drafted to enable a fourth option a hybrid model based on a mix of the three assumptions to be produced if required.

Deliverables

The expected outcome is a headcount reduction exercise, focussed on delivering sustainable cost reduction through increased organisational effectiveness.

Based on Assumptions one and two the Business Transformation Team have undertaken an initial financial assessment and have estimated net annual recurring savings of £1.44m. This financial assessment will be subject to continuous validation throughout the programme and the final savings will be dependant upon the design of the proposed new structures. Assumption three based on a corporate restructure would generate greater potential savings through departments merging (and the reduction from four support service divisions to two). The estimated net annual recurring saving for Assumption three is £1.85m

The Business Transformation Programme as a whole is to realise a large amount of annually reoccurring cashable savings. The Business Transformation Programme will also deliver a number of non-cashable savings such as ensuring more efficient and effective use of resources. However sustainable change depends upon the workforce. Managers need to develop their skills, behaviours, approaches and attitudes.

Evidence suggests from the experience of others that this business case can only be achieved through strong leadership that will shift the culture of the council and enable it to deliver continuous improvement and efficiency in a sustainable way.

Therefore some of the Business Transformation Programme savings (an amount yet to be determined) could be invested into a management development programme. Such an investment would build upon the recent Leadership and Management Development Programme and further enhance leadership skills and capacity together with developing managers to what the Council will require its managers to do now and in the future, including development of the set of corporate core competencies for Management. This would ensure consistent performance management throughout the Council with systems in place to demonstrate the consistency of approach.

Management of the Process

The detailed implementation of the project would require further development there are however a number of identifiable elements

Review of implementation elsewhere

A number of contacts have been made with other authorities to determine their experiences of similar management structures business cases. Seven of the authorities were currently or had been previously clients of KPMG.

- An authority had streamlined management structures by 130 posts, with the intention of increasing to 150 (out of 750 management posts – 20% of posts) which was achieved through voluntary redundancies and a strict regime of monitoring vacancies.
- One authority had reduced management structures by 170 posts (19% of 900 management posts – the authority employing over 20,000 people) which were achieved through voluntary redundancies and a no appointments policy.
- Advisors had suggested to one authority proposals on restructuring management structures, but as the authority had not implemented the Single Status Agreement and were undertaking other big objectives they had decided not to take forward the proposal.

5.1 Appendix 3

- One authority had now commenced a plan to reduce its workforce by 150 posts through delayering management structures.

External Assistance

External specialist assistance may be required for short periods (i.e. periods of one, two or three days) at very specific points in the delivery stages of the exercise. External assistance would be most useful in the early stages, supporting internal capacity to ensure consistency and rigour and to build internal confidence.

Risk Management

The key risks associated with this business case are documented in a Risk Register using the Councils risk management methodology system, Covalent. The log is a living document and is continually added to and updated.

The key risks identified for this business case are as follows:-

Risk	Mechanism to manage risk
Destabilising the Council by failing to set out clearly from the outset, how structures will be designed.	Clear project plan with intended outcomes, and clear communications plan
Loss of key staff through the change process.	An impact assessment process on all new vacancies during the implementation phase. Workforce Development issues considered early in the project in respect of the risk regarding skill and competency losses.
Loss of Professional and specialist capacity.	An impact assessment process on all new vacancies during the implementation phase. Workforce Development issues considered early in the project in respect of the risk regarding skill and competency losses
The business case does not improve the structures.	Clear project plan with intended outcomes and targets.
Opposition from trade unions and staff groups.	Clear Communication strategy. Informal and formal discussions with trade unions (including Regional Officers) throughout the exercise.
Having to make employees compulsory redundant.	Attempts to mitigate compulsory redundancies would be made by having a full or partial vacancy freeze during the exercise.
A delay in delivering this business case may derail whole Business Transformation Programme.	Clear overall delivery plan for the Business Transformation Programme and clear phasing in the Management Structure business case.

HR and Personnel considerations and requirements

The business plan has been developed on the basis that the project will be led centrally by the Business Transformation Team with professional support at appropriate stages by the Human Resources Division.

Transactional Services

Summary of key points for action/decision

- Establish a corporate shared service team for the provision of HR/Payroll, creditors, debtors and income receipting.
- Establish 3 directorate based shared service teams for the provision of Administrative Services; and
- Review arrangements for the provision of professional and technical services (e.g. Financial Management and Training) within the Directorates, and introduce service delivery agreements.
- Introduce measurable standards within formalised Service Level Agreements

Baseline findings – summary

The potential gross savings and investment programme from this review are summarised in the following tables.

Savings Profile Proposals	2009/10 £000s	2010/11 £000s	2011/12 £000s
Support Services Restructure	10	50	50
HR / Payroll Phase 1 (HR/Payroll Admin)	10	50	75
HR / Payroll Phase 2 (Training & Recruitment)	0	25	50
HR / Payroll Phase 3 (Self-Service)	0	0	50
Consolidated reporting and budgeting arrangements	0	75	100
Corporate Income Receipting changes	10	40	40
Cash Office closure	0	40	75
Pooling administrative staff on a directorate basis	115	345	460
Total	145	625	900

There will also be indirect financial benefits, for example in better realisation of future savings on investment and non-financial benefits from consolidated processes, improved service delivery and better quality and effectiveness of support.

Investment programme

Investment Profile Proposals	2009/10 £000s	2010/11 £000s	2011/12 £000s
Income Receipting System	40		
HR / Payroll System	Funding Provision already budgetted		
Finance System Costs	25		

Net project Position

	2009/10 £000s	2010/11 £000s	2011/12 £000s
Savings	145	625	900
Costs	65		
Total	80	625	900

A number of aspects of this business case include reductions in workforce numbers arising from the consolidation and rationalisation of processes. Many of these will be met by natural

wastage and redeployment but it is prudent to allow a sum for up to 40 redundancies, £1.2m in total.

Background

In April 2008, HBC commissioned advisors to undertake a Business Transformation review of the Council's activities. The Outline Business Case (OBC) was at a high level and for the provision of transactional support focused on three defined areas where services could be improved. These were transactional HR, transactional Finance and Administration. It identified opportunities from rationalising and pooling resources, and creating internal shared services for a number of transactional processes. In financial terms it suggested that the annual recurring savings from head-count reduction in these areas could range between £0.95m to £1.9m, together with a number of non-financial benefits.

Objectives and Scope

The objectives of this business case are to identify any areas for cashable savings primarily from the standardisation of processes and the rationalisation of existing staff into shared services or centres of excellence. This proposal proposes achieving this by implementing the following three service delivery recommendations;

- Centralising corporately into a shared service arrangement the provision of HR/Payroll, creditors, debtors and income receipting.
- Centralising within the 3 proposed directorates the provision of Administrative Services; and
- Retaining the provision of professional and technical services (e.g. Financial Management and Training) within the Directorates but consolidating how these services are provided, and establishing clear and consistent divisions of responsibility between central and departmental teams.

Exclusions from the scope

EDRMS: A separate review is currently being undertaken to review the Council's EDRMS strategy. The transactional services review is not system dependent but it does require an integrated solution/s. The strategic EDRMS review can run parallel with this project and the outcome integrated once the strategy has been finalised.

Procurement and ICT: The review of Procurement and ICT service provision are also excluded from this review as they are covered within the non-transactional services business case.

Constraints on the project

The following are potential delay factors or barriers to implementation

- Corporate restructure and associated timescales;
- Organisation resistance to change;
- Confidence in the quality standards associated with changes;
- Timescales for the implementation of the HR/Payroll solution;
- Investment restrictions;
- Timescales for the development of the corporate Document Management and Workflow solution;
- Contractual arrangements with the Council's clients (e.g. Schools, Cleveland Fire Authority, Regional Fire Control Centre).

Assumptions

- Directorates are prepared to surrender a degree of strategic support resource and to work in standard ways to achieve corporate priorities;
- The selection and implementation of HR / Payroll system is completed on target;
- Existing ERDMS issues are resolved;
- Sufficient funding is available to support internal project costs.

Deliverables

The ways in which transactional services are currently provided is the result of an evolutionary process since the Council gained unitary status. Service arrangements have developed for various valid reasons and have been successful in supporting a track record of achievement and high quality performance. They are also more expensive. This arises from the levels of resources required to support multiple systems and processes including the duplication of activity. The focus needs to shift onto those functions which add value.

The advisor's research identified that there is "a proliferation of transactional HR and Finance functions across the Council" with only 35% and 45% respectively being undertaken within the corporate centre. As such there are significant savings to be achieved from consolidating processes and pooling resources. The introduction of these changes needs to draw from the best practice that currently exists, and to introduce measurable standards and protocols to improve service delivery.

Corporate Shared Services Support

This area mainly covers the areas of significant transactional activity and includes operational HR and payroll activity, creditors, debtors and income receipting. These are areas which are most suitable to a centralised consolidation and can benefit from economies of scale and improved service standards. It is recommended that these are pooled into a corporate support services function.

HR and Payroll Services

Changes to HR and Payroll services are integral to the achievement of efficiency savings from this work-stream and for supporting culture change across the Council. The Council is in the tender stage of selecting a new HR/Payroll system. The intention is for this to be provided within an externally hosted shared service arrangement. This presents the Council with an opportunity to introduce significant improvements in service delivery and achieve efficiencies.

At present significant proportions of this resource occur because of the disparate way in which these services are provided. The opportunity to consolidate processes and staff from the introduction of an integrated system will significantly reduce the level of resources required. The improvements as specified within the BPR process will result in less time being spent on data collection, checks and manipulation within the centralised HR and payroll team and across the departments. It will also enable HR professionals and managers to have access to up to date quality information and to focus on strategic issues.

Process Creditor Invoices

The processing of creditor invoices has undertaken a number of recent reviews. The main changes have been to centralise the receipt and registration of all invoices, simplify ordering and invoice processes and increase the use of Purchase Cards. Whilst partially successful there are still outstanding improvements that can be applied to standardise processes and reduce resources. This also requires purchasing activity to be more controlled and restricted within central contracts. Many of these issues overlap with procurement and a combined review of the Council's procurement strategy is required to establish our preferred purchasing arrangements.

It is suggested that these changes together with improved purchasing practices could achieve a 10% reduction of involvement across this area. However, this will need to be considered together with the Procurement related savings to ensure there is no double counting. There may also be some difficulty in realising this saving because of the high number of officers allocating small proportions of time to this function. This is in addition to the outstanding savings to be realised from the original centralisation process which needs to be recovered from department budgets. The suggested target reduction of 10% would produce savings of £100,000. However, because of the cross-over with non-transactional activity it is recommended that target savings of £50,000 are proposed for this area. These would arise from both headcount reduction and process savings from PCards and e-enabled processes.

Process Income - Income Receipting, Debtors and Council Tax

The processing of income function covers activity across 3 main areas. These are;

- Council Tax;
- General Debtors; and
- Income Receipting.

Council Tax

The majority of the centrally located resources relate to the Revenues section and in particular the collection of Council Tax. This process is already centralised and limited opportunities exist for further rationalisation.

General Debtors

The current sundry debtors arrangements are decentralised within departments, however the recovery arrangements are centralised within Chief Executive's department. There are opportunities to rationalise the production of debtor invoices, which need to be reviewed together with the income receipting changes.

Income Receipting

The receipting of income is currently undertaken in many different ways across the Council's departments. There are currently 24 different income streams and at least 3 different cash receipting systems in use. These have a variety of subscription rates and transaction charges and result in resource intensive administrative and associated reconciliation processes.

A project to rationalise these processes within one corporate and fully integrated system has begun. The project will consolidate current procedures, utilise improved transaction terms, ensure corporate PCI security compliance and deliver customer service improvements. It is estimated that investment of circa £40,000 will be required for implementation. This will

produce savings from transactional charges, and the consolidation of processes will remove the need for manual processes and simplify reconciliation processes. Target savings of £40,000 per annum are expected to be achieved.

Scope also exists to review the ongoing requirement for the Civic Centre Cash Office. A cost/benefit review of this service is required to project the future requirement for this service, as alternative payment arrangements are increasing in popularity. These will continue to grow as the Customer Services review promotes these payment methods. In addition the requirement to cash cheques, in particular housing benefit cheques, is reducing as the BACS take up of this payment method increases. Savings of around £75,000 are potentially achievable from this area.

Directorate Specific Support

These cover the transactional areas of the business case which are felt to be best provided within the directorates. These are specifically related to professional or technical service areas (e.g. Financial Management and Training) which, while the opportunity exists to centralise, will be better provided located within, and responsible to, the individual directorates. This is not to say that improvements and efficiencies cannot be made. A review and standardisation of resources and responsibilities across both central and department provision needs to be undertaken. This needs to start by reviewing, measuring and analysing the existing processes, to determine how to design the "to-be" processes. Once these have been agreed they need to be supported by SLA's to ensure consistent and effective delivery of services.

Financial Planning and Financial Reporting.

These areas need to be reviewed to reduce inconsistencies, standardise arrangements and rationalise processes.

It is estimated that the review of budgeting and reporting arrangements, together with the standardisation of processes and department restructure could produce savings of circa £100,000. This would arise from reductions in head-count from improved processes and the reduction of associated support roles.

Training and Workforce Development

The existing arrangements for training and workforce development are spread across departments. Whilst there are opportunities to consolidate existing support arrangements, this is a key area with different requirements within these departments.

The implementation of the training modules of the HR/Payroll system will enable common processes to be introduced, enhance reporting information and reduce the amount of administrative time currently involved in processes.

To make significant savings a review of the overall hierarchy needs to be undertaken, including identifying any areas of opportunity to share resources across departments, or by providing courses for external bodies. This will be considered in detail within the HR/Payroll implementation process. It is estimated that the potential exists to make savings of circa £50,000 from this area, however this will need to be considered in conjunction with Administrative and Management structure savings to ensure no double counting occurs.

Administrative Services

This covers the options for developing administrative systems that work for the whole of the Council and not just for individual services. The changes can be achieved in various ways. Firstly there is an opportunity to pool staff into virtual or actual teams, by office base, by department, or into a fully centralised service. Secondly, ratios will improve as we introduce increasing levels of self service amongst managers and staff within Finance, HR and workflow systems. Thirdly admin staff should be encouraged and supported to improve their business processes. This should happen as new systems are introduced, and be part of a structured review every 2 years.

The optimum solutions are likely to be computed department by department. It is recommended therefore that the provision of these services remain on a directorate level but that pooling arrangements are introduced. Each directorate can then be expected to make the necessary improvements, and given a savings target (say 10% of posts) to achieve. This would be supported by a recruitment freeze, and by making one senior manager overall accountable for making the saving in each Department.

On this basis gradually increasing cashable savings should be possible, rising to £460,000 by 2011/12 if the 10% savings target is adopted.

In terms of timescales a freeze could be implemented quite quickly. It is not clear how quickly redeployment and natural wastage would allow departments to reach their targets. Whilst current turnover arrangements are around 7-8% this is across all employment areas. It has been assumed therefore that annual turnover of around 5% pa is not unrealistic and that this outcome could be achieved within a 2 year timescale.

However this will need to be considered in conjunction with the restructure proposals and will also be affected by the recommendations of the management structures, service delivery, customer services and non-transactional work-streams.

Resource Requirements & Costs

Investment will be required to support further development in some areas; however as some aspects are already in progress in many cases this investment has already been identified. It is expected that the costs of introducing the Income Receipting changes will be circa £40,000, and that the Finance system changes and additional debtor's software costs will cost around £25,000. There may also be costs associated with other systems which have not yet been quantified.

A number of aspects of this business case include reductions in workforce numbers arising from the consolidation and rationalisation of processes. Many of these will be met by natural wastage and redeployment but it is prudent to allow a sum for up to 40 redundancies, perhaps £1.2m in total.

Risk Management

The key risks associated with this business case are documented in a Risk Register using the Council's risk management methodology system, Covalent. The log is a living document and is continually added to and updated. The key risks to the project include:-

- Failure to design robust new operating models to support the higher utilisation of staff
- Resistance to change among Directorates and/or services

5.1 Appendix 4

- Destabilising the Council by failing to clearly state objectives from the beginning of the process.
- Failure of IT systems to support the change process.
- Loss of key staff and specialist knowledge through the change process.

Non Transactional Services

Summary of key points for action/decision

Establish Corporate Procurement Unit by Nov 2009 – delivering small savings, but enabling significant savings in spend budgets

Re-organise ICT resources by Nov 2009 to improve planning and delivery of development projects, and to better support IT. Small savings projected.

Drive out cost savings from procurement, ICT infrastructure, and a review of income opportunities

Develop model for improving business processes to be applied to support services and front line provision

Baseline findings – summary

Savings Profile Proposal	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Democratic Services	See	Management	Structures	
Corporate Procurement Unit	10	35	35	35
Better procurement	100	200	200	200
ICT Infrastructure	0	30	30	30
ICT Support and Development Resources	10	35	35	35
BPR/BPI on Democratic Services, Service Planning etc	Minor	Minor	Minor	Minor
Total savings	120	300	300	300

Net Project Position

	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Savings	120	300	300	300
Costs	60	0	0	0
Total	60	300	300	300

The savings are less than projected by the advisors, but are based on a more detailed examination of the position in Hartlepool. However, there will also be indirect financial benefits, for example in better realisation of future savings on investment. In addition there should be non-financial benefits, including quality and effectiveness of support and subsequent advantages for front line services.

The costs, aside from input from the Programme Team, are estimated at £60,000 for voluntary redundancy.

