

**FUTURE OPTIONS: SUMMARY OF MEMBER'S FUTURE OPTIONS WORKSHOP
22ND SEPTEMBER 2011**

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| Title Summary of Member Workshop 22 nd September 2011 | |
| Date 26 th September 2011 | |
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| <p>Background.</p> <p>On 25 July 2011 at Full Council, Councillors agreed that Harborough District Council should undertake a Future Options Review to look at the services we provide, how we provide them, and how we might do things better and more efficiently in the future.</p> <p>The review is exploring whether any services might be better delivered through:</p> <ol style="list-style-type: none"> 1. In house restructuring; 2. Outsourcing to private or voluntary sector organisations; or, 3. Sharing with other local authorities or other partners. <p>On 2nd August 2011, twenty three Harborough District Councillors attended an Assumptions Testing Workshop, to discuss and ascertain the values and principles that should underpin the Future Options Review</p> <p>Since then the project team has been exploring:</p> <ul style="list-style-type: none"> • Harborough District Council's experience of shared services; • the experience of other councils who have successfully re-engineered their in house provision, outsourced their functions and services or shared management or service delivery; • the views of potential partners on future sharing and the ways in which they are similar to, or different from, Harborough District Council. <p>This process has culminated in an emerging findings summary. Key elements of this fed into a Member workshop which was held on 22 September 2011. At the workshop Members looked in more detail at the main risks and opportunities presented by the various approaches that are being considered.</p> <p>Workshop</p> <p>The agenda for the workshop is in Appendix 1.</p> <p>A presentation to members explained in more detail some of the issues and</p> | |

findings. The presentation is outlined in Appendix 2.

Members were briefed on the set of assessment criteria that have been used to explore the risks and opportunities inherent to the five potential approaches identified. These approaches are:

- Do nothing
- In house transformation
- Outsourcing
- Shared Services
- Shared CEO/Management Team

This provided a framework for discussion amongst Members in which they could express views about each approach and the associated risks and opportunities.

Members were informed that the assessment criteria were not set out in priority order. The criteria were chosen based on the available evidence as to which principle conditions need to be satisfied by any approach if it is to be successful.

The criteria include:-

- Political viability
- Impact on democratic function
- Alignment with the council's political vision
- Extent to which community are the focus of services
- Impact on partnership working
- Degree to which services could be responsive
- Financial considerations
- Timescales
- Deliverability
- Considerations relating to staff skills
- Alignment with national policy on localism
- Ability to 'future proof' (anticipate and respond to future change).

Members were split into three working groups to look at specific questions and risks relating to the options under consideration. The choice to 'do nothing' was not included in the discussions. It had been agreed at the previous all member workshop that this was not a viable option.

Each group then discussed the topic, captured key points and fed back to the main group.

Group 1 Outsourcing Model

Discussion Points

- *What are the political risks inherent to relinquishing control but still being*

ultimately responsible and accountable for delivering services?

- *What impact do you think outsourcing will have in terms of your current working relationships with officers?*

Captured Commentary

- Concern was expressed about access to Officers – what would be the impact?
- Clear arrangements would have to be in place at the start of any outsourcing model. Communication would need to be handled carefully in order to manage expectations. What service level would be delivered?
- It was felt that outsourcing could in certain cases deliver a “better” service.
- There may be a need to identify if any “poor” service exists before entering into an outsourcing arrangement – in order to prioritise which to tackle first.
- Members felt it was critical to carry out an evaluation of all services before embarking on an outsourcing approach.
- The group felt there was an expectancy that “private sector meant efficiency” but not all within the team agreed with this.
- If a service were to be rapidly improved by outsourcing, members would need to be prepared for this to be received as a comment on previous failure by the council, rather than a success for the council in taking the decision to outsource.
- It was recognised that ultimately the reputation of the council is still at risk with any form of outsourcing.
- Members were uncomfortable with the concept of “letting go” – but the overriding feeling was that outsourcing is still a possibility.
- Outsourcing has the potential to save money and for parts of the community themselves provide the outsourcing solution. However, the expectation will remain that it is still up to the council to provide and sort out the services.
- Members debated whether services and service areas that had been evaluated as being effective and efficient already would still be appropriate for an outsourcing model. Some Members felt that you could still get a superior quality of service by outsourcing but not all agreed.
- Members were uncertain as to the amount of control the Council would have. Would control be totally out of their hands?

