

Meeting:	Cabinet
Date:	16 th July 2009
Subject:	Better Deal for Residents Programme
Key Decision:	Yes
Responsible Officer:	Tom Whiting, Assistant Chief Executive
Portfolio Holder:	Cllr David Ashton, Leader of the Council
Exempt:	No
Enclosures:	None.

Section 1 – Summary and Recommendations

This report sets out the rationale, context, vision and process for establishing a Council-wide transformation programme.

Recommendations:

Cabinet is requested to:

1. Agree to launch a new Transformation Programme entitled the 'Better Deal for Residents Programme' with the objectives of:
 - Delivering the Harrow Strategic Partnership vision for Harrow as set out in the Community Plan
 - Managing the increasing expectations of residents
 - Making a significant contribution to the 2010/11 budget and delivering a balanced budget in the medium term
 - Enabling continuous improvement

2. Authorise the Director of Business Transformation and Customer Service to procure professional services to support the programme from Capita and PriceWaterhouseCoopers in accordance with the terms of the Council's existing contracts with them and, in the event that terms cannot be agreed, to authorise the Director of Business Transformation and Customer Service to procure such professional support as is necessary in accordance with the Council's Contract Procedure Rules.

Reason: (For recommendation)

To enable the Council to deliver its part of the new Sustainable Community Strategy while developing a sound financial platform going forwards.

Section 2 – Report

1. Introduction

- 1.1. The Council and its partners in the Harrow Strategic Partnership adopted a new Sustainable Community Strategy in March 2009. The Council is starting the process of assessing how it will now deliver its commitments that are laid out in this strategy.
- 1.2. The future funding environment for Local Government points to all Councils needing to make further significant savings over the next few years. This will require a number of changes in how the Council manages its services and works with its partners and its residents.
- 1.3. The purpose of this paper is to launch a new transformation programme and to agree to work with the Council's commercial partners PriceWaterhouseCoopers and Capita on key elements of the programme as laid out below.
- 1.4. The Council now needs to undertake a fundamental review of how it will deliver more integrated services to local taxpayers across all the public sector partners in the borough. It needs to better align services with residents' needs and be more cost effective.

2. Background

Sustainable Community Strategy

- 2.1. A new Sustainable Community Strategy was adopted at Council in March 2009. It establishes a vision for Harrow such that by 2020 Harrow will be recognised for:
 - Integrated and co-ordinated quality services, which focus on preventing problems and putting users in control, offering access and choice.
 - Environmental, economic and community sustainability.

- Improving the quality of life, by reducing inequalities, empowering the community voice, promoting respect and being the safest borough in London.

Performance Improvement

- 2.2. Over the past two years the Council has made significant improvements. The latest Audit Commission Direction of Travel statement in December 2008 said that Harrow was 'improving well'. The rate of improvement in performance indicators has accelerated and is above the national average. Performance has improved significantly in Housing, Recycling, Composting and Use of Resources. Children's Services and Housing Benefits have further improved. Adult Services now have 'promising capacity to improve' and partnerships are stronger.
- 2.3. The PriceWaterhouseCoopers benchmarking survey also showed that Harrow was one of the fastest improving Councils in London moving up from 17th to 6th best performing.
- 2.4. In June 2009 the Council was a finalist in the Municipal Journal 'Best Achieving Council' Awards in recognition of the progress that has been made. The Council was shortlisted from a long list of 47 entries.

Residents Expectations

- 2.5. Currently, resident satisfaction remains low. According to the Place Survey 39% of residents are satisfied with Council services. 31% of Harrow residents feel well informed about services and 25% believe the Council offers good value for money. Increasing resident satisfaction has already been identified as one of the key challenges going forward and is a key driver for this transformation programme.
- 2.6. Despite low levels of satisfaction with the Council, residents are however, very satisfied with Harrow as a place to live. The low level of crime, clean streets, health services, access to public transport and good educational provision all contribute to 71% of people saying they are fairly or very satisfied with Harrow as a place to live. And, importantly, given the diversity of Harrow's population, three quarters of residents believe that people from different backgrounds get on well together.