Background

The scope of this Business Case includes opportunities raised by the advisors and others identified by the Council:

- Communications and Marketing
- Programme/Project Management and Delivery
- Managing Council Performance
- Business Planning and Policy
- Democratic Process
- Commissioning and Procurement
- ICT Strategy and IT Support
- Maximising Income

Outline Business Cases for Non-Transactional Support Services and ICT were delivered to the Council by our advisors in July 2008, with their Procurement report following in November. A basic premise in the Non-Transactional OBC is that these are largely common support functions spread across all departments, and shared services would offer scope for better utilisation of specialist skills, reduced duplication, and improved quality and consistency.

The Value Chain Analysis identified 297 posts with time booked against Non-Transactional activities. The potential saving for these activities was £630,000 to £1,207,500 (ie 18 to 34.5 ftes). For ICT, it was assumed that there are benefits to be gained from our Northgate contract, from modernising the ICT infrastructure, from remote and home working, and from fully implementing new systems and processes. However these would require investment in baselining and feasibility work, and were therefore treated as cost neutral.

In the case of Procurement we spend £43m a year on goods and services, with £20m on eleven key areas. The advisors were of the opinion that savings of £1.3m to £2.9m were achievable across these areas through smarter procurement.

The mobilisation phase has reviewed the case for transformation in these areas, and this report provides an indication of the timescales, costs and resource requirements to deliver the Business Case. Also considered here are the possibilities for income maximisation.

Exclusions from the scope

The enabling of improvements from new transactional system developments, including an HR/Payroll system, sits in the Transactional Business Case.

It is also possible that some wider Council benefits can be drawn from the IT investment under BSF, but these are not included here.

Benefits from IT-enabled home and remote working are included under the Asset Management Business Case

Significant savings have already been identified on the existing ICT Contract, taking us up to the end of the contract in 2013.

Constraints on the project

These functions are important to performance, and in some areas the Council is underperforming and has a limited skill base. Caution would therefore be indicated for major savings proposals.

In some areas there is limited management information on current activity and performance upon which to base estimates of improvement.

Deliverables

Communications and Marketing

This includes graphic design, printing, internal and external communications, public relations, and marketing. Public relations and to some extent Printing are centralised, but the other functions are dispersed. The Print Room is already being considered under the second phase of the review of the Managed Print Service. Very few people are engaged in true marketing activity, and those who are involved are specialists in particular areas such as economic development or strategic arts.

A network to encourage shared learning and common standards would be the simplest solution to improving quality and effectiveness of communications and will be investigated.

Programme/Project management and delivery

A significant amount of resource is spent on projects and programmes, and they are important to service delivery and development. There is no lead role across the Council and there is some scope to improve performance. We have provided some basic awareness training in this area under the Leadership and Management Development Programme, but there is room for further development in skills and talent.

Some larger authorities have specialist units to advise and support on the management and tracking of projects, but in Hartlepool a simpler and cheaper solution is more likely to be to improve leadership and training within the existing set-up. Use of common techniques would be beneficial, and registering all projects could also prove a useful means of ensuring coherence and minimising duplication in our programmes. Any savings would be indirect, in time saved and external spend avoided.

Manage Council Performance

Hartlepool is well regarded in terms of performance and managing performance. We have also been improving our performance management processes year on year. However there have been some data quality issues, we have fallen short of targets, and have previously failed to pro-actively address problem areas. Quality assurance is in general an under-developed function inconsistently carried out, so we do need to continue to seek improvements in both functions.

There is a review planned for performance management activity across the Council, and a parallel exercise is scheduled for the Hartlepool Partnership. The findings will link up with the Business Planning and Policy area below, and are likely to cover questions of leadership, consistency and efficiency.

Business Planning and Policy

We have improved our Service Planning processes in recent years – eg a joint timetable with the LAA, a simpler process, introduction of Covalent, Corporate Strategy staff helping at departmental workshops, introducing a 2 year planning horizon (3 yrs in future, linked to LAA), and developing outcome leads (if not accountability for outcomes).

Only a small number of people (perhaps 15) across the authority are involved to a significant degree in supporting business planning and policy development at a corporate or departmental level. There may be scope for adding value to these activities (and managing performance), even if not for realising many cashable savings.

In terms of options, some authorities have a more centralised model for supporting policy and planning. Also authorities sometimes have support to their LSP either more integrated with the Council at one extreme, or in a completely separate secretariat at the other, and these could be options for the Hartlepool Partnership.

Other potential areas for improvement may include: more formal networking and skills for those involved; a more centralised and directed planning model; sharper and more streamlined processes; and better linkage between Pls, Actions, Risks, workforce effects, and the budget process. The direct cashable savings from the above are likely to be minor, but the functions should be more effective as a result.

Democratic Process

In the Value Chain Analysis 65 people totalling 13 fte's booked time to this area, but only 9 booked 50% or more of their time here. The potential savings in the OBC were 1 or 2 ftes, ie £35,000 to £70,000.

Those involved in this area apart from the Democratic Services and Scrutiny Support teams, are the Hartlepool Partnership Support Officer, and the Members Support Team (6 people).

There are options which will require consideration in the configuration and operation of these functions but these will be considered under Management Structures for the Chief Executive's Department.

Other savings might include printing savings on Members' papers, and a package for producing minutes (previously considered and rejected). Staff have begun mapping of processes in this area, which could lead to process improvements, with the opportunity for minor savings, including some time.

Commissioning and Procurement

In the past we have been criticised externally for our approach to commissioning and procurement. We have been improving Procurement via the corporate group, and using NEPO, regional stationery contracts, local contracts for post, MPS, training contracts, agency staff etc. However there have been problems historically in realising the savings in process and spend.

The advisors were of the opinion that there are major savings possible within spending budgets from better procurement, and they identified good practice to apply in eleven particular areas. The Council has already completed or begun improvements in line with

nearly all of these recommendations eg Contract negotiations with Northgate. The additional savings achievable are therefore much smaller than projected, but savings of up to £200,000 are thought to be possible in food, stationery, agency staff, printing, Vodafone contracts, and ICT. More generally, we should optimise the establishment and use of central/ bulk contracts, and investigate scope for more regional, sub-regional, or LSP-wide collaboration.

In considering the functions we need to separate Commissioning, Procurement, and Purchasing and deal with them separately. How these terms are used and the processes are understood varies considerably across the Council. Commissioning skills within departments probably need developing for 'people' services and (separately) for other goods and services. Procurement may benefit from centralisation into a unit of specialist buyers to support the commissioners, and they could tap into regional and sub-regional opportunities, exploit electronic procurement, establish more central contracts etc. Individual purchasing/ordering activity should be more disciplined in terms of use of central contracts, and also be e-enabled.

A central procurement unit could deliver a small saving in existing staffing resources, and arguably should sit in the Chief Executive's Department. It should maximise the potential for price/quality gains within spending budgets, develop more management information, implement tighter processes, and enable use of more common documentation.

Information and Communications Technology

Our strategic partner delivers ICT services under a contract and specification. In addition we have staff in all departments who support or develop use of IT and systems, and who produce management and performance data.

There is agreement to extend our strategic partnership contract to 2013, provided that the favourable terms agreed can be satisfactorily finalised. The benefits have been valued at £1.7m over this period. Beyond that date there would be the potential to contract for a more transformational service, rather than simply running ICT services.

There may be opportunity to find savings and improvements by modernising our ICT infrastructure, with the assistance of our strategic partner. Technical solutions have recently been put in place for remote and home working, and we are making additions to our equipment and network for a small but growing number of staff. We need to re-assess the potential for this in the light of experience with our early adopters. This is being picked up via the Asset Management Business Case.

We are also pursuing other opportunities to benefit from modernisation of our ICT infrastructure. Eg server virtualisation and reduced power consumption; extending thin-client usage (Citrix etc); Voice and data network convergence; improved/standardised reporting tools; etc. These would have to be delivered with and through our ICT Partner, Northgate, on a shared saving basis.

There is scope for a more robust approach to realising the benefits of ICT investment through ensuring more robust business cases, better project management, and re-engineering the business processes around the opportunities provided by the change in systems. These problems in supporting delivery of development projects should be addressed in any re-organisation of our own staff resource, and in developing our ICT partnership. The options for re-organising our staffing resource to better effect in this area are being developed and considered and it is anticipated this will enable a small saving and provide greater flexibility and internal expertise.

Income Maximisation

Income budgets have been updated for inflation annually, and reviewed on an ad hoc basis across the authority. A wider corporate review has not taken place for some years. One potential area of income is sponsorship. Many Councils collect on items such as floral displays on roundabouts, baskets and tubs, and there are specialists who can advise on this opportunity. Hartlepool collects for some roundabouts, and the current years efficiency savings recognises that the budget reduction in Christmas lights may be re-instated if sponsorship can be found.

Authorities also negotiate contributions from developers as planning gain under Section 106 of the T&CP Act 1990. Windsor and Maidenhead collected £3m last year, and Hartlepool collects significant sums. There is the possibility that this income stream will be replaced by a national development levy. Clearly the scope for both sponsorship and developer contributions could be affected by the current economic downturn.

More generally there are fees and charges raised by services across the board. Some (like planning fees) are set nationally, and others are limited by competition (eg building control). Where we can, however, we increase fees above the level of inflation – we have 3 items totalling £96,000 in the current year, and at least 4 proposals totalling £115,000 for 2009/10. Again, personal charges are likely to be sensitive to economic factors, and there can also be consumer resistance to large increases.

We can of course maximise on collection of charges, for example by requiring pre-payment, or more active debt management. This links to the Transactional Services Business Case.

Some charges are subject to concessions, and these are not always calculated in a consistent manner across the authority. Care has to be taken with equality and diversity issues, and also to not increase poverty or create poverty traps. One major area subject to a test of ability to pay is the contribution towards non-residential support, administered within Adult and Community Services. This was updated by Cabinet on 31st March 2008, and the full impact should be apparent by May 2009. The policy says that initially the Council will meet 25% of the cost of a persons support plan, but this could be reviewed.

Finally there are general local authority powers to charge for discretionary services, to sell surplus capacity, and to trade. There may be opportunities as yet not identified to generate new sources of income from these powers.

It is recommended that a cross departmental initiative takes place in the first half of 2009/10 to see if there are opportunities for additional income which could be of value in the 2010/11 revenue budget round. At present, given the economic situation, it would not be prudent to project any more increase income than have already been identified in the last 2 years budget rounds.

Asset Management

Summary of key points

A trial based on the principles included within the Accommodation Strategy element of this business case be considered and implemented on level 3 of the civic centre as part of the refurbishment programme commencing April 2009.

- Accommodation strategy based on 8 or 10 sq.m. per workstation, hot desking, meeting and break out spaces for peripatetic working and stringent storage targets is introduced from April 2009.
- Trial hot desking and space allocation arrangements on one floor of civic centre, level 3, east wing following refurbishment programme from April 2009, and north wing thereafter.

The council will dispose of at least one major administration building within two years

A review of non administrative operational buildings and land be undertaken during 2009/10 as part of the overall property rationalisation programme, with a view to reduce the surplus portfolio by 10% via disposal, community transfer and/ or shared service provision thus reducing annual running costs.

A commercial approach is taken to review and challenge the property and land on the asset register as part of the asset and property rationalisation programme, aiming to reduce the surplus portfolio by 25%.

A centrally managed service for asset and property management be introduced

An invest-to-save programme for energy efficiency projects is prepared identifying the resources required to invest in Council property to reduce consumption, realise efficiencies and reduce the authority's carbon footprint.

Baseline findings – summary

The potential gross savings, capital receipts and investment programme from this review are summarised in the following tables

NB – the savings and costs predictions below do not currently incorporate energy efficiency, a programme for which will be developed for consideration

Savings Profile Proposals	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Accommodation strategy – administration property rationalisation	50	100	200	250
Other property & land asset rationalisation programme	20	60	80	80
Proactive approach to leased estate	30	50	80	100
Centralisation of asset & property management	50	80	80	80
Total	150	290	440	510

Capital receipts

Capital receipt from the sale of property and land	Valuations awaited c £1.8 million
Non operational property & land rationalisation	Valuations awaited unable to determine at this stage

Investment programme

Investment Profile Proposals	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Accommodation strategy	50	50	0	0
Property rationalisation marketing skills	10	15	15	0
Furniture & office equipment	30	100	0	0
Total	90	165	15	0

Net project Position

	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Savings	150	290	440	510
Costs	90	165	15	0
Total	60	125	425	510

Background

In April 2008, the council commissioned advisors to conduct a review of possible opportunities for the asset management element of the Councils Business Transformation programme. The review was high level and provided potential opportunities for improvement including a series of steps towards implementation. The Outline Business Case acknowledged the progress and start that the Council had made to date on extracting value from its asset base given the limited resource input and the existing approach to asset and property management. The advisors identified potential annual recurring savings of anywhere between £480,000 and £814,000. An ambitious and radical approach to accommodation and property will enable the authority to realise savings of this order.

Exclusions from the Scope

Business rates: The Asset Management OBC identified business rate appeals as an additional opportunity. This approach had been undertaken, and the benefits realised. The activity will be included within the remit of a centralised Asset and Property Management Team and carried out on a regular basis.

Constraints on the Project

- Current market / economic climate does not lend itself to getting the 'best value' price for property;
- Current economic climate places partner agencies in a similar position which may cause conflict; conversely this could go in our favour;
- Civic centre refurbishment programme scheduled for completion 2010, any delays may impact on the transfer of some services from outlying buildings and prevent the early termination of leases and disposal of some property;

- Early termination of leased property may result in penalty claims having to be paid. Clarification on this is required;
- Resistant to culture change, new ways of working and 'commercial' mindset.
- Invest to save - there will be costs in delivery to achieve the optimum savings

Assumptions

- Investment in technology and furniture to modernise working practices and the environment may be required in some buildings
- Services will relocate involving departments physically working alongside each other.
- Property & energy management and maintenance budgets will be centralised
- Business rate appeals will be reviewed on a regular basis
- Education and Investment to reduce energy consumption will be provided

Deliverables

It is now increasingly accepted that work is an activity and not a place, and that the way ahead lies in flexibility. Modernising property, technology and equipment and new working practices will enable the authority to realise benefits from the rationalisation of its administrative and other operational buildings. Efficiencies can be achieved by getting the most out of our assets, eg. reducing the space allocated per employee. Hartlepool like most local authorities has traditionally operated a one desk/computer/ employee in its administration buildings, this approach has to change.

Councils that have successfully reduced administration buildings have done so through a strategic approach to asset management, consolidation of services and property rationalisation. Whilst the physical change is property based, culture change is required

a) Accommodation Strategy & Rationalisation Programme

The principles for Hartlepool's accommodation strategy are based upon an open plan space environment and improved layout with provision of sufficient meeting and break out spaces in the right locations for peripatetic working, and co-location of dependent functions. Only Directors and Heads of services will have offices for confidentiality / privacy reasons, managers will be relocated into open plan space, some offices could remain to provide sufficient meeting and break out spaces for confidentiality and privacy where necessary.

Furniture and layouts play a key role in any workspace allocation strategy as does storage, both of which have to be factored in. There is still some work to do on the budgeted operating costs 'v' actuals but in terms of feasibility the case is proven.

With regards to storage staff have too much available at their workspace and this could be reduced radically.

A disciplined approach will realise savings in space, supported by a robust archive system enabling Freedom of Information requests to be actioned. The current staff occupancy figures and the space allocated are indicative. As each element of the business case progresses and departments drive through their efficiency strategies for 2008/9 staff occupancy numbers and space allocation will change. It is essential this information is captured by the business transformation team to ensure the full benefits are realised. The central asset and property management team will be reallocate space in liaison with Directors, ensuring the authority achieves the optimum benefits from its property.

The transfer of services into the main administrative buildings will enable outlying buildings to be disposed of and the full benefits of the property rationalisation programme realised, i.e. capital receipts and reduced annual revenue costs. .

b) Operational Estate (non administration buildings)

There are a range of other operational buildings the council work out of e.g. town hall, sheltered accommodation, museums, libraries, community centres, day centres, schools and sports and leisure facilities. Historically local authority services consider the property / land they operate from as a commodity belonging to the service, rather than a corporate asset.

Rather than each service consider property when undertaking a service review it is proposed that a fundamental examination of Non administrative operational buildings be undertaken in 2009/10, to feed into the overall property and land rationalisation programme. The review will concentrate on making property efficiencies and reducing annual running costs, challenging what, why and how services based in the community are delivered e.g. if it is purely to accommodate staff or for the community to access/use. This information will enable the Council to consider the opportunities available as part of the overall property rationalisation programme.

Opportunities may include: Joint service provision; Transfer property to the community; disposal; and these will realise financial efficiencies.

c) Non Operational Estate

The council have acquired a number of property interests over the years, some are let to third parties, and others are held for a number of reasons including economic regeneration, income generation and land holding for potential future schemes. Many of these properties are held for historic reasons, the rationale for continuing to hold them needs to be fully challenged. In some instances the Council has not implemented outstanding rent reviews or lease renewals. The cost of maintaining non-operational buildings continues to increase.

This is an area where the authority must be more proactive and take on a commercial mindset. Historically the council has not taken a commercial approach to the management of its portfolio; this has potential to generate income for the authority. A marketing specialist consultant should be employed or skills from another local authority procured to identify /plan uses for our non-operational assets, which in turn will improve their marketability. Some work is being carried out on this at the moment, estimated consultancy costs are in the region of £900 per property but this can differ from property to property.

d) Strategic asset management

To enable the full potential to be realised from the Councils accommodation strategy and property rationalisation programme, a fully strategic approach is required

Service managers are not property professionals, this element of their role developed when the council decentralised property under the previous management regime. Centralising the management of property will free up time for service managers, reduce duplication and transactions and ensure the authority achieves the best from its assets.