Group 2 – Shared Service Model

Discussion Points

- *Shared services will require a shared vision between partners. How may this affect priorities that you hold as councillors?*
- *How would a Shared CEO and Management Board operate in Harborough? What would be your expectations?*
- *With a shared CEO and Management Board there will inevitably be reduced*

visibility in the community. Is this important and if so why? If not, why not?

Captured Commentary

- Group felt it was important to lead on a service rather than always being led. However, this does not imply that Harborough would have to lead on all shared services.
- The key factor in any shared service was the need to have local accessibility.
- When looking to share it would be important to share with a partner who had similar priorities.
- Delivering a better service is key. A change in political balance need not affect that outcome.
- Shared services should be viewed as a long term commitment.
- Concern was expressed that a shared management structure could mean that management board would be spread too thinly.
- The role of the Chief Executive Officer is key and the visibility as such to staff maybe is important.
- Even with a shared management team there should still be a requirement that they are local and accessible.
- It was felt that effective shared services could ultimately facilitate the move towards a shared Chief Executive.
- Learning's should be taken from the current shared Legal Services and their impact on resource and visibility.
- If a shared CEO model was to be adopted then there needs to be a delegated down structure (however this should apply to any model)
- There was debate as to whether a shared service could stand alone or whether it would be best to have all shared services with a preferred partner.
- The sentiment in the group was that not all services would want to be shared – Members were uncomfortable with sharing waste. There needs to be a clear understanding and assessment of the viability of sharing all services.
- Opinion was that a shared CEO without high public visibility was not an issue. However there were concerns that it may be an issue for staff.
- There is a belief and expectation that with a shared CEO and management board approach, other mechanisms would need to replace the existing visibility of management team both within council and within community.

This group felt that the overriding priority for the Council should be getting fit for purpose rather than shared services. Members expressed the view that a one size fits all approach should not be adopted.

Group 3 In House Transformation

Discussion Points

- *Are you prepared to support investment in the short term through an internal*

transformation programme on the understanding that savings would be realised in the future? Are there political implications regarding this investment at a time of austerity?

- *Could you see an in-house programme of transformation as a first step on an incremental approach to sharing and outsourcing, or would a big bang approach be more applicable to Harborough?*

Captured Commentary

Before the start of the session a brief description was given to the Members of what transformation is e.g. a process to find a more cost effective method of customer contacts that still met their expectation of service; cultural change to improve management effectiveness, new drivers of performance management; revision of the need for continual reporting against KPI's if they add no value to the customer or business.

- Concern was expressed that there could be investment into in house transformation without the benefits being realised. There is a risk that the services might not improve.
- Members believe there still need to be face to face contact in service delivery .
- Before entering into a transformation programme, the Council would need better understanding of expected costs and expected returns – to assess viability of undertaking the transformation programme.
- Likewise there would need to be an assessment as to what the impact on services would be while the transformation programme is completed.
- There was a discussion as to whether Council Tax would have to rise to fund the programme and whether that difficult message is something that people would want to hear.
- Time and investment would have to be focused on informing the public as to why the Council would be investing large sums of money in an internal programme.
- Concern existed as to whether the public would accept such an investment in an environment characterised by public sector cuts. Would the 'invest to save' principle be well received? It can be difficult to communicate the long term benefits of an investment programme.
- Debate centered on whether we should be offering all the services that we currently do – perhaps this could be looked at as part of the transformation programme.
- There would have to be clear accountability lines within the transformation programme to ensure the desired outcomes are delivered. Members would need to base their decision to invest funds on evidence that benefits could be realised.
- Even if cross party support for investment were secured, that could crumble and fragment if some members feel that progress is not being made quickly enough and savings are not meeting public expectations.
- Performance could dip during a transformation programme. The council would need to communicate clearly that there may be a period when performance will be impacted before the efficiencies and savings

are realised. However there needs to be a clear timeline communicated so that expectations are managed.

- Before the start of a transformation programme, the council would need to clearly identify what would be subject to in-house transformation and what would be excluded through some form of assessment criteria.
- What income generation ideas are being included as part of the transformation programme? If HDC was the “best”, services could be sold to other organisations to generate a sustainable income stream
- Clear accountability and timelines of implementation are fundamental and must be in place for the transformation programme to ensure success.
- The outcomes that are to be expected in the short, medium or longer terms – and what costs will be applicable over these time frames - should be clearly communicated.
- Focus on outcomes - what needs to be achieved and why - then have a planned structure approach to succeed.
- Politically there is the will for in house transformation so yes, it should be a model for consideration