Financial Context

- 2.7. Since 2006/07 the Council has delivered over £45m worth of savings to close funding gaps, closed old debt with the PCT and built up its reserves to over £5m in order to put its finances on an even and secure footing. The Council has been able to strengthen its balance sheet with more prudent provisions and has delivered a significant underspend for the last two years.
- 2.8. The current financial climate does not bode well for Local Government. Harrow Council is already a 'floor authority' receiving only the minimum increase in Government grant each year. The current recession and increase in national debt means there will be little or no

prospect of any future grant increases from Government in the next spending review, due in November 2010 for the three years from 2011/12 as the country tries to pay this debt back. Indeed, current talk is of the possibility of cuts in public sector funding.

- 2.9. Currently the MTFS for Harrow projects growth in expenditure broadly in line with inflation for most services. However, the Council is facing significant cost pressures as a result of demographic pressures – a growing aging population with its impact on social care budgets. There are further cost pressures in waste services with the rising costs of waste disposal. The current recession is also leading to increased demand on services.
- 2.10. The Council's income is not expected to keep pace with expenditure. Income is virtually flat with no increase in Government grant expected and income from fees and charges down as a result of the recession.
- 2.11. The net result of these pressures is a projected funding gap in the region of £10-12m each year going forward.

3. Options Considered

- 3.1. To inform the design of a Transformation Programme for Harrow, discussions took place with a variety of other local authorities and commercial partners who have embarked on this course before, to identify approaches, lessons and learning. The Assistant Chief Executive, Corporate Director for Finance and Executive Support Officer met with the London Boroughs of Barnet, Hounslow, Westminster and Merton, Suffolk, Birmingham and South Oxfordshire as well as Deloitte, KPMG, PriceWaterhouseCoopers and Capita during the course of January and February 2009. It is expected that in due course Scrutiny will also make a valuable contribution to this programme.
- 3.2. It was clear from these other programmes that there is no single solution to the medium-term financial gap that the Council has not already explored. Harrow is ahead of many local authorities in that it has already established shared Human Resources, Finance, Payroll and Pensions Services. The Council has carried out a review of senior management. Through its Business Transformation Partnership with Capita it has also introduced new technology in the form of SAP systems for Finance, Human Resources and customer contact, and new documents management systems in Housing, Planning and Revenues and Benefits.
- 3.3. In developing its proposals for a transformation programme the Council has considered the range of work that has been undertaken at these other Authorities and has developed a set of proposals that most meets its needs and critically enables performance improvement to continue.
- 3.4. There was consideration of going to full tender from a range of commercial partners. It was decided however that the Council would seek a satisfactory proposal from its existing partners PriceWaterhouseCoopers and Capita because they offered the best

potential solution and techniques for Harrow. It was decided to go to tender only in the event of not being able to agree a satisfactory proposal with existing partners.

- 3.5. Based on the learning from other Councils and following discussions with Council officers and an away day with members, it was agreed that this process should be firmly owned by the Council and supported by external Consultants where they would clearly be adding value. A Request for Proposal was therefore sent to Capita and PriceWaterhouseCoopers laying out how the Programme would be structured and where they were invited to submit a proposal in support of the Programme.

4. Why a change is needed

- 4.1. The analysis of the background information demonstrates that there are four key drivers for the Council in developing a new transformation programme:
 - A new Sustainable Community Strategy has been developed and the Council must now start to lay out its plans for delivering its commitments within this strategy.
 - The rate of performance improvement that has been achieved during 2007-09 needs to be continued.
 - There is further work to do to manage the rising demands of Residents.
 - Despite a well developed efficiency programme, the future funding environment for Local Government creates a situation where the Council will need to close funding gaps of approximately £10-12m per annum.
- 4.2. The Council needs to adopt a new transformation programme if it is to deliver its vision to be 'recognised as one of the best London Councils by 2012'.

5. Consultation

- 5.1. No proposals have been developed at this stage which require consultation, however consultation will take place in each stream of work to inform the development of proposals going forward.