For services to operate effectively they should be based in the most appropriate location with accommodation suitable to the user of the building. A centralised Asset and Property Management Team would ensure this is delivered; they would have an overall view of the properties available and through the introduction of Service Asset Management Plans and Service Level Agreements, any concerns that centralisation may make property the priority over service will be removed.

The advisors Value Chain Analysis identified over 66 FTEs are involved in the management and maintenance of property excluding the Asset and Property Management Team based in Neighbourhood Services. The information contained within the VCA is indicative, as such further analysis is required to identify those employees who could transfer to a centralised Asset and Property Management. This will be carried out as the authority progresses this element of the business case. This will then be used to determine the efficiencies which can be delivered through the centralisation of staff, property resources and budgets feeding into the service delivery options review on Asset and Facilities Management.

The Asset and Property Management Team will operate as a corporate landlord for all council property delivering departmental service asset property management plans via service level agreements.

e) Energy Management

Reducing energy consumption not only saves money but improves working conditions which can increase staff productivity. Furthermore, the environment benefits from reductions in carbon emissions and energy use can enhance organisational image and improve public relations. There are a number of opportunities for the Council to improve energy efficiency through new technology. The Head of 4Ps is actively involved in developing a Carbon Management and Sustainable Energy Strategy which will incorporate energy in buildings policy and modern energy efficiency and minimising energy use methodologies. Invest-to-save projects to improve heating and hot water controls and to install lighting controls offer real potential to achieve improved energy efficiency with pay back periods of less than 5 years.

The establishment of an “invest to save” scheme will identify opportunities within the Council to improve its energy efficiency and produce a rolling programme of projects. This is not yet fully costed.

Feedback on energy management from other local authorities suggests if not managed centrally individual departments will not sign up and potential efficiencies will not be realised. Other local authorities in the region incur a small surcharge on energy bills to departments and other bodies for whose energy they manage.

Review of implementation elsewhere

- **Disposal and Consolidation: Worcester County Council.** Closed and sold five buildings in 2005, generated capital receipts of £3.7m, revenue saving of £1m over 10 years, reduced staff numbers through better collocation of teams. Leased new purpose built modern office accommodation. Implementation of standards regarding building cleaning, meeting rooms, ICT (printing and photocopying and telephony) and maintenance enable reduction to revenue budgets to be achieved.
- **Asset management planning at corporate and service levels: Birmingham City Council.** For several years the council required services to prepare Property Action Plans, now Asset Management Plans. Support and guidelines on issues that should be covered is provided by the corporate property function. The council also invested heavily in the development of an integrated property management database to assist corporate and service managers to link property information to data on other systems such as finance.

Service Delivery Options

Summary of key points for

For this element to realise the efficiencies required there must be openness to alternative delivery models. A draft improvement programme prioritising fundamental service reviews / options assessments is proposed within the main body of the report; further analysis of service standard data is required before this list can be confirmed. A report will be presented for consideration to the Programme Board and to Cabinet for approval recommending which services should be prioritised for review and those that would fall out of the assessment process at this stage. The report will identify and evidence those that are already delivering “best in class” high value for money and therefore are lower priority for change, and which verify existing service improvement plans resulting from external challenge or Service Inspection (last 2 years) are the most appropriate to take forward.

The Business Transformation team, working with Directors and Managers, will consider how local services may be delivered, balance the advantages and disadvantages of the new models of service delivery, and consider the steps required to further improve the efficiency and quality of these services and whether the changes required are both reasonable and appropriate.

Following Programme Board consideration and Cabinet decision, implementation of those agreed projects will be driven by the Business Transformation team, Directors and representatives from each service area and other strategic partners as appropriate. There may also be a need to involve an external consultant if further support is required to deliver the proposed options.

This business case has identified a 10% saving on cost of services allowing for overlap with other business cases i.e. £4.6 million over 4 - 5 years. The full year saving assumes that at least 4 service reviews are undertaken each year. The savings shown are gross savings, the costs to realise these opportunities will be determined in the early stages of each service review as the individual businesses cases are prepared.

Baseline findings - summary

The potential cash savings from this review are summarised in the following table.

Savings/ Investment Profile Proposals	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s
Service Reviews	200	1350	2500	4600
Investment requirements	17	TBD	TBD	TBD

Background

In April 2008, the council commissioned advisors to undertake a Business Transformation review of the Council’s activities. In July they produced a programme business case which included seven separate programme work streams. One of the programme themes considered service delivery options, which identified opportunities to improve levels of service efficiency and quality through a systematic process. The review was high level and the findings were based on a percentage reduction across all revenue budgets. Cutting

revenue budgets across the board is purely salami slicing on a greater scale impacting on all services; it is not an approach that targets efficiencies appropriately.

Councils are working with public, private and voluntary sector partners to drive forward regeneration of local areas and improve delivery of local services. The best performing councils are putting in place new ways of working that cut across traditional organisation boundaries in order to respond more effectively to the needs of citizens, customers and communities. Hartlepool has demonstrated, as an Excellent authority, its ability to assess how best to continue to provide quality services, it recognises that it needs to develop new approaches to service delivery that build upon existing strengths whilst capitalising on new and improved ways of working with the public, private and voluntary sector.

Hartlepool's business transformation programme vision is to realise cashable savings and ensure better use of resources. It is not about outsourcing, providing cheap services, reducing standards or user satisfaction. The service delivery option element of the overall programme does not stand alone; it acts as a bridge between the business transformation vision and corporate financial medium term strategy. In order to deliver maximum benefit it must take account of other programme elements such as customer services, transactional changes, management structures, non-transaction services e.g. ICT and procurement and the corporate restructure. For this element to realise the efficiencies required there must be openness to alternative delivery models.

The Council's main model of service delivery has focused on in-house provision but also incorporates a range of strategic partnerships and procurement of services, and in some areas work is undertaken by the voluntary sector. The opportunities for alternative service delivery options can be demonstrated across the Council for many of the services that the council currently provides either in-house or through a third party, e.g. adult domiciliary care, adult day care centres and home to school transport. There is also evidence of strong Tees Valley partnership agreements i.e. Emergency Planning and Waste Disposal.

It may be costs are high in some areas however costs should not be looked at in isolation, frequency, eligibility and service standards must also be considered. The key driver for Hartlepool's business transformation programme is efficiency, not purely competitiveness. Services can be reconfigured to realise efficiencies, although it should be understood they may have to operate to different thresholds and parameters, they may not operate in the same way and/or be delivered by the same people.

The purpose of this report is to present a framework to enable fundamental service reviews to be undertaken and aid the service delivery option decision making process. The report has three substantive sections:

- i. A draft programme of activities.
- ii. Principles that should guide decision making, and
- iii. Identifies some of the issues which need to be resolved

Draft Programme of Activities

The advisors identified some of Hartlepool's service costs are high and advocated market testing and competitiveness as part of the wider approach to efficiency, suggesting services should be exposed to the market to prove true competitiveness to ensure the most effective and efficient methods are being implemented. Such exposure may provide the council with a good assessment of the current market and appropriateness of existing forms of service delivery; it is not however always appropriate.

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The advisors suggested reviews should commence with those services with the largest amounts of spend, where there has been little or no exposure to the wider market for some time, where there is a mature external market and / or where there are other issues such as an imminent end of current arrangements. Reviews into services recommended by the advisors had already included commenced, i.e.

Fleet Management – the Integrated Transport Unit formed part of the authorities 2008/9 efficiency strategy identified efficiencies of £0.5 million (£200,000 in 2008/09 and £300,000 in 2009/10), realising full efficiencies in 2010/11).

ICT – contract negotiations have commenced which have resulted in a £1.7 million savings and investment programme up to the end of 2013 where the contract will be tendered.

Payroll – the authority had already identified the existing system did not provide value for money and efficiencies could be made corporate by procuring a shared service. The procurement of a payroll database has commenced, however it is worth pointing out that if procedures and protocols do not change accordingly, optimum efficiencies will not be achieved. As such an options assessment for Human Resources is proposed.

Street scene including highways maintenance - the integration of street cleansing and grounds maintenance has commenced, examining operational hours and how the working day can be extended whilst attaining efficiencies in vehicle usage. This will extend into the first quarter of 2009/10.

Property services - strategic asset management is being considered as a separate business case as part of the overall programme, however property management and facilities management are included within the prioritisation programme table below.

A rolling programme of options assessments is recommended to determine the most appropriate form of service delivery for key services. This will consider costs, inputs and outputs ensuring economy, efficiency and effectiveness are equally considered and alternative forms of service management and delivery are investigated.

The Business Transformation Team will develop a robust set of evaluation criteria in the context of the medium term financial strategy, a framework and assessment methodology to ensure comprehensive options assessments are undertaken.

The first steps to prioritising service delivery options is to establish baseline data determined from a staged process.

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A draft improvement programme prioritising fundamental services reviews is included in the table below .

Service Area	2008/9	2009/10	2010/11	2011/12
Fleet Management / ITU	*			*
ICT	*			*
Facilities management		*		
Highway maintenance			*	
Payroll	*			
Human Resources		*		
Leisure services			*	
Operational council property located in the community		*		
Street scene services	*			
Hartlepool Connect		*		
Planning & Development Control			*	
Libraries		*		
Licensing, regulatory services and enforcement			*	
Childrens service review into area of greatest spend				*
Adult services review into area of greatest spend				*

The full benefits of each options assessment will not be realised until the following financial year.

To determine the efficiencies required Directorates will be asked to provide a minimum of 10% savings, or be asked to identify the impact on performance of £50,000, £100,000, £250,000 reduction in revenue budgets from each review . NB this is less than the 3% annual efficiencies departments would be expected to realise over a 4 year period.

The Business Transformation Team will develop a robust set of evaluation criteria in the context of the medium term financial strategy, a framework and assessment methodology to ensure comprehensive options assessments are undertaken.

Draft principles to guide decision making

To enable decisions to be made regarding which services to be prioritised for review a set of service delivery principles will be established. These will enable

- Judgements to be made in respect of areas examined to allow for local policy choices (alongside the national policy context) about priorities and standards of service;

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- Consideration of issues in relation to addressing current performance in achieving value for money and how well value for money is managed and improved over time,
- Systems to be implemented to ensure decisions are based on evidence of outcomes achieved so that we fully know the effectiveness of activity as well as the cost, performance and satisfaction to improve value for money, and
- The gross costs of our services to be examined to determine the real financial implications of our delivery methods.

The first step to prioritising a rolling programme is to establish a service baseline and identify any gaps in information. As has been mentioned previously this is a priority for the Business Transformation team and will commence in January 2009. The analysis will consider service performance, standards, frequency, eligibility, and thresholds, and identify best in class services in the region and nationally. Benchmarking data with comparator authorities and performance management information is captured in some areas, however the degree to which it is deployed is unclear.

The Audit Commission (CPA 2007) recommended the Council considers ways of strengthening its approach to ensuring value for money is achieved. It makes sense to include VfM assessments within the overall options assessment for evidence. Value for Money assessments examine all available service data in terms of cost, performance, customer satisfaction and importance to customers. Performance could be measured against PIs and/or achievement of outcomes from corporate/service plans. The definition of value for money is the optimum combination of whole life costs and benefits to meet our customers needs. It was traditionally known as the 3 E's:

- Economy is the price paid for providing the service. (Inputs of staff, materials, assets and buildings). For example how much it costs to empty a refuse bin
- Efficiency is the measure of how much you get out (the results or outputs) from what is put in. For example how many bins are emptied per week.
- Effectiveness is the measure of the impact (or outcomes) achieved and can be quantitative or qualitative. For example how satisfied citizens are with the refuse collection service (qualitative), or how many bins were emptied on the correct day with no spillages (quantitative).

This information will then be fed into a database to prioritise services for option assessments and fundamental service review. (RSI Hartlepool, Reduce, Sustain and Improve), services that are:

- High cost and High performance may be asked to reduce costs and sustain performance
- Low cost and High performance may be asked to sustain costs and sustain performance
- High cost and Low performance may be asked to reduce costs and improve performance
- Low cost and Low performance may be asked to sustain costs and improve performance

Using the information gathered from the above stages and taking a 'holistic' view of service delivery across the Council a report will be presented to CMT, the Programme Board and Cabinet recommending which services should be prioritised for review and those that would fall out of the assessment process at this stage. The report will identify and evidence those that are already delivering "best in class" high value for money and therefore are lower

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priority for change, and which existing service improvement plans resulting from external challenge or Service Inspection (last 2 years) are the most appropriate to take forward.

Following consideration by Programme Board and decision by Cabinet the implementation of the agreed projects will be carried out by the Business Transformation team, Directors and representatives from each service area and other strategic partners as appropriate. There may also be a need to involve an external consultant.

The next stage is to commence the options assessment and service review which will culminate in a business case to be considered by the Programme board and decision by Cabinet.

The process will involve the following

- Identification of service objectives and standards
- Scope of the review
- Development of an engagement and consultation strategy
- Identification of resources required to carry out the review
- Options appraisal
- Identification of financial implications
- Identification of workforce implications
- Recommended delivery model reported to cabinet
- Produce a detailed business case on the agreed service delivery model
- Reconfigure services / Procurement/ Partnerships

Examples of Alternative service delivery options

Delivery model	Definition	Example
Improve in-house provision	Reconfigure services to reduce economy and improve efficiency which in turn will have a positive impact on effectiveness	Introduce a change to working hours – shift patterns, longer working days, reduction in the number of vehicles required. Integrate street cleansing and grounds maintenance
The re-negotiation of existing contracts, partnerships and frameworks.	ICT	Northgate contract – Hartlepool resulted in £1.7mill savings and an investment programme.
Independent external contractor	Procurement of any or all services	Waste Disposal – SITA
Public private partnership	Enter into a partnership with either one or a consortium of private sector partners	Essex County Council
Trusts	Social enterprise and non-profit organisation	Tees Valley Leisure services Redcar Borough Council - Different from a commercial business in that all trading services are retained for service improvement, success is also judged by

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		social performance.
Council owned organisations	ALMO	Peterborough Council are setting up all their DLO services as a separate business.
Collaboration options / joint venture between council and contractor or combined service delivery with other Councils	Shared services	Human Resources and back office function partnership between Stockton and Darlington Borough Councils

Customer Services

An initial review of the advisor's recommendations was undertaken on the Customer Services element of the Business Transformation programme

In their report of July 2008 the advisors stated that "the Council needs to **corporately work towards a shared customer service goal**" which will provide the strategic direction and parameters for the development of its customer facing activities.

This should focus on three aspects:

- 1- Minimising avoidable contact.
- 2- Channel shifting to more efficient channels.
- 3- Consolidating contact to corporate centre.

Furthermore there are significant opportunities for customer service improvement including the following: -

- a) Customer and Channel Strategy.
- b) Migration of Phone Contact and some face-to-face contact to Hartlepool Connect.
- c) Channel Shift from face to face to phone to web self-serve.
- d) Assessment and rationalisation of face to face contact points.
- e) Development of a plan for avoidable contact.

With support from CMT, Elected Members and the necessary technological infrastructure it is clear that Hartlepool Borough Council can achieve everything that the advisers suggest. Although this element of the Transformation Programme was described as "cost neutral" it is evident that there will be some investment required in order to achieve savings - at this point it is not possible to put an exact figure on that amount, but initial investigations seem to show that many of the key areas of investment are actually budgeted for elsewhere so costs will be minimal.

There is little baseline data available to support a view on customer contact or channel shift. The NI14+ exercise will be the first real analysis of contact levels and channels, and this information should provide a better starting point to inform any proposals on customer service. The Corporate Customer Service Champions Group will consider the outcomes of NI14+ at its next meeting and put together an action plan for aiming to reduce avoidable contact (NI14). The outcomes of NI14+ should have been ready and considered in December but there have been some delays on departments getting the information actually input ready for analysis, which is having a knock on effect to delaying the preparation of the customer services business case.

An initial review of the value chain analysis information showed that the information was not a true reflection of the number of staff dealing with face to face contact or those who "assess and decide" in relation to customer service, but it is clear we have a significant number of people in departments providing front facing services which have the potential to be provided more centrally. A general principle for transformation of customer services should be that if a service area provides more than 50% of customer focused service it should be assessed for suitability to transfer to a corporate centre. The benefits of this being less interruption in the back office environment, customers should see an improvement in service levels with more enquiries dealt with on first point of contact. We will then also be in a better position to monitor service levels through the CRM system.

An initial assessment of the IT infrastructure and systems has been undertaken and it seems clear that a major investment of skill, effort and resources is needed to maximise the Hartlepool Connect gains. There is also work to be done by departments in making websites more user friendly. Corporately a new website will be launched by the end of March 2009 and some departments are

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already well down the route of re launching their sites making them more accessible and user friendly.

In relation to channel shift it is clear that we need to move more services to web based (there are big savings to be made in doing so). Our website and payment/receiving systems are very poor but work is underway to improve this with the plan to have a new corporate booking system implemented by the end of September 2009. This then needs to link to a payment system and will then allow booking and payments to be made on a common system, by many channels and allowing customers to self serve.

Departments need to consider the suitability of their services (in full or in part) for transferring into Hartlepool Connect particular those classified as being information giving or process driven. There are significant financial and efficiency benefits in doing this.

In relation to telephony, Hartlepool Borough Council's main telephone infrastructure is very good, and there are opportunities to develop and use the system better. Many phone calls could be redirected to Hartlepool Connect where queries could be dealt with at the first point of contact, thus reducing the interruptions in the back office, ensuring consistent levels of service from Hartlepool Connect, and providing a system for monitoring contacts via the CRM. Those callers who need to contact officers directly can still do so using direct lines, but any other calls can be managed separately.

An initial assessment of face to face contact points shows that we have a significant number of buildings with reception facilities providing some level of customer service. We need to review these facilities and ensure that we are providing an accessible, quality service to our customers and consider whether some of these could be rebranded as Hartlepool Connect allowing the customers the ability to access lots of other service areas at one point of contact. In some cases we may need to decide whether indeed these contact points are providing good value and whether the service provision could be delivered elsewhere.

Please see high level timeline, which identifies the main themes for the programme.

The full Business Case will be completed shortly, and linked up with the main programme.

OVERALL FINANCIAL SUMMARY

	2009-10 £000s	2010-11 £000s	2011-12 £000s	Full Year £000s
<u>GROSS SAVINGS</u>				
Customer Services (to follow)	0	0	0	0
Restructure	175	690	690	690
Management Structures	145	1160	1160	1160
Asset management	150	290	440	510
Service Delivery Options	200	1350	2500	4600
Non-Transactional	120	300	300	300
Transactional	145	625	900	900
	935	4415	5990	8160
<u>POTENTIAL SEVERANCE COSTS</u>				
<i>Contingencies for Vol Redundancies and Early Retirements:</i>	1910	1230	0	0
	1910	1230	0	0
<u>PROGRAMME OFFICE</u>				
Programme team	334	169	32	0
NB Programme manager, project leads and team support				
	334	169	32	0
<u>OTHER COSTS</u>				
Customer Services (initial costs only)	25	0	0	0
Management Structures	58	0	0	0
Asset management	90	165	15	0
Service Delivery Options (initial costs only)	17	0	0	0
Transactional	65	0	0	0
Project Management	40	35	0	0
Business Process Re-engineering facilitation	20	0	0	0
Benefit Realisation facilitation	15	0	0	0
	330	200	15	0
<u>Sub-Totals</u>	-1639	2816	5943	8160
Apply existing Programme budget	440	0	0	0
<u>NET ANNUAL SAVING</u>	-1199	2816	5943	8160

MEMO

Possible investment in Management Devel Programme	30	60	60	0
For budgeting purposes should discount savings for possible overlap with current efficiencies	200	1600	1600	1600
Further discount for estimation error	150	300	450	600

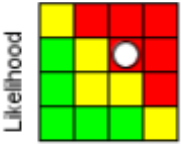
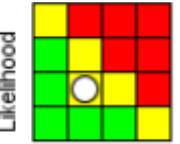
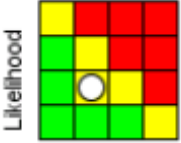
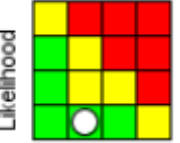
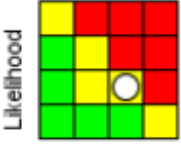
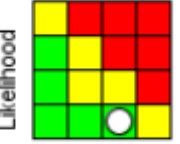
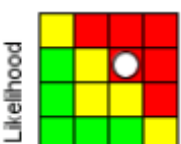
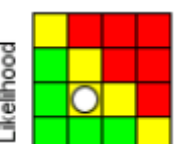
ASSUMPTIONS

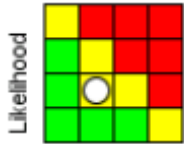
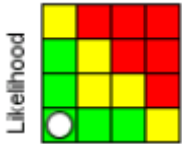
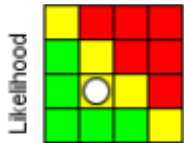
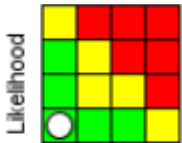


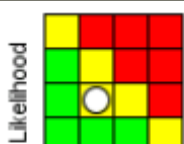
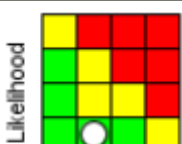
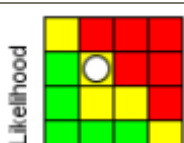
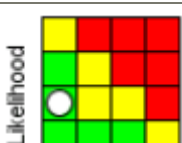
NGDP Trainee will assist in period Feb to Oct 09
Assumes can dispose of surplus property - may be able to lease out if not sold

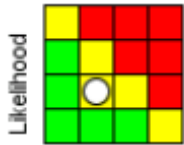
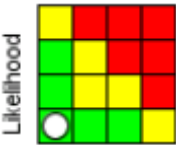
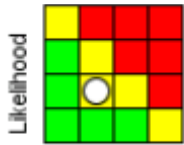
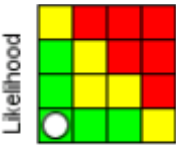
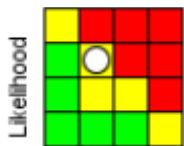
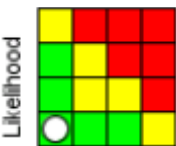


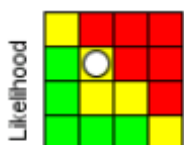

Proj Management excludes £50K provision within HR/Payroll project
HR/Payroll system itself already budgeted for
Above is revenue budget only - excludes capital receipts
These costings are all estimates, subject to more detailed work

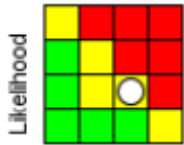
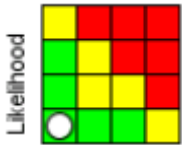
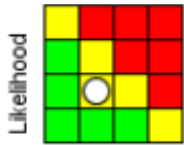
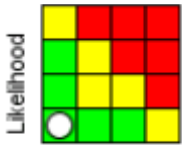
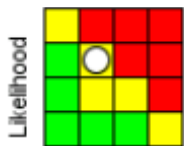
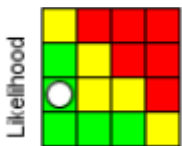
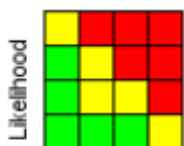

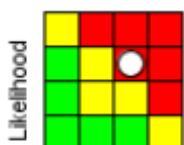

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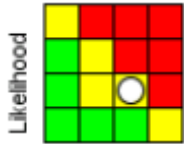
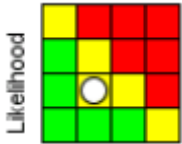
Business Transformation Detailed Risk Report

Code	Risk	Description	Current Risk Matrix	Target Risk Matrix	Internal Controls
BT R001	Failure to deliver benefits due to lack of support	--enter risk details here--			1) Informal and formal reporting routes have been established (Programme Board, Cabinet reporting), 2) Governance arrangements in respect of programme and Project planning provide a framework for operation and identification of potential business benefits and options should they not be pursued, 3) Informal briefings
BT R002	Legal or reputational issues if diversity issues not managed	--enter risk details here--			1) Governance arrangements provide the basis for ensuring the consideration of diversity issues in the implementation of any key project area 2) DIA
BT R003	Failure to deliver benefits if programme not funded	--enter risk details here--			1) Initial agreement has been received for the core funding of the project in the medium term 2) Invest to save from reserves
BT R004	MTFS and budget problems if potential savings over-estimated or timescale unrealistic	--enter risk details here--			1) Each element of the programme has been the subject of independent evaluation and identification 2) for each of the project proposals for the programme there is an initial review (or mobilisation phase) built in 3) the determination of the overall programme will be the subject of detailed scrutiny to ensure that dependancies are identified and managed 4) Discounting savings for risk factors 5) Avoid project creep 6) benefit Realisation Plan

Code	Risk	Description	Current Risk Matrix	Target Risk Matrix	Internal Controls
BT R005	Failure to deliver full benefits if overall programme not co-ordinated	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	BT Team to co-ordinate overall programme, including restructure
BT R006	Reputational damage if changes not supported by public	-eg dislike contact centre, opposition to job losses	 Likelihood Impact	 Likelihood Impact	Impact analysis; Communications work
BT R007	Failure to deliver benefits (on time) if programme not properly staffed	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1) Budget provision has been agreed for the core team to deliver the programme 2) Initial discussions have been undertaken on the core resourcing and release of individuals for the team 3) backfilling provision has been made available to minimise the impact of any staff release 4) Possible external support in implementation phase
BT R008	Failure to deliver benefits expected due to lack of skills to implement	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1) consideration is to be given in all potential programme areas to the need for/value of, external support in achieving project / programme objectives; 2) Training initiatives
BT R010	Performance, reputational and ind relations issues due to changes proposed/implemented	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1) programme and rationale has been communicated as it develops through briefings, management meetings, members seminars. 2). Impact analysis acted upon 3) Manage pay implications

Code	Risk	Description	Current Risk Matrix	Target Risk Matrix	Internal Controls
BT R011	Security costs and social disbenefit if redundant buildings left vacant	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1) the disposals policy council determines the achievement of best value in disposal 2) consideration of market conditions is inherent in the policy 3) Factor in short term uses and saleability in Asset MP
BT R012	Failure to deliver benefits due to lack of ICT support to programme	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1)Consideration of in house skills and knowledge requirements will be taken into account as part of the mobilisation of the Business transformation programme and individual projects 2) Close working with Northgate in contract extension period
BT R013	Failure to deliver full savings due to overlap with existing efficiency initiatives	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1)Business realisation Plan 2) Track overlap, and discount savings for budget purposes
BT R014	Performance and reputational issues if distracted from delivery of front line services and service standards	--enter risk details here--	 Likelihood Impact	 Likelihood Impact	1) Current arrangements for performance management will be maintained 2) Communications 3) No prolonged implementations
BT R015	Failure to realise cashable benefits for MTFS	Too many special cases;; savings redirected before we capture them; inertia or resistance	 Likelihood Impact	 Likelihood Impact	1) Programme and project management arrangements are in place to identify and address slippage 2) Aligned with the options included in the budget process is currently being undertaken to minimise / identify potential risk areas 3) Bfit Realisation Plan 4) take savings early and use 80/20 rule 5) Firm political and CMT support

Code	Risk	Description	Current Risk Matrix	Target Risk Matrix	Internal Controls
BT R016	Performance and reputational issues if staff losses not managed	Loss of key staff and skills, loss of morale and goodwill, loss of focus			1) The planning of the programme provides the opportunity to manage the potential for redundancy 2) the authority has in place arrangements for redeployment and these will be utilised within the programme 3) Vacancy management arrangements provide the opportunity to manage the impact of this risk 4) Re-training plans? 5) Communications 6) VR/ER
BT R017	Performance and reputational issues due to negative impact on staff culture of organisation	Change in values, loss of goodwill			1) programme and rationale has been communicated as it develops through briefings, management meetings, members seminars 2) Communicate new vision 3) Staff engagement
BT R018	Loss of performance due to staff being unprepared for changes	--enter risk details here--			1) The planning of the programme provides the opportunity to identify potential training and support requirements 2) Getting managers on board/change management 3) Communications
BT R019	Opportunity to manage MTFS deficit	--enter risk details here--			1) the alignment of the programme with budget proposals in the development phase has been initiated and will be managed as the budget and programme arrangements develop 2) the programme timescales have been determined to enable a managed process for the development of the budget strategy
BT R020	Increased efficiency target	The recent changes in level of government funding to local authorities, linked to increased expectations on efficiencies, increase the overall risk to the Council, and the risk that the Programme will not be able to close the budget gap			1) Robust approach to identifying and realising opportunities in the programme

Code	Risk	Description	Current Risk Matrix	Target Risk Matrix	Internal Controls
BT R021	Risk to key services from restructure	There are risks associated with services, including risks to vulnerable children and adults. A restructure could potentially exacerbate some of these risks.	 <p>Likelihood</p> <p>Impact</p>	 <p>Likelihood</p> <p>Impact</p>	1) Manage within the programme 2) Assess different models for restructure

BUSINESS TRANSFORMATION PROGRAMME
COMMUNICATION AND ENGAGEMENT PLAN JAN-MAR 09

[illegible]

5.1 Appendix 11

[illegible]

HARTLEPOOL BOROUGH COUNCIL



Diversity Impact Assessment (Predicted Assessments)

Lead Officer: Alan Dobby	Published Date: Jan 2009
Who has undertaken the assessment: Alan Dobby	
Is the subject to be assessed a... (Please tick.) <div style="display: flex; justify-content: space-around;"> Strategy <input type="checkbox"/> Policy <input type="checkbox"/> Service <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-around;"> Systems <input type="checkbox"/> Project <input type="checkbox"/> Other <input type="checkbox"/> Programme </div>	
Name and Brief description to be assessed: Business Transformation Programme	
Is the Programme being assessed (Please tick.) Existing <input type="checkbox"/> New <input type="checkbox"/> New	

1. Please give a brief description of the aims, objectives or purpose.					
This is a new managed programme of efficiency projects currently at business case stage. It is designed to make best use of resources, help balance the budget over the medium term, and meet need most cost effectively. It also includes structural changes to the Council linking to the projects.					
2. Who is responsible for the implementation?					
The Assistant Chief Executive is the Programme Director, and Alan Dobby the Programme Manager. However this is a corporate programme, with shared ownership and responsibility from CMT					
3. Who are the main stakeholders? (Please tick.)					
The general public	<input checked="" type="checkbox"/>	Employees	<input checked="" type="checkbox"/>	Elected Members	<input checked="" type="checkbox"/>
Public Sector Service Providers	<input type="checkbox"/>	The Community & Voluntary Sector	<input type="checkbox"/>		

HARTLEPOOL BOROUGH COUNCIL

4. What evidence do you presently have with regards to the predicted assessment
<p>The Programme could affect any or all of the Council's provision. From the Hartlepool Diversity Profile (2007) it is clear that the target groups could potentially be differentially affected.</p> <p>Similarly any or all of the workforce could be affected to some degree.</p>
5. Are there any concerns that it could have a differential/positive/negative/adverse impact on the grounds of gender? Please explain your answer.
<p>None apparent at this predictive stage. It may be that some may become apparent as the detailed projects are developed.</p>
6. Are there any concerns that it could have a differential/positive/negative/adverse impact on the grounds of race? Please explain your answer.
<p>Yes. Increasing reliance on online transactions could potentially disadvantage those whose first language is not English.</p>
7. Are there any concerns that it could have a differential/positive/negative/adverse impact on the grounds of age? Please explain your answer.
<p>Yes. The restructure could potentially disadvantage services to the various age groups differentially. The restructure, voluntary redundancy process, recruitment, redeployment, and redundancies must not disadvantage any target group within the workforce. Increasing reliance on online transactions could potentially disadvantage older people.</p>
8. Are there any concerns that it could have a differential/positive/negative/adverse impact on the grounds of disability? Please explain your answer.
<p>Yes. The restructure could potentially disadvantage services to those with a disability. Hotdesking, office closures and closure of operational buildings could disadvantage those employees or service users with a disability or sensory impairment. Adaptations to offices and public buildings affected would have to be re-provided. Increasing reliance on online transactions could potentially disadvantage those with a disability or sensory loss.</p> <p>However mobile working could improve access to service, as could developments at the Contact Centre.</p> <p>The restructure, voluntary redundancy process, recruitment, redeployment, and redundancies must not disadvantage any target group within the workforce.</p>

HARTLEPOOL BOROUGH COUNCIL

9. Are there any concerns that it could have a differential/positive/negative/adverse impact on the grounds of religion or belief?
<p>None apparent at this predictive stage. It may be that some may become apparent as the detailed projects are developed.</p>
10. Are there any concerns that it could have a differential/positive/negative/adverse impact on the grounds of sexual orientation? Please explain your answer.
<p>None apparent at this predictive stage. It may be that some may become apparent as the detailed projects are developed.</p>
11. Who have you consulted with?
<p>Meaningful consultation is difficult at Programme level, but as issues are subsequently raised and tackled at Project level, appropriate co-ordinated consultation will be carried out via focus groups etc.</p> <p>Diversity Steering Group have been involved (see attached notes)</p>
12. Summary of findings/recommendations from the consultation
<p>Not applicable</p>

HARTLEPOOL BOROUGH COUNCIL

Action Planning and Publishing

13. What action needs to be taken on the basis of the conclusions?		
Action	Responsible officer	Completion Date
Need to look in more detail at data and research at project level.	Project leads	March 09
Need to check diversity impacts and related actions in other authorities with similar programmes underway.	Project leads	March 09
More detailed work will have to be done at project level, building on this preliminary assessment. Subsequent DIAs to DSG as part of Project implementation phase.	Project leads	March 09
14. What are the main conclusions from the assessment?		
<p>There are aspects of the Programme which could potentially disadvantage target groups if not properly handled.</p> <p>However many of the changes are actually covered by existing policies, strategies, and procedures. Measures should concentrate on new risks.</p>		
15. How is the impact assessment published?		
<p>This predicted DIA to go with Programme report to Cabinet on 26th Jan 09.</p> <p>Further report to DSG on 6th Feb 09.</p> <p>There is a Communications and Engagement Plan for the Programme, including Intranet, Newline, staff briefings, Programme Board etc. The Public, including target groups, will be involved via Hartbeat and existing corporate channels.</p>		