6. Recommended Proposal

- 6.1. The Council will launch a new transformation programme, called its 'Better Deal for Residents Programme'.
- 6.2. The 'Better Deal for Residents Programme' will have four key objectives:

- Deliver the Harrow Strategic Partnership vision for Harrow as set out in the Community Plan.
- Manage the increasing expectations of residents.
- Deliver a balanced budget in the medium term and make a significant contribution to the 2010/11 budget.
- Enable continuous improvement.

6.3. The 'Better Deal for Residents Programme' will have the following key elements to it:

- Cross service efficiency review – to identify opportunities for combining processes across the Council and with partners where there are similarities in process.
- Better Together - Opportunities to engage residents to change their behaviours to improve outcomes and have a positive financial impact.
- Future Operating Model - To look at whether there are better ways of providing Council services and whether there is an expanded role that could be played by the voluntary sector.
- Service Efficiency Programme - Continuing current business process re-engineering with services and ensuring services are efficient and effective, employing best practice techniques for process reengineering and improvement.
- Place Shaping and Property - Consolidate the Council's asset footprint around a number of sites including a new civic centre and the opportunities arising from Building Schools for the Future.

6.4 The Programme will be supported by PriceWaterhouseCoopers and Capita in the delivery of the Future Operating Model, Total Place analysis, Cross Council Efficiency Review and a review of the Council's Procurement function. The Total Place analysis will review the spend by a range of public sector organisations within the borough looking for areas of overlap and opportunities for improved coordination.

6.5 This support is subject to the agreement of a satisfactory proposal. These arrangements should be within the existing framework agreements with both organisations.

6.6 Stephen Taylor will be working with PriceWaterhouseCoopers and Capita in support of the Total Place analysis. Stephen is the ex Chief Executive of the Leadership Centre for Local Government and has been involved in the Total Place work in Cumbria and in subsequent Government pilots.

6.7 The Programme should aim to work within the following principles:

- It should be partnership focused and not just look at opportunities within Council services.
- It will retain an outward focus, explicitly focused on improving services to residents as they are the Council's customers.
- It will have a scale of ambition which is ambitious and challenging.
- The rate of performance improvement should be sustained.
- The Programme will be led by senior managers from across the Council.
- Staff will be central to the programme and will be seen as a key source of innovation and ideas for improvement.

7. Equalities Impact

- 7.1. An Equalities Impact Assessment will need to be conducted for each major proposal and business case identified during this Programme.
- 7.2. There are no current equalities implications of the Programme.

8. Legal Comments

- 8.1. Such professional support as is required will be procured in compliance with the Council's Contract Procedure Rules. This will be effected using existing framework contracts or a new procurement exercise.

9. Financial Implications

- 9.1. The Council faces funding gaps of approximately £10-12mm per annum going forward given the current funding environment nationally.
- 9.2. It is critical that an ambitious programme is undertaken such that these funding gaps can be filled at the same time as the Council delivers its vision for the Borough, as laid out in the Sustainable Community Strategy, and manages the rising demands of residents.
- 9.3. Funding for the Programme of £500k has been set aside during 2009/10, which will support the delivery of the workstreams identified. The spend on PriceWaterhouseCoopers and Capita will be met from this budget.

10. Performance Issues

- 10.1. There are currently no detailed proposals which will have an impact on performance indicators.
- 10.2. The overall shape of this programme positions the Council well for delivering the new Comprehensive Area Assessment agenda. It is partnership focused and not just about the Council working on its own.

It looks at opportunities for engaging residents in a new way to deliver services. It looks at opportunities for co-location and better coordination of services with partners.

11. Environmental Impact

11.1. There are currently no detailed proposals emerging from the programme that would have an environmental impact.

12. Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett.	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 29 th June 2009		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 29 th June 2009		

Section 4 – Performance Officer Clearance

Name: Tom Whiting	<input checked="" type="checkbox"/>	Divisional Director (Partnership Development and Performance)
Date: 6 th July 2009		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 29 th June 2009		

Section 6 - Contact Details and Background Papers

Contact: Tom Whiting, Assistant Chief Executive, 6th July 2009

Background Papers: None