HARTLEPOOL BOROUGH COUNCIL

Signed Director/Head of the Service	Date:
--	--

BUSINESS TRANSFORMATION PROGRAMME DIVERSITY IMPACT ASSESSMENT APPENDIX

<p><i>Restructure and Management Structures: (Appendix 3)</i></p> <ul style="list-style-type: none"> • A restructure of the authority from 5 departments to 3 is proposed, aligned with the management structures and transformational services business cases, and commencing in Q2 2009/10. • A model for re-design of management structures is proposed. • Options are presented for the integration of the restructure into the broader programme (or not), with the associated timescales and impact. • The alignment of a restructure, delivery of the management structures business case and alignment with other parts of the Transformation Programme provides the opportunity to maximise the benefits of the programme in both financial and management terms. 	<p>The Voluntary Redundancy offer must not differentially disadvantage any age groups.</p> <p>Recruitment to posts and any subsequent redeployment/redundancy plans must not disadvantage any target groups</p> <p>A merger of Childrens and Adult and Community Services must not differentially disadvantage target groups eg children with a disability, older people, or people with a disability or mental health problem..</p> <p>Changes to departmental structures should not impede access to any service from any group of users. Consideration should be given to making access to services easier for all groups, including those historically excluded from any service area or by any access mechanism</p> <p>Diversity function must be re-provided in the new departments</p>
<p><i>Transactional Business case: (Appendix 4)</i></p> <ul style="list-style-type: none"> • Establish a corporate shared service for the provision of HR/Payroll, creditors, debtors and income receipting. • Establish 3 directorate based shared service teams for the provision of Administrative Services • Review arrangements for the provision of professional and technical services (e.g. Financial Management and Training) within the Directorates. 	<p>New HR system must include provision for monitoring the workforce profile and its diversity. The system could be useful in monitoring the diversity impacts of the rest of the Programme.</p>

5.1 Appendix 12

<ul style="list-style-type: none"> • Introduce measurable standards within formalised Service Delivery Agreements 	
<p><i>Non-Transactional Business Case: (Appendix 5)</i></p> <ul style="list-style-type: none"> • Establish a Corporate Procurement Unit by Nov 2009 – delivering small direct savings, but also enabling significant savings in spend budgets • Re-organise ICT resources by Nov 2009 to improve planning and delivery of development projects, and to better support IT. Small saving expected. • Drive out cost savings from procurement, ICT infrastructure, and a review of income opportunities • Develop a model for improving business processes to be applied to both support services and front line provision 	<p>Income maximisation could include a review of charges and concessions, which would have to be separately assessed for diversity impact.</p>
<p><i>Asset Management Business Case (Appendix 6):</i></p> <ul style="list-style-type: none"> • An Accommodation Strategy is introduced from April 2009 based on 8 or 10 sq.m. per workstation, hot-desking, meeting and break out spaces for peripatetic working, and stringent storage targets. • A trial based on the principles included within the Accommodation Strategy be implemented on level 3 of the civic centre as part of the refurbishment programme, commencing April 2009. • The council will dispose of at least one major administration building within two years. • A review of non administrative operational buildings and land be 	<p>Hotdesking, mobile working and smaller office space allocations must allow for employees with a disability or sensory impairment to retain an appropriate working environment.</p> <p>Existing adaptations must be re-provided.</p> <p>Fewer offices and publically accessed buildings could be better provided in DDA terms.</p> <p>The review of the accommodation strategy, and the physical points from which the public access services should be considered in terms of maximising access and methods of access. Mobile working could improve access.</p>

5.1 Appendix 12

<p>undertaken during 2009/10 as part of the overall property rationalisation programme, with a view to reduce the surplus portfolio by 10% via disposal, community transfer and/ or shared service provision, thus reducing annual running costs.</p> <ul style="list-style-type: none"> • A commercial approach is taken to review and challenge the property and land on the asset register as part of the asset and property rationalisation programme, aiming to reduce the surplus portfolio by 25%. • A centrally managed service for asset and property management be introduced • An invest-to-save programme for energy efficiency projects is prepared identifying the resources required to invest in Council property to reduce consumption, realise efficiencies and reduce the authority's carbon foot print. 	<p>The disposal of non-administrative buildings should not affect the ability of the public to access services.</p>
<p><i>Service Delivery Options: (Appendix 7)</i></p> <ul style="list-style-type: none"> • That a draft improvement programme be considered for fundamental service reviews in 2009/10 • That a process be agreed for determining a programme for future years, comprising at least 4 reviews per year • That service delivery principles and evaluation criteria be developed for use in reviews • That the savings target for each review would normally be a minimum of 10% of direct service 	<p>External or partnership arrangements must include provision for equality standards, in line with the Procurement Guide and Voluntary Sector Compact.</p> <p>The consideration of service delivery options should incorporate an assessment of the impact of any potential changes and this should include, amongst others, , diversity issues</p>

5.1 Appendix 12

costs	
<p><i>Customer Services (Appendix 8)</i></p> <ul style="list-style-type: none"> The customer services aspect of the programme is being investigated to a slightly different timeline to the other elements of the programme to allow consideration to be given, as part of this, to a new national performance indicator of avoidable contact. A summary of the current position is attached. 	<p>Reducing face to face contact points must not disadvantage those with mobility problems or sensory impairment. Must not create any additional barriers or changes in respect of an individual (or groups) ability to access services .</p> <p>Development of Contact Centre offers the opportunity to improve access for those with sensory impairment etc.</p> <p>Website development should make provision for access on the basis of considerations such as language and sensory impairment amongst others</p>
<p>3.6 The Programme will also seek to improve 'customer care' in terms of moving towards:</p> <ul style="list-style-type: none"> Access to one stop, prompt services, with e-alternatives, and extended hours A Service and customer ethos, offering customer choice Front offices designed and arranged for the convenience of various types of customer (including citizens and businesses) Purpose built facilities, which are well equipped but functional Being driven to obtain the lowest cost for the goods and services produced Being focussed on the strengths of the organisation and demand in the town Being well known and understood in the community 	<p>Increasing online information and transactions at the expense of face to face could disadvantage the elderly and those with visual impairment. Options should be maintained where appropriate to ensure that access for all groups is provided for.</p>
<p>NOTES:</p> <p>The communications and engagement plan must ensure that employees and other stakeholders with a disability or who are not fluent in English are not disadvantaged.</p>	

CABINET REPORT

26th January 2009



Report of: Director of Neighbourhood Services

Subject: STAGECOACH SERVICES 1, 6, 7 AND 7A -
SUPPORTED CONTRACTS

SUMMARY

1. PURPOSE OF REPORT

To seek approval to extend funding to support the above service until August 2009.

2. SUMMARY OF CONTENTS

The report will summarise the current situation in respect of the services and provide details of possible funding sources.

3. RELEVANCE TO CABINET

This is a Cabinet decision.

4. TYPE OF DECISION

Non Key.

5. DECISION MAKING ROUTE

Cabinet on 26th January 2009 and Council on 26th February 2009.

6. DECISION(S) REQUIRED

Confirmation of required contract period and method of payment for services.

Report of: Director of Neighbourhood Services

Subject: STAGECOACH SERVICES 1, 6, 7 AND 7A -
SUPPORTED CONTRACTS

1. PURPOSE OF REPORT

- 1.1 To seek approval to extend funding to support the above service until August 2009

2. BACKGROUND

- 2.1 On 14th November 2008 Cabinet recommended that Council approve the supporting of services 1, 6, 7 and 7A (Sundays to Thursdays after 18:30hrs and, in the case of Service 1 on every evening after 18:30hrs and all day on Sundays) and the Health Bus until 31 March 2009 with the costs being met from the General Fund.
- 2.2 This decision was ratified by Council at its meeting held on 11th December 2008 where it was agreed to fund the services up to 31st March 2009 using £48,998 from the general fund.
- 2.3 In order to bring together all of the supported bus contracts it would be necessary to agree to support these services up until August 2009 when the main contract for all supported services expires.. This will allow Officers to achieve the best possible value from the budgets, by the analysis of existing services in respect of the cost, the numbers of people using them and relevant consultation. A report will be submitted to the Neighbourhood and Communities Portfolio for approval of suggested alterations to the existing supported services.
- 2.4 The cost of supporting the services from 31st March until the contracts expire in August will be £30,623.

3 CONSIDERATION OF ISSUES

- 3.1 Should Cabinet decide not to continue support for these services until August the majority of evening bus services in the town will cease to operate after 31st March leaving areas such as the Headland isolated in terms of public transport provision.

4. FINANCIAL IMPLICATIONS

- 4.1 As Members are aware it is anticipated there will be an over-spend on departmental budgets at the year end. In addition, whilst the Council will benefit from increased investment income in the current year this amount has provisionally been allocated within the budget strategy report to offset the loss of income, then for additional costs in relation to Building Schools for the Future and Tall Ships. Therefore, it is not anticipated there will be resources available from the current year's budget to fund bus service payments and an alternative funding source will need to be identified.
- 4.2 As reported to Cabinet on 22nd December 2008 the level of uncommitted General Fund Balances is £0.79m. Part of this amount was allocated to support these bus services until 31st March 2008. The remaining amount, together with other one off funding, has provisionally been allocated within the budget strategy report to partly fund the budget deficits over the next three years. These one off resources will not fund the whole of the budget gap. Cabinet could determine to seek Council's approval to use a further £30,623 of these one off resources to fund the cost of supporting these bus services until the contracts expire in August. This proposal would reduce the funds available to support the revenue budget over the next three years, which would make balancing the budget more difficult.

5. RECOMMENDATIONS

- 5.1 That confirmation is given that Members wish these services to be supported up until August 2009 to tie-in with the other supported bus contracts
- 5.2 That Cabinet seeks approval from Council for the use of General Fund Balances for the funding of these services.

6. CONTACT OFFICER

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CABINET REPORT

26 January 2009



Report of: Director of Adult and Community Services

Subject: HEALTHCARE FOR ALL – INDEPENDENT
INQUIRY INTO ACCESS TO HEALTHCARE
FOR PEOPLE WITH LEARNING DISABILITIES
– SIR JONATHAN MICHAEL

SUMMARY

1. PURPOSE OF REPORT

To provide information to Cabinet on the findings contained in the report and present a progress report in the form of an action plan against agreed targets.

2. SUMMARY OF CONTENTS

The report provides:-

- An overview of the key points contained within “Healthcare for all”
- An action plan on the performance and monitoring arrangements for Hartlepool

3. RELEVANCE TO CABINET

The report updates on the progress made against specified actions

4. TYPE OF DECISION

Non Key

5. DECISION MAKING ROUTE

Cabinet – 26 January 2009

6.0 DECISION(S) REQUIRED

Cabinet are requested to:-

- i) Agree the update.

Report of: Director of Adult and Community Services

Subject: HEALTHCARE FOR ALL – INDEPENDENT INQUIRY
INTO ACCESS TO HEALTHCARE FOR PEOPLE WITH
LEARNING DISABILITIES –SIR JONATHAN MICHAEL

1. PURPOSE OF REPORT

To provide information to Cabinet on the findings contained in the report and present a progress report in the form of an action plan against agreed targets.

2. HEALTHCARE FOR ALL (OVERVIEW)

- 2.1 The inquiry, led by Sir Jonathan Michel,(July 2008) sought to identify the action needed to ensure adults and children with learning disabilities receive appropriate treatment in acute and primary healthcare in England.
- 2.2 The establishment of the Inquiry followed the publication of Death by Indifference (Mencap) and the Disability Rights Commissions formal investigation into health inequalities experienced by people with learning disabilities and people with mental health problems.
- 2.3 The recommendations refer to the ‘reasonable adjustments’ that are needed to make health care services as accessible to people with learning disabilities as they are to other people.
- 2.4 There are 10 key recommendations within the report highlighting the following areas:

Recommendation 1: Undergraduate and Postgraduate training to include as mandatory training in learning disabilities

Recommendation 2: All Healthcare organisations should ensure they collect data to enable identification of people with learning disabilities

Recommendation 3: Family and other carers should be involved as partners in the provision of treatment and care

Recommendation 4: Primary Care Trusts (PCT's) should identify and assess the needs of people with learning disabilities and their carers as part of their Joint Strategic Needs Assessment

Recommendation 5: The Department of health (DoH) should establish a Public Health Observatory to promote good practice

Recommendation 6: The Department of Health should amend 'Core Standards for Better Health' to include reference to reasonable adjustments for vulnerable groups.

Recommendation 7: Inspectors and regulators of health services should develop and extend their monitoring of general health services in both the Hospital setting and community.

Recommendation 8: The Department of Health should direct PCT's to secure general health services that make 'reasonable adjustments' for people with learning disabilities through a Directed Enhanced Service.

Recommendation 9: All Trust Boards should ensure that the views and interests of people with learning disabilities and their carers are included.

Recommendation 10: All Trust Boards should demonstrate in routine public reports that systems are in place for all those that need advocacy and arrangements are in place to secure effective representation.

3. LEARNING DISABILITY PERFORMANCE AND SELF ASSESSMENT FRAMEWORK

- 3.1 The learning disability performance and self assessment framework is aimed at ensuring progress is reported on a number of health related learning disability services.
- 3.2 A self assessment was undertaken by the learning disability partnership board in November 2007 with 3 specific events held for Professionals, Carers and people who use services.
- 3.3 Findings from the events were compiled and returned to the North East Strategic Health Authority (SHA).
- 3.4 A regional action plan will be developed to ensure compliance against the following four key Standards:

Standard 1: Plans are in place and resources identified to meet White Paper / DoH learning disability targets for resettlement and campus closure

Standard 2: PCT's are working closely with local Partnership Boards and statutory and other partners, to address health inequalities faced by people with learning disabilities

Standard 3: People who are in services that the NHS commissions or provides, are safe

Standard 4: Progress is being made in implementing the service reforms and developments described in 'Valuing People'

4. HARTLEPOOL SELF ASSESSEMENT & ACTION PLAN

- 4.1 **Appendix 1** is attached detailing the measure and evidence against the 4 key standards.

5. RESPONSIBILITIES FOR THE LOCAL AUTHORITY

- 5.1 The Michaels report highlighted that there was insufficient checking of health services ensuring they comply with the law around disability discrimination and mental capacity.
- 5.2 A responsibility was placed on ensuring inspectors of health services work better together and they should look at how services provide healthcare for people with learning disabilities
- 5.3 Following the introduction of local authority Overview and Scrutiny Committees under the local government Act 2000, the Health and Social Care Act 2001 formally enables authorities with responsibility for social services to review and scrutinise health service matters and make recommendations to NHS bodies.
- 5.4 There should also be scope for Overview and Scrutiny committees to support and strengthen services for people with learning disabilities in Local Area Agreements, particular as these relate to their combined health, social care, leisure and education needs.
- 5.5 The report also recommends value for scrutiny committees in helping to draw information held by Learning Disability Partnership Boards in the interests of better health care and more effective partnership working.

6 SAFEGUARDING

- 6.1 The Department of Health and the Home Office issued joint guidance in 2000 on keeping adults safe, called 'No Secrets'.
- 6.2 The focus on No secrets was on 'adult protection'. Since then there has been a move towards using the broader term 'safeguarding adults'.
- 6.3 In 2007 Ivan Lewis then minister for care services announced a review of 'No Secrets'. Numerous extensive changes since 2000 have impacted on people's lives and on the systems which are designed to keep people safe and well.
- 6.4 New legislation such as the Mental Capacity Act 2005 the safeguarding vulnerable groups Act 2006 and the corporate manslaughter act 2007 has been considered in developing the new policy context.
- 6.5 The new policy context is on personalisation, community empowerment and access to criminal justice for all.

- 6.6 Local authority social services departments at present continue to have a leading role under section 7 of the Local Authority Social Services Act 1970. This means it is statutory guidance and local authorities are required to follow it unless they can demonstrate a clear reason why they should not.
- 6.7 The no secrets guidance is being consulted on and consultation closes on 31 January 2009. The consultation process follows the Cabinet Office, code of practice on consultation 2005. A summary of the response is planned within three months of this date.

7. RECOMMENDATIONS

Cabinet are requested to:

- i) Agree the update

North East England
Learning Disabilities Performance and Self Assessment Framework
Standards, Key objectives and Progress Criteria
Hyperlinks Version One as @ Tuesday, 27 May 2008

6.2 APPENDIX 1

Hartlepool Feedback

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
1. Plans are in place and resources identified to meet White Paper/DH learning disability targets for resettlement and campus closure					
1.1 The resettlement of identified people from long stay hospitals, is complete (Note 1)	<ul style="list-style-type: none"> There are 10 or more people whose resettlement is not completed All plans for the above not yet in place 	<ul style="list-style-type: none"> Resettlement of fewer than 10 people delayed – but to be completed by March 08 Review criteria in place where resettlement is suspended Plans and funding in place 	<ul style="list-style-type: none"> All resettled at March 2007 	2008-09 <ul style="list-style-type: none"> Baseline agreed Partnership Board review SHA and PCT Performance Management and linked Board reporting 	<u>Level 3 (Green)</u> Neil Harrison No clients awaiting resettlement from nhs hospitals.
1.2 All NHS Residential Campuses are to be closed by 2010 (DH campus revised definition attached) <u>DEFINITION OF CAMPUS.doc</u>	2007- March 08 <ul style="list-style-type: none"> Individuals affected identified and agreed with health and social care commissioners and current providers Assessments and person centred planning started for under 50% of people Named advocates/supporters for under 50% of people 	<ul style="list-style-type: none"> Individuals identified and agreed Integrated assessments done for over 50% of people Person centred plans underway for over 50% of people Named advocates/supporters in place for over 50% of people Person centred reviews. Funding for these 	2008 - March 09 <ul style="list-style-type: none"> All integrated assessments complete All person centred plans done Named advocates/supporters (Note 2) for all individuals Partnership Boards are assured that plans are complete, and reflected in local business plans/AOPs 	By December 07 and then at quarterly intervals <ul style="list-style-type: none"> campus figures to go to DH (ROCR returns) By June 2008 <ul style="list-style-type: none"> Campus plans in place Timetabled Partnership Board reporting and review SHA and PCT Performance Management and linked Board reporting 	<u>Level 2 (Amber)</u> Neil Harrison Plans in place to meet March 2010 Timescales

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
2. PCTs are working closely with local Partnership Boards and statutory and other partners, to address the health inequalities faced by people with learning disabilities					
<p>2.1 Systems are in place to ensure the following are identified within GP Registers:</p> <ul style="list-style-type: none"> ➤ Children (Note 3) and adults with a learning disability (<i>Policy Target Date: December 2004</i>) ➤ Older family carers (Note 4) ➤ Those from minority ethnic groups ➤ Carers of those from minority ethnic groups 	<ul style="list-style-type: none"> • No systematic approach yet to identify and register patients with learning disability, although information is available manually • No system yet in place to flag up particular health needs of those registered with learning disability • No system yet in place to identify older carers of people with learning disabilities 	<ul style="list-style-type: none"> • Work ongoing with SSD to ensure optimum registration • Manual system in place to identify learning disabled patients including those from minority ethnic groups • Manual system in place to identify older carers and carers from ethnic minority groups • Work ongoing and resource identified to further develop systems. 	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> • GP Practices identify and register their patients with a learning disability using an appropriate code such as Read Code E3 (Better Metrics 8.01) <p>2008versionBetterMetrics\Chapter 8 Learning disabilities-The Better Metrics project v8 -Nov 07.pdf</p> <ul style="list-style-type: none"> • All are registered as far as known. • Electronic system in place to record older carers and carers from ethnic minority groups • Work ongoing with local authority to ensure optimum registration. • People are offered the option to record their access needs to appear on patient records. This may include choice about length of appointments, waiting arrangements, etc. 	<p>From 08-09, and annually:</p> <ul style="list-style-type: none"> • Number of children (Note 3) and adults registered per GP practice • Number of people with LD from minority ethnic groups, identified • Number of older family carers identified (Note 4) • Comprehensive Coding system in place across the SHA area • Proportion of overall GP Practices (a) registering patients with LD, and (b) offering annual health checks <p>PCguidance090707\health checks summary of steps and support v3 final.pdf</p> <ul style="list-style-type: none"> • Above data to be annually collected by PCT • Timetabled annual progress report to Partnership Board 	<p><u>Level 1 (Red)</u></p> <p>Ruth Kimmins</p> <p>Health facilitator has produced a register all people over age of 14 with a Learning Disability</p> <p>Direct Enhances Services (DES) commissioned refunding for annual health check for two years, for clients with moderate to severe learning disabilities</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measures / Evidence	Where we are, who taking lead
<p>2.2 Primary Care Teams are tackling health inequalities and promoting the better health of those with learning disabilities registered with their Practice (Note 5)</p>	<ul style="list-style-type: none"> GP Practices identify and register their patients with a learning disability using an appropriate code such as Read Code E3 (Better Metrics 8.01) New contacts 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> There is an agreed process for Health Action Plan (HAP) development GP practices are aware of those of their patients who have HAPs <p>HAPs demonstrably generate health check ups</p>	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> Health Action Plans are in place for everyone who wants one. Such plans have been initiated or checked by a primary care professional and are based on a full health check (Better Metrics 8.03) They are regularly reviewed in particular at key stages in people's lives and generate follow up as required. There is a system in place to ensure that learning disabled patients are invited to attend for a full health check if they have not visited surgery in last 3 years. (Better Metrics 8.04) <p>There is good liaison with learning disability and other specialist teams and staff as necessary, ensuring that the role of Health Facilitator is wide-ranging and effective.</p>	<ul style="list-style-type: none"> People in each locality with a HAP, expressed as a percentage of total number registered with practice (Better Metrics 8.02) 2008versionBetterMetrics\Chapter_8_Learning_disabilities-The Better Metrics project v8-Nov 07.pdf Percentage of those registered, offered a comprehensive health check (Better Metrics 8.02) - and percentage uptake 2008versionBetterMetrics\Chapter_8_Learning_disabilities-The Better Metrics project v8-Nov 07.pdf Number of health facilitators linked to each practice (Note 6) Above data to be annually collected by PCT Timetabled annual progress report to Partnership Board 	<p>Level 1 (Red)</p> <p>Ruth Kimmins</p> <p>HAP strategy in place which identifies action plan to implement HAP and to work towards reducing inequalities.</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
2.3 People with learning disabilities access disease prevention, screening, and health promoting activities in their practice and locality, to the same extent as the rest of the population (Note 7)	<ul style="list-style-type: none"> People with a learning disabilities are registered with and known to their GP practice PCTs are working with Partnership Boards and wider partners, to identify barriers to services and gaps in information PCTs ensure compliance in all health areas with all current legislation e.g. the Disability Discrimination Act, Human Rights Act, etc 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> GP Practices have systems in place linked to their Disease Register which 'flag' people who also have a learning disability GP Practices have systems in place to monitor invitations and take-up of cancer screening invitations to men and women with learning disabilities GP practices have systems in place to monitor the number of people with learning disabilities involved in practice and community-based health promoting activities (e.g. smoking cessation initiatives) Screening and health promotion literature and information – for at least all areas listed in the measures column - is provided in accessible and user friendly formats Existing Service Level Agreements, commissioning approaches 	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> Each Practice in PCT area carries out annual reviews of their learning disabled patients who have heart disease or diabetes Retinal screening for early detection of diabetic retinopathy is offered to people as part of a structured diabetes programme A system is in place to ensure that patients at risk of dysphagia are screened and assessed to determine vulnerability, with a care plan in place and reviewed regularly (Better Metrics 8.08) Systematic training is undertaken in a range of screening activities, both for people who may need screening, and those who will carry it out Resources are demonstrably targeted at known inequalities 	<p>08-09: PCTs to put systems in place to collect information as follows:</p> <ul style="list-style-type: none"> number of women (Note 8) invited to attend breast screening number of those invited who received breast screening number of women (Note 8) invited to attend cervical screening number of those invited who received cervical screening baseline assessment of number of people with (a) heart disease and (b) diabetes of those with heart disease or diabetes, number who have received a review in past 12 months number of people with diabetes who have received retinal screening baseline assessment of those with asthma baseline assessment of number of people at risk of dysphagia %age of those assessed as being at risk of dysphagia, who have been screened and have care plans in place baseline assessment of people with LD and epilepsy baseline assessment of people with LD and MH problems <p>08/09 and annually</p> <ul style="list-style-type: none"> Commissioners to Audit progress and outcomes and report findings to PCT Board, SHA and DPH Timetabled annual progress report by PCT to Partnership Board 	<p><u>Level 1 (Red)</u></p> <p>Ruth Kimmins</p> <p>NO data available from GP re numbers attending screening.</p> <p>No data available re numbers attending heart disease or diabetic screening.</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
2.4 The wider primary care community (dentists, pharmacists, physiotherapists, podiatrists, optometrists, etc) is demonstrably addressing and promoting the better health of people with learning disabilities valuing people's oral health.pdf	<ul style="list-style-type: none"> Links established between wider primary care professionals and Partnership Boards PCTs demonstrably promote accessibility of these mainstream therapeutic services to people with learning disabilities 	As Level 1 and additionally: <ul style="list-style-type: none"> There is demonstrable progress in making wider primary care services better known and more accessible to people and their carers 	As Level 2, and additionally: <ul style="list-style-type: none"> Flexible working styles and systems are developing in these wider services, to accommodate individuals' needs and choices 	08/09 and annually <ul style="list-style-type: none"> PCT commissioners' report to Partnership Board Annual self assessment exercise 	<u>Level 1 (Red)</u> Ruth Kimmins Partnership not engaged with Wider primary care community
2.5 Service Agreements with providers of general, specialist and intermediate health care, demonstrably secure a range of treatment choices and equity of access to treatment; a positive experience of care; and effective admission and discharge procedures for people with learning disabilities. Death by indifference.pdf Commissioning specialist health services.pdf	<ul style="list-style-type: none"> Service protocols in place and functioning between commissioners (Note 9) and acute and specialist providers (in-patient and community). Explicit admission and discharge policies and implementation agreed by commissioners and all healthcare providers. People and their supporters/families are asked about their experience of care. 	As Level 1 and additionally: <ul style="list-style-type: none"> Patients with learning disabilities and their families are offered easy to understand information about their health (Better Metrics 8.09) Concerns, compliments and complaints are noted, trends analysed (including from PALS/LINKs), and practice amended as needed Information and feedback from people is acted upon and incorporated into service development 	As Level 2, and additionally: <ul style="list-style-type: none"> People are offered a choice of treatment provider in line with national Choice policy. Contracts/SLAs refer to the provision of extra support to people coming in for hospital stays; this is systematically reviewed 	08-09 <ul style="list-style-type: none"> PCT Commissioner to audit progress and report to PCT Board Partnership Board Local survey - to feed into annual self assessment exercise Health provider (e.g. Acute Hospital) to audit key points relative to the experience of their services by learning disabled patients, with findings to come to Partnership Board 	<u>Level 1 (Red)</u> Ruth Kimmins Sharing information protocol for single assessment process in place Admission discharge policy in place within Acute, Joint Strategic Needs assessment completed

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
2.7 The benefits for patients derived from the development of IM&T capacity under the NPfIT programme, are equally accessible to people with learning disabilities and those who provide services to them	<ul style="list-style-type: none"> Baseline audit of information/data system needs completed 	As Level 1 and additionally: <ul style="list-style-type: none"> Primary care information systems are being developed to underpin the data collection requirements of the LD Strategy, and the standards and objectives in this framework 	As Level 2, and additionally: <ul style="list-style-type: none"> Information systems are accessible in language and application terms to people with LD and carers Systems are available in all care streams and across organisations to allow data collection and comparative analysis about people's health People and their carers can access and contribute to electronically held 	08-09 and 09-10 <ul style="list-style-type: none"> Other NSF work-streams to be requested to audit their systems for their ability to collect relevant data and comparative analysis about the health of people with learning disabilities Review in each locality of peoples access to electronically held information relevant to their health 	<u>Level 1 (Red)</u> Ruth Kimmins Baseline audit of information underway
2.8 PCTs have agreed with local partner agencies a long term 'across system' strategy to address services to people with learning disabilities from ethnic minority groups, and their carers (see also 2.1 above)	<ul style="list-style-type: none"> Baseline position/data collected Race Equality Screening of relevant policies and Impact Assessments completed where necessary in all NHS organisations Partnership Board has a designated 'champion' membership of Partnership Board reflects cultural makeup of local area 	As Level 1 and additionally: <ul style="list-style-type: none"> The Race Equality Schemes in all health organisations fully address the needs of people with learning disabilities from ethnic minority groups. Good data about local demand and needs is being collected both in primary care and through NSF health networks eg M/H Local workforce planning takes account of need to recruit and retain staff from ethnic minority groups, as well as of general training needs with regard to providing services to people of different 	As Level 2, and additionally: <ul style="list-style-type: none"> Partnership Boards have action plans in place to meet the specific health needs of those from ethnic minority groups and their carers 	07-08 onwards: Race Equality audit screening completed of all key health service policies (<i>all NHS bodies are required to do this</i>) <ul style="list-style-type: none"> 08-09 GP registers record those people with LD from ethnic minority groups and also their carers (See 2.1 above) 	<u>Level 1 (Red)</u> Ruth Kimmins DIA, INRA and equality impact assessment implemented through partnership board. Baseline data required from PCT

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
2.9 There is a long-term strategy in place to achieve inclusion and equality of healthcare and outcomes for people with profound disabilities and their carers.	<ul style="list-style-type: none"> Each Partnership Board has representation from this group Baseline position/data collected Assessments of carers' needs are completed (DIS) 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> Each Partnership Board is aware of the number of people who have profound and complex disabilities and of their needs Local PCT planning linked to Long Term Conditions is aware of the number of people who have profound and complex disabilities and of their needs Information and communication systems are planned and being developed for people and their families 	<p>As Level 2, and additionally: the needs of people with complex disabilities are demonstrably addressed in plans to implement the NSF for Long Term Conditions, as well as of other relevant NSFs</p>	<ul style="list-style-type: none"> Baseline info to be established via Joint Area Assessments (and for children via the JAR) <p><i>See also comment at 2.6 above ref SHA monitoring generally of NSFs</i></p>	<p>Level1 (Red)</p> <p>Ruth Kimmins</p> <p>Need to ensure database identifies PMLD and long term conditions.</p> <p>Children Joint Area Review on HBC intranet</p> <p>Draft Strategy Long term conditions add complex needs</p>
3. People with learning disabilities who are in services that the NHS commissions or provides, are safe					
3.1 Commissioners and service providers are systematically addressing any areas of concern, relative to the learning points from recent Healthcare Commission investigations and national audit outcomes	<ul style="list-style-type: none"> No action plan in place 	<ul style="list-style-type: none"> Action plan in place but not yet widely discussed and no linked funding 	<ul style="list-style-type: none"> Action plan in place Partnership Board centrally involved Statutory and P&V Sector involved Funding and manpower committed to do work required 	<ul style="list-style-type: none"> Action plans to be monitored by Partnership Boards SHA and PCT Performance Management and linked Board reporting 	<p>Level 2 (Amber)</p> <p>Neil Harrison</p> <p>LD service has identified plan re death by indifference.</p> <p>Partnership Board involved in "Healthcare for all" implementation plan</p> <p>Tees Commissioning Group 3 Year strategy</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
<p>3.2 Each health organisation has in place transparent and well understood policies and procedures which reflect the key provisions of:</p> <ul style="list-style-type: none"> • Consent to treatment by people with learning disabilities • Mental Capacity Act • Disability Equality Duty • Deprivation of Liberty Safeguards 	<ul style="list-style-type: none"> ▪ All health organisations have a policies and procedures guiding their practice in relation to these areas ▪ Such policies are in line with all current specific DH guidance 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> ▪ All health organisations are working towards the full implementation of such policy and procedures and peoples roles and responsibilities are widely known and understood 	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> ▪ A multidisciplinary process is in place to help staff and patients make decisions about treatment ▪ The above process is transparent, open to scrutiny, and subject to appeal ▪ Plans are in place with linked training and funding highlighted, to implement the Mental Capacity Act across health providing organisations. ▪ There is easy to read information available to people with LD and their families on the implications of Mental Capacity Act locally. ▪ Medical and nursing training commissioned by SHA/ PCTs explicitly tackles the issue of 'diagnostic overshadowing' 	<p>08-09:</p> <ul style="list-style-type: none"> ▪ In each locality – audit of process leading up to treatment and/or significant care decisions for at least 10 individuals over the preceding 12 months in a range of care settings ▪ Number of staff that have received Mental Capacity Act training 	<p><u>Level 1 (Red)</u></p> <p>Jill Harrison</p> <p>Teeswide interagency strategy on Safeguarding Adults in place</p> <p>MCA Tees agreement for workforce development</p> <p>DOLS – Developing Tees agreement</p>
<p>3.3 The review and analysis of complaints and adverse incidents affecting people with learning disabilities leads to altered or improved practice in all organisations</p>	<ul style="list-style-type: none"> ▪ Each organisation has a governance system which allows it to identify complaints or incidents relating specifically to people with learning disabilities 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> ▪ There is evidence of specific service improvements or of audit programmes in place linked to learning derived from such complaints and/or incidents ▪ NHS Litigation Authority level 1 	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> ▪ people with learning disabilities and/or their supporters are members of each organisation's Governance Forum (or equivalent) ▪ NHS Litigation Authority Level 2 attained 	<ul style="list-style-type: none"> ▪ Timetabled Partnership Board reporting and review ▪ NHS LA declaration ▪ HCC Annual ratings ▪ L/A Star Ratings 	<p><u>Level 1 (Red)</u></p> <p>PCT and acute Trust are unable to identify LD specific Complaints</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
<p>3.4 There are effective partnerships with local agencies, and across care sectors and localities, to ensure a coherent approach to the protection of vulnerable adults from abuse</p> <p><u>Safeguarding Adults Report.pdf</u></p> <p>Need link to updated No Secrets when review is completed</p>	<ul style="list-style-type: none"> Safeguarding Adults policy and procedures are agreed across each locality Such policy has had Race Equality screening and impact assessment (see also 5.4) Agreed training programme in place which addresses all aspects relating to safeguarding adults <p>Less than 25% of staff have received training (Note 10)</p>	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> 50% of identified policies reviewed Agreed training programme in place which addresses all aspects relating to safeguarding adults At least 50% of staff have received training 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> there are joined up agreements in each local authority area relating to Child and Adult Protection; Complaints; Public Protection etc, with clarity of health organisation roles Structured rolling programme of multi-agency staff training is in place. At least 90% of staff have received training and are updated regularly Both health and social care commissioners include explicit POVA training targets in all contracts 	<ul style="list-style-type: none"> Audit of contracts by L/A and Health commissioners 	<p><u>Level 2 (Amber)</u></p> <p>Marie Horsley</p> <p>Over 50% of staff training completed within local authority,</p>
4. Progress is being made in implementing the service reforms and developments described in 'Valuing People'					
<p>4.1 Discharge planning is in place for adults and young people (<u>not already included in the campus target</u>) both in and out of district, and in both NHS and private sector hospital provision, whose treatment is either complete, or nearing completion</p>	<ul style="list-style-type: none"> Delayed Discharge protocol agreed with current providers and health and local authority commissioners Joint work started with PCT and L/A commissioners 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> All such individuals identified by each locality and agreed with current providers and health and social services commissioners Named advocates or supporters in place for the above 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> Person centred plans active with outcomes happening, for over 75% of people (Note 11) Plans for people with timescales, etc., are complete, approved by Partnership Board, and reflected in local business plans/LDPs Active case management system for all named individuals 	<p>By end October 09</p> <p>Baseline info collected of all those in public/private hospitals NOT included in campus list/target – to include following data:</p> <ul style="list-style-type: none"> Current length of stay Amount being spent Number of 'delayed discharges' (i.e. no longer need I/P treatment) Number of people nearing end of treatment (in coming 12 months) 	<p><u>Level 2 (Amber)</u></p> <p>Neil Harrison</p> <p>Delayed Discharge protocol agreed</p> <p>Tees Commissioning group 3 year strategy in place</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
<p>4.2 There is a comprehensive range of specialist learning disabilities services available to sustain and support people in their local community, avoiding unnecessary admissions or re-admissions to hospital</p> <p>DH_080128.pdf</p> <p>Commissiningspecialisthelathservcices.pdf</p> <p>mentalhealthglguide.pdf</p> <p>GoodPracticeLDNursing.pdf</p> <p>Report on autism that we would want to include</p>	<p>07-08</p> <ul style="list-style-type: none"> Mapping has been undertaken to identify gaps in current service provision/local infrastructure Continues to be high rate of referrals out of area 	<p>07-08</p> <ul style="list-style-type: none"> Commissioners have agreed with current providers future plans to develop the community infrastructure, for those people who challenge services, who may still be in hospital and/or whose treatment is nearing, or at, an end. Such future plans include young people in transition to adulthood (See also 1.3 and 1.5) 	<p>08-09</p> <ul style="list-style-type: none"> Unnecessary admissions or re-admissions to hospital (e.g. after resettlement/campus closure/transition) are avoided Comprehensive local services enable the reduction of the number of people sent 'out of area' for care/treatment People with behaviour linked to mental health problems have good access to skilled mental health interventions (See also 4.9 below) There is good access to skilled advocacy services for people who challenge services There is a demonstrable 'shift' in investment and in skilled staff from 'hospital' based services to 'community based' services 	<p>08-09 and then annually:</p> <ul style="list-style-type: none"> Review and analysis by commissioners of: <ul style="list-style-type: none"> (a) placement breakdown (b) readmissions to hospital after resettlement/campus changes/transition <p>And then annually,</p> <ul style="list-style-type: none"> Commissioners to do: <ul style="list-style-type: none"> - audit of adults - and children (See also 4.3) - referred out of area for specialist LD health services/treatment - comparative review of amount spent on hospital based services with community based services - linked comparative review of the movement of skilled staff from hospital to community - linked review of potential hospital admissions avoided - review of investment in advocacy, in particular that available to people with autism, MH issues etc. <p>08-09</p> <ul style="list-style-type: none"> Partnership Board survey of views of people receiving intensive specialist support 	<p><u>Level 1 (Red)</u></p> <p>Neil Harrison</p> <p>Mapping undertaken</p> <p>LD Tees Commissioning Plan developed.</p> <p>Low rate of out of area placements.</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
4.3 Plans are in place to ensure more locally available provision of the future mainstream and specialist health services needed to support young people approaching adulthood - and their families (Note 12)	<ul style="list-style-type: none"> Year 9 transition review takes place for all young people with full interagency involvement (DFES) There is a record and linked pathway in each locality of young people likely to need additional mainstream and specialist health supports or services in the coming five years Every child has a named personal adviser 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> Person centred planning underway at aged 14 years Potential range of required health services, identified Coherent interagency process to ensure consistent and effective communication with family carers of young people in transition 	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> Youth Advocacy in place where required Additional health services identified, needed each year, for coming 5 year period, for people at age 18/19 years Business plans approved by Partnership Board, in place 	<p>08-09</p> <ul style="list-style-type: none"> Commissioners to: <ul style="list-style-type: none"> establish baseline information on all individuals from age 14, in each L/A area <p>09-10</p> <ul style="list-style-type: none"> audit projected reduction in numbers of young people placed out of area at transition <ul style="list-style-type: none"> Partnership Board timetabled review 	<p><u>Level2 (amber)</u></p> <p>Heather Teal</p> <p>Transitions Team supports 14+ person centred reviews</p> <p>Multi Agency Transitions Forum in place</p>
4.4 People with learning disabilities and their families/supporters are supported and empowered to fully contribute to and participate in discussion, as well as in the planning, prioritisation and delivery of health services generally	<ul style="list-style-type: none"> There is no coherent, structured approach to involving people with learning disabilities and their family/carers in service planning, development and delivery 	<ul style="list-style-type: none"> Protocols are in place requiring the involvement and engagement of people with learning disabilities and their families/carers Involvement in some projects can be demonstrated 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> People derive equal benefit from IM&T developments (see also 2.7 above) Health organisations promote and facilitate training and development opportunities for people and their carers All health care providers publish important information for their learning disabled patients in easier to read format Individual appointments are available to people in a way and at a time which recognises the special needs they may have 	<p>Partnership Board audit of :</p> <ul style="list-style-type: none"> Inclusion of people with learning disabilities and their carers in projects/groups Level of meaningful consultation with wider learning disabilities communities for service changes Accessibility of important information produced by different health organisations <p>08-09 in each locality:</p> <ul style="list-style-type: none"> Audit of access and choice by people with learning disabilities re individual appointments Audit results to form part of annual self assessment exercise (SHA,, CSIP, Partnership Boards) 	<p><u>Level 2 (Amber)</u></p> <p>Lyn Duncan</p> <p>Dale Owens</p> <p>LINK – commissioned Carers Strategy reviewed</p> <p>Evidence of projects can be demonstrated</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
4.5 There are thorough, well-functioning partnership agreements and protocols between organisations, guiding day to day commissioning and service provision	<ul style="list-style-type: none"> Partnership Boards have agreed a number of key policies and agreements in this respect 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> Programme of work locally underway to review key partnership policies and determine effectiveness of these Work ongoing across localities to ensure consistent application and outcomes across localities in SHA area 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> Integrated performance management arrangements are in place There is integrated data collection within and across different care sectors Partnership Board has adopted the Performance and Self Assessment Framework Partnership Board is a central Reference Group for e.g. Local Strategic Partnership working 	<ul style="list-style-type: none"> Partnership Board timetabled review 	<p><u>Level 1 (Red)</u></p> <p>Neil Harrison</p> <p>Joint Posts appointed in Commissioning.</p> <p>Partnership Board sign off required for new integrated structures.</p>
4.6 Plans are in place to meet the particular needs of people with learning disabilities who are ageing. These are taken account of in local older people's planning, and derive equal benefit from policy improvements and initiatives linked to the Older People's NSF, A Sure Start to Later Life; New Ambitions in Old Age, etc. (Note 14)	<ul style="list-style-type: none"> Each locality has a database of older people who have a learning disability, and this is systematically updated Local Older People's performance assessment framework includes specific reference to, and review of, people with learning disabilities 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> There are formal agreements (protocols) between organisations guiding best practice in the care of people with learning disabilities who are ageing. There are formal agreements between organisations guiding best practice in the care of people who develop early dementia. Protocols in place for early onset dementia, ensuring people have equal access to mainstream dementia care expertise. 	<p>As Level 2, and additionally:</p> <ul style="list-style-type: none"> Local plans in place to provide mainstream and specialist services and supports to people who are ageing, those who may develop dementia at a young age, and those nearing the end of their lives The above plans are reflected in local business plans/LDPs 	<p>08-09:</p> <ul style="list-style-type: none"> Explicit commissioning strategy in place Commissioners ensure collection of relevant data Commissioners undertake comparative audit (Note 15) to include data relating to emergency hospital admissions Partnership Board timetabled review <p><i>See also comment at 2.6 above ref SHA monitoring generally of NSFs</i></p>	<p><u>Level 1 (Red)</u></p> <p>Ruth Kimmins</p> <p>Database updated, currently is not systematically updated to show Older People.</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
<p>4.7 PCTs have agreed with local partner agencies a long term 'whole system' strategy to address the needs of people with autism spectrum, <i>which includes young people approaching transition to adulthood</i> (See also 4.3 above)</p> <p>Need link here</p>	<p>08 – onwards</p> <ul style="list-style-type: none"> Comprehensive information available about the local support and help available to people and their families locally, and about how they can become involved in developing services. 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> Planning progressing for people who are still in hospital (See also 1.3 above) 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> Plans agreed for people with autism spectrum whose treatment is nearing, or at an end. (See also 1.3 above) Strategy in place Flexible and innovative commissioning models being developed e.g. 'In Control' project 	<p>08-09 onwards</p> <ul style="list-style-type: none"> Explicit commissioning strategy in place PCTs/commissioners collect data relating to: <ul style="list-style-type: none"> Proposed increase in numbers of adults diagnosed with Asperger Syndrome Proposed proportionate reduction in numbers of young people placed out of area at transition (Note 16) proposed reduction in numbers of adults sent out of area for specialist treatment <p>• Partnership Board timetabled review</p>	<p><u>Level 1 (Red)</u></p> <p>Neil Harrison</p> <p>Tees Valley Steering Group developed with links to North East Autism Consortium.</p> <p>LD Tees Commissioning priorities identifying ASD as key Workstream</p>
<p>4.8 There are a range of local services available to individuals who challenge services (see also 4.2 above). Such services take account of key standards from policy and best practice, including <i>Mansell II</i> and <i>A Unified Approach to Challenging Behaviour</i> (RCP)</p> <p>DH 080128.pdf</p> <p>Unified Approach.pdf</p>	<ul style="list-style-type: none"> Process mapping has been undertaken to identify gaps in current service provision Continues to be high rate of referrals out of area 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> Gaps identified and strategy developed PCT commissioners have agreed with current providers future plans for those people who challenge services, who may still be in hospital and/or whose treatment is nearing, or at, an end. <i>Such future plans include young people in transition to adulthood</i> 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> A range of local mainstream and specialist services are available in community rather than institutional settings Services are local Local workforce development plans contain explicit reference to workforce training and development There is evidence of highly individualised service planning, commissioning and delivery There is good access to skilled advocacy People with behaviour linked mental health problems have good access to skilled mental health interventions 	<ul style="list-style-type: none"> Explicit commissioning strategy in place Partnership Board timetabled review 	<p><u>Level 1 (Red)</u></p> <p>Neil Harrison</p> <p>Tees Commissioning Framework identifying 3 year strategy</p>

Standards and Key Objectives	LEVEL 1	LEVEL 2	LEVEL 3	Measure/Evidence	Where we are, Who taking lead?
<p>4.9 The NSF for mental health is equally and equitably applied to people with learning disabilities who require psychiatric services mentalhealthguide.pdf</p>	<ul style="list-style-type: none"> MH/LD service protocols are in place (Mental Health NSF) and are demonstrably working All LITs include membership from people with LD and their families Primary Care Mental Health workers provide service also to people with learning disabilities registered with the practice Work started to implement "Green Light for Mental Health" (VP & NIMHE 2004) 	<p>As Level 1 and additionally:</p> <ul style="list-style-type: none"> Baseline audit of progress using Green Light for Mental Health (VP & NIMHE 2004) 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> Green Light for MH being progressed in each locality planning and commissioning for people with LD whose overriding need is a MH one, is carried out by MH LITs, calling on support and expertise of specialist LD professionals as needed There is explicit monitoring of progress in annual MH Autumn Assessment All children and young people with both learning disability and a mental health disorder have access to appropriate child and adolescent mental health facilities 	<p>08-09:</p> <ul style="list-style-type: none"> Explicit commissioning strategy in place Partnership Board Audit of key objectives from Green Light for MH Quarterly review of data from CAMHS monitoring of access to services by children and young people with learning disabilities 	<p><u>Level1 (Red)</u></p> <p>Carl Bashford</p> <p>Integrated Health and social care team provides services to people with Dual Diagnosis</p>
<p>4.10 There is a coherent workforce Plan in each Local area guiding the future training and development of people working in learning disability services, in both specialist and mainstream health care areas</p>	<ul style="list-style-type: none"> No explicit workforce plans in place relating to learning disabilities service reforms 	<ul style="list-style-type: none"> Baseline workforce position established Workforce planning commenced in context of local strategies 	<p>As Level 2, and additionally</p> <ul style="list-style-type: none"> Each LD Partnership Board contributes to the workforce strategy PCTs and partner 'health' agencies have a 'cross locality' plan to help manage health workforce across areas The plans allow flexible and progressive commissioning of training and development, with a range of providers 	<ul style="list-style-type: none"> SHA monitoring Partnership Board timetabled review 	<p><u>Level 2 (Amber)</u></p> <p>Gwenda Pout</p> <p>Workforce development plan in place, presented to Partnership Board for approval.</p>

Notes

- 1 This relates to the Valuing People resettlement list/target drawn up after Valuing People White Paper was issued (to have been completed by 2004)
- 2 Throughout the document the use of the phrase “chosen supporters” refers to people’s right to choose a ‘supporter’ who may not necessarily be an employee from an advocacy organisation (e.g. a brother, sister, friend, etc).
- 3 This applies to children who have significant or complex learning disabilities and who may have associated long term conditions – the aim is to ensure good longer term planning to help them through key transition periods up to adulthood
- 4 Information about older family carers could be usefully collected to highlight: (a) those carers over 65 years, (b) those over 75 years, and (c) those from minority ethnic groups
- 5 The role of the Primary care team is to maintain and enhance the health of all their practice population including those with learning disabilities. This may at times involve liaison with other specialist teams or individuals including LD, MH, older people, etc.
- 6 Although Facilitators may not members of the Practice, the GP Practice is responsible for maintaining up to date records of their patients’ Health Facilitators
- 7 Where appropriate, the standards in this document should be cross-referenced with regional Clinical Networks e.g. Cancer standards, and their linked performance review processes
- 8 The figures should be expressed both as actual number, and as a percentage of women of 50+ with LD registered with practice.
- 9 Standards in this section are drawn from local strategies and identified priorities
- 10 For training relating to safeguarding adults, it is expected that training and corresponding targets apply to all staff in all organisations and target percentages need to apply to *each* organisation (including those in private and voluntary sector)
- 11 Although Person centred planning should be underway or imminent for all individuals likely to be affected by changes, a move or discharge can take place without a completed Plan being in place, as long as the process has started and is completed/later reviewed following a person’s move/discharge
- 12 This includes young people who currently receive support/care either in or out of district, and in both NHS and social/educational provision
- 13 “Promoting involvement” needs to take account of funding, transport, carer responsibilities, accessible information, provision of interpreters if required, physical location of meeting, etc.
- 14 This applies to those over 65 years old
- 15 This audit could usefully examine 4 or 5 key processes (e.g. single assessment) and outcomes (e.g. people with dementia or long term health conditions supported to remain at home) and produce comparative data about how key processes and outcomes are experienced by learning disabled, and non learning disabled older people)
- 16 As it is likely that the numbers of young people requiring places at transition will rise year on year, it is important to set targets for the reduction of people sent out of area taking account of the continuing rise in demand and the short term lack of local services to meet this rise in demand, pending local service developments

DEFINITION OF 'CAMPUS' - New definition of 'campus' from 1 March 2008

A **campus** is a service that is one and two and can include three:

1. NHS provided long-term care in conjunction with NHS ownership/management of housing (residents do not have an independent landlord and housing rights)
2. Commissioned by the NHS
3. People who have been in assessment and treatment services more than one year, who are not compulsorily detained or undergoing a recognised evidence based treatment programme

People living in such accommodation are technically and legally NHS patients.

The following cases would not be enough on their own to exclude services from re-provision:

- i) the properties being small houses in a dispersed setting
- ii) an NHS discharge process having been followed

People who live in settings registered with CSCI are not campuses.

Previous definition of 'campus'

A campus is a service that is:

- NHS provided long-term care in conjunction with NHS ownership/management of housing (residents do not have an independent landlord and housing rights)
- Commissioned by the NHS
- Includes people who have been in assessment and treatment beds more than 18 months who are not compulsorily detained or undergoing a recognised and validated treatment programme
- People living in such accommodation are technically and legally NHS patients.

The following cases would not be enough on their own to exclude services from re-provision:

- The properties being small houses in a dispersed setting
- An NHS discharge process having been followed.

CABINET REPORT

26th January 2009



Report of: Director of Regeneration and Planning Services and
Director of Neighbourhood Services

Subject: Land at Surtees Street, Hartlepool
(Affordable Housing Scheme)

SUMMARY

1. PURPOSE OF REPORT

To advise Cabinet of the current position relating to the sale of land at Surtees Street for the purpose of building affordable housing for rent by a registered social landlord operating in Hartlepool and propose a way forward.

2. SUMMARY OF CONTENTS

The report gives a background to the circumstances which have led to this parcel of Council owned land being considered for sale for the purpose of building affordable homes for rent. It explains the current position and puts this in the wider context of issues affecting the delivery of new homes for rent by registered social landlords operating in Hartlepool. In particular it describes how the delivery of affordable housing on the Surtees Street site is not progressing as quickly as was intended and seeks members' views on the proposed way forward for providing homes on this site.

3. RELEVANCE TO CABINET

The report has been requested by the Mayor in his capacity as Portfolio Holder for Regeneration and Liveability plus the Portfolio Holders for Finance and Efficiency and Neighbourhood and Communities.

4. TYPE OF DECISION

Non key

5. DECISION MAKING ROUTE

Cabinet meeting on the 26th January 2009.

6. DECISION(S) REQUIRED

The view of Cabinet is requested on the preferred approach to bringing forward the development of land at Surtees Street for affordable housing for rent by a registered social landlord.

Report of: The Director of Regeneration and Planning Services and
the Director of Neighbourhood Services

Subject: Land at Surtees Street, Hartlepool
(Affordable Housing Scheme)

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet of the current position relating to the sale of land at Surtees Street for the purpose of building affordable housing for rent by a registered social landlord operating in Hartlepool and propose a way forward.

2. BACKGROUND

- 2.1 In October 2007 the Cabinet agreed that an Affordable Housing programme should be pursued in Hartlepool (Min 101, Cabinet 1st October 2007 refers) that Hartlepool BC would support the bidding by RSL's for Housing Corporation resources and invite bids from RSL for Council owned land to develop affordable housing schemes.
- 2.2 The detailed considerations that gave rise to this programme are as summarised below:-
- The increase in property prices in the Town making it more difficult to access the owner occupation market;
 - An increase in the housing waiting list in Hartlepool;
 - The publication of the Hartlepool Strategic Housing Market Assessment, highlighting the need for increased provision of new social rented housing;
 - Changes to the Housing Corporation Affordable Housing Programme, seeking to raise standards but create efficiencies;
 - The Housing Corporation (now part of the Homes and Communities Agency HCA) seeking to lower the subsidy per dwelling;
 - An expectation that Local Housing Authorities, where Councils own the land, make this available at below market value or nil value.
- 2.3 Arising from this report, discussions took place with some of the locally connected housing associations in particular Housing Hartlepool, Three Rivers and Endeavour Housing Associations, based on a detailed analysis by Council Officers of housing needs and land supply information in relation to Council owned land.

- 2.4 Searches of land registers and databases however had indicated that the overall availability of public owned land suitable for housing in Hartlepool was unfortunately very limited. A number of small sites that may be appropriate for development on the bases that an RSL already had stock in the vicinity were highlighted, but rejected because it was deemed costly in developing these site due to their size limitations. Those sites in Council ownership suitable for housing development considered to be of a more reasonable size were especially limited, but included cleared land at Surtees Street, a site on the south side of Seaton Lane and a site on the west side of Coronation Drive on the northern edge of Seaton Carew.
- 2.5 The approach agreed and undertaken was that two of the sites identified above would be proactively considered by the Council working with locally connected housing associations. On a without prejudice and subject to planning permission basis, RSL's were requested to indicate in writing what they would wish to develop on the sites concerned in terms of housing mix and tenure, the level of nominations and the level of capital receipt they would be prepared to pay the Council.
- 2.6 In the case of Surtees Street Three Rivers Housing Association came forward with a housing scheme to build 30 units of affordable homes for rent. (Indicative scheme layout plan will be on display for the Cabinet meeting). However the scheme as envisaged has taken over a year to materialise and in terms of urgency towards procurement and scheme delivery the proposal has not been proactively pursued by the Housing Association. The Market Hotel which stands on the North East Corner of the site has also become vacant and fallen into dereliction and is now available on the market for sale by the bank which has repossessed the property. Following an approach by Officers, the bank has requested the Council to make an offer for the property. Despite encouragement by Council Officers to staff at Three Rivers to follow this opportunity up, and include the building in its plans as an improvement to the scheme, this has not to our knowledge been pursued by the staff at Three Rivers.

3. AFFORDABLE HOUSING PROVISION – OTHER CONSIDERATIONS

- 3.1 Since 2007 when the Council asked these RSLs to submit proposals for each of the sites, the world economy has taken a significant down turn and this so called "credit crunch" as yet shows no sign of abating and this has had a major impact on the house building industry. Officers from the Council are involved in various initiatives to help to kick start markets including, the Tees Valley Credit Crunch Group which is seeking to introduce a range of measures and initiatives that will help mitigate the worst effects of the recession in the Tees Valley. The City Region Growth Point Group has also been established to bid for additional Government resources to bring forward infrastructure development to prepare

sites for the up turn in market conditions. This has been the subject of a previous report to Cabinet. (Min 121 refers Cabinet 13th October 2008) Government programmes via the new Homes and Communities Agency (HCA) in response to the Credit Crunch have also been announced to help stimulate the market. Given the existing slow down in the economy however, what has become apparent is that it will no longer be feasible, in the short term at least, to rely on affordable housing delivery via negotiations under the planning gain system. This means the option of developing affordable homes on land owned by the Council becomes even more imperative.

- 3.2 During the period 2008/09 Hartlepool has been successful in increasing the number of affordable homes being delivered by several registered social landlords, this has included Housing Hartlepool and Joseph Rowntree Housing Trust (Hartfields Manor Extra Care Development) with over 120 affordable rented dwellings becoming available for letting.
- 3.3 Members have also agreed a policy for the sale of Council land at under value, to registered social landlords, on a case by case basis, following a set of criteria agreed by Cabinet. (Min 54 refers, Cabinet 7th July 2008)
- 3.4 Furthermore, during 2008, a Central Area Investment Framework for Hartlepool using funding from ONE North East has been drawn up with the support of consultants and this includes this area of land on Surtees Street and the Market Hotel. This was the subject of a report to Cabinet in December 2008. (Min 180 refers Cabinet 15th December 2008) It would therefore be beneficial to pay regard to this framework when development proposals are submitted for a housing scheme on the Surtees Street site.
- 3.5 Also in December 2008 the Hartlepool Labour Group issued a “Community Housing – Building for the Future” Strategy Document identifying the need to address the chronic undersupply of “community homes” in Hartlepool and it is understood that there is to be a Council debate on the subject of housing in Hartlepool at a forthcoming full Council meeting in January 2009.

4. SUGGESTED WAY FORWARD

- 4.1 Within the above context and during various informal briefings with the Mayor and relevant Portfolio Holders on the subject of housing schemes and the use of Council owned land, concerns over the continued delays towards the delivery of an appropriate scheme for the Surtees Street site have been expressed by Members.
- 4.2 Cabinet therefore needs to decide whether it wishes Officers to continue dialogue with staff at Three Rivers Housing Association in order to progress the scheme or alternatively write to other RSL's including Three Rivers asking them

to consider whether they wish to submit proposals for a development scheme on the Surtees Street site.

- 4.3 Whichever option is chosen, it is recommended that Council Officers also draw together a development brief for the Surtees Street site highlighting all the requirements that need to be met by the developing RSL. This brief would invite tender/offers and prescribe specific criteria, including deliverability and progress with Homes Communities Agency on an allocation of grant funding, and of requirements to be met in terms of design, property types and sizes. Timescales, target dates and key milestones for the delivery of a scheme could also be included within the requirements of the brief.

5. RECOMMENDATIONS

- 5.1 The view of Cabinet is requested on the preferred approach to bringing forward the development of land at Surtees Street for affordable housing for rent by a registered social landlord.

CABINET REPORT

26th January 2009



Report of: Direction of Regeneration and Planning Services and
Director of Neighbourhood Services

Subject: FUTURE MONITORING ARRANGEMENTS FOR
CCTV (CLOSED CIRCUIT TELEVISION)

SUMMARY

1. PURPOSE OF REPORT

- 1.1 To provide an update on the services provided by Housing Hartlepool for, or on behalf of the Council, at the Community Monitoring Centre.
- 1.2 To consider a potential arrangement with Housing Hartlepool for future delivery of CCTV monitoring and other services.

2. SUMMARY OF CONTENTS

- 2.1 The report outlines the current services that are operated from the Community Monitoring Centre, and in particular, considers the future provision of the CCTV monitoring service, together with a package of other services and makes recommendations for the future.

3. RELEVANCE TO CABINET

- 3.1 This is a town-wide service with strategic relevance across a range of Portfolios. The decisions required are relevant to the Regeneration and Liveability, and Finance and Efficiency Portfolios.

4. TYPE OF DECISION

- 4.1 Non Key.

5. DECISION MAKING ROUTE

- 5.1 Cabinet on 26th January 2009.

6. DECISION(S) REQUIRED

- 6.1 Cabinet is recommended to approve option 1 at 4.1.1 above, to re-negotiate the Service Level Agreement with Housing Hartlepool for CCTV monitoring , out-of-hours call outs and emergency planning arrangements.
- 6.2 Approve, in principle, negotiation of a partnering arrangement with Housing Hartlepool, to cover CCTV monitoring, out of hours services and emergency planning arrangements. Details of the proposed partnering arrangements to be reported to a future Cabinet Meeting.
- 6.3 Endorse the justification for the procurement route outlined in Paragraph 6.3.

Report of: Direction of Regeneration and Planning Services and
Director of Neighbourhood Services

Subject: FUTURE MONITORING ARRANGEMENTS FOR
CCTV (CLOSED CIRCUIT TELEVISION)

1. PURPOSE

- 1.1 To provide an update on the services provided by Housing Hartlepool for, or on behalf of the Council, at the Community Monitoring Centre.
- 1.2 To consider a potential arrangement with Housing Hartlepool for future delivery of CCTV monitoring and other services.

2. BACKGROUND

- 2.1 Prior to Council Housing Stock transfer in March 2004, the Community Monitoring Centre had been developed to provide Council services covering:
 - CCTV monitoring for some eighty cameras sited across the town
 - Out-of hours call outs
 - emergency planning arrangements
 - Community alarm and telecare services
- 2.2 These services have continued to be provided by Housing Hartlepool since March 2004. The building which is part of a sheltered accommodation complex was transferred to Housing Hartlepool ownership in March 2004.
- 2.3 The Centre provides a 24 hour service, 365 days per year
- 2.4 The Council services are integrated with other Housing Hartlepool Services to enable staff on duty to be multi-functional and carry out all tasks. Thus both organisations benefit from efficiencies.
- 2.5 The Service Level Agreements with Housing Hartlepool for CCTV monitoring, out-of-hours call outs and emergency planning arrangements come to an end on 29th March 2009.

3. CCTV CONSIDERATIONS

- 3.1 The Regeneration and Planning Services Scrutiny Forum investigation completed in September 2008 received evidence from Housing Hartlepool, and Members acknowledged that the monitoring service provided is excellent, following visits to other monitoring centres in Tees Valley.

However, the Scrutiny Forum recommendations include reference to:

- 1) Investigating the feasibility of an in-house provision and
- 2) Possible tendering to ensure best value

The recommendations were considered and endorsed by Cabinet on 29th September 2008.

- 3.2 Housing Hartlepool wish to continue to provide a CCTV monitoring service for the Council, and have recently won a competitive tender to monitor the Longhill Industrial Estate contract with revenue funding provided via the Business Improvement District (BID). This is a 5 year contract. The service covers 11 cameras, which are monitored during the evening and overnight, and all day at weekends (i.e. not 24 hours per day, 7 days per week).
- 3.3 Information obtained from Housing Hartlepool suggests that the centre is staffed by some 15 full and part-time staff.

4. OPTIONS FOR MONITORING CCTV

- 4.1 The Council has three options:-

4.1.1 Re-negotiate the SLA with Housing Hartlepool as a Partnership Contract

4.1.2 Bring service in-house

4.1.3 Competitive tendering

Details of these options are contained with the confidential **APPENDIX 1. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely paragraph 3 ("Information relating to the financial or business affairs of any particular person (including the authority holding that information")**

5. CURRENT POSITION WITH OTHER SERVICES

- 5.1 The Community Monitoring Centre provides the base for delivery of housing based support for older people (e.g. wardens), which is linked into the Older Persons Strategy, and funded by Supporting People (SP), on a three year

contract. It would be advantageous to bring these in line with other contractual arrangements, but Supporting People has its own commissioning regime and timescales

- 5.2 Hartlepool PCT and the Council's Older Person's Independent Living Strategy involves the commissioning of extra care facilities run by Housing Hartlepool e.g. Bamburgh Court – a community monitoring centre is key for delivery. Orwell Walk is to be delivered soon and will require monitoring services.
- 5.3 If CCTV, out of hours and emergency services were to be taken out of the community monitoring centre, the housing based support service would not have a feasible business case - the integrated support package would be lost.
- 5.4 There are some additional services that Housing Hartlepool sell out of the Community Monitoring Centre, but these are marginal at present. The Council also run additional out of hour's services to other bodies. These could be built upon in partnership e.g. extending support into the private sector (with the community monitoring centre as a hub)
- 5.5 In conclusion current services are all strategically important, independent and working on marginal costs.

6. CONSIDERATIONS

- 6.1 At meetings with Housing Hartlepool officers explained the current Council position following the Scrutiny investigation and Cabinet recommendations.
- 6.2 Housing Hartlepool made it clear that from a commercial point of view they would be looking for a minimum of a 5 year agreement on a "partnership" approach rather than an open competition.
- 6.3 This long term "partnership approach" appears to be a reasonable request - this procurement route can be justified in terms of:-
 - Extending and developing a relationship with an existing partner.
 - Provision of specialist integrated services qualifying as an acceptable exemption under the Contract Procedure Rules.
 - Bringing benefits to the Community and local economy so fulfilling sustainability.
 - Providing value for money after recent market testing.
- 6.4 The new arrangement could be seen to be an extension to an existing arrangement which if value for money is proven can be acceptable, but would need to be approved by Cabinet as it is technically an exception to the Contract Procedure Rule (the arrangement must be under contract – not a Service Level Agreement). Paragraph 6.3 above justifies this approach.

- 6.5 Housing Hartlepool has recently been successful in providing a CCTV service to Longhill Industrial Estate with revenue funding provided via the Business Improvement District (BID). The competitive pricing from this arrangement will be used as a base for a new arrangement for CCTV monitoring and ancillary services.
- 6.6 A partnership approach seems to make sense for the integrated services provided at the Community Monitoring Centre. There would be risks and costs to both parties, if the package was broken up.

7. FINANCIAL CONSIDERATIONS

- 7.1 The Supporting People “contract” for housing based support services and financial arrangement has already been agreed with Housing Hartlepool, including the monitoring centre functions.
- 7.2 A partnership arrangement could work to bring in additional services from external organisations (and from within Housing Hartlepool and Hartlepool Borough Council) with an arrangement for shared profit (and risk).
- 7.3 There will be a need for a financial mechanism to be agreed based on a, lump sum with variation clause/charging schedule. Allowance will be made for profit sharing and retail price increases. There will also be general conditions for the operation of the contract, including dealing with performance and determination.
- 7.4 There may be opportunity to consider ancillary issues:
- Cameras on car parks.
 - Services provided by the Shopping Centre
 - Covert cameras
 - Securing Police funding
 - Schools alarm monitoring
 - Special one-offs e.g. Tall Ships
- 7.5 The Council are to review cameras sites, with an intention to decommission some sites, which will enable new sites to be established, thus retaining the same overall number of sites. This principle was agreed via Scrutiny and Cabinet, and the decommissioning process was approved by the Regeneration and Liveability Portfolio Holder in November 2008.
- 7.6 The contract will deal with core HBC provision of 80 cameras possibly with a threshold of 100 cameras using an agreed cost framework prior to any renegotiation of the framework.
- 7.7 If there were any extra private sector work (e.g. another Industrial Estate). Housing Hartlepool would monitor at Longhill costs which have proved value for money after competition.

- 7.8 The Council, in such circumstances, would enter into the arrangement with the private sector client and arrange the charging mechanism to the client in line with Council requirements to cover costs and overheads. Housing Hartlepool would supply the service at the agreed rate.
- 7.9 It must be noted that additional CCTV schemes may be subject to the procurement rules of a funding body. If so, those rules would need to be followed.
- 7.10 Proposed Pricing Structure

Details of the proposed pricing structure are contained with the Confidential **APPENDIX 1. This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely paragraph 3 ("Information relating to the financial or business affairs of any particular person (including the authority holding that information")**.

8. PARTNERSHIP CONTRACT

- 8.1 In conclusion a 5 year partnership with potential extension for 2 years (2 X 12 months) is proposed to maintain the integrated approach. If approved in principle, there will be a need to prepare documents and agree financial and monitoring arrangements.
- 8.2 There would need to be clear terms and conditions with details such as break clauses with notice (12 months) available for each party.

9. OPTIONS APPRAISAL AND RISK ANALYSIS

- 9.1 There are significant risks in both service delivery to a vulnerable group of the community and cost if the CCTV service was tendered. The integrated package would be lost.
- 9.2 Estimates indicate a Council in-house provision of CCTV would be prohibitively expensive and would again bring risk to the integrated service package. There would be a risk in the delivery of housing based support services and a limit to their strategic capacity.
- 9.3 If the various services provided from the Community Monitoring Centre were broken up, the efficiency in combined staff roles would be lost.
- 9.4 Advantages of retaining Housing Hartlepool as service provider:
- Local base – police and others can access easily
 - Staff have local knowledge
 - Staff can attend Police briefings
 - Continuity of service

- Housing Hartlepool is public organisation, bound by same standards of confidentiality (and recourse) as the Council.
- Housing Hartlepool have indicated they will phase increase in cost of monitoring over several years based on competitive rates.
- Associated services such as community monitoring, telecare, out-of-hours call out can be retained.

9.5 Weaknesses of retaining Housing Hartlepool as service provider.

- This is third party operation. The Council does not own the control room building
- Lack of challenge to status quo of operational aspects within centre
- Not seen to be testing the market

9.6 There would be a cost in the region of £5K to undertake the testing by a tendering exercise.

10. RECOMMENDATIONS

10.1 Cabinet is recommended to approve option 1 at 4.1.1 above, to re-negotiate the Service Level Agreement with Housing Hartlepool for CCTV monitoring , out-of-hours call outs and emergency planning arrangements.

10.2 Approve, in principle, negotiation of a partnering arrangement with Housing Hartlepool, to cover CCTV monitoring, out of hours services and emergency planning arrangements. Details of the proposed partnering arrangements to be reported to a future Cabinet Meeting.

10.3 Endorse the justification for the procurement route outlined in Paragraph 6.3.

11. CONTACT OFFICERS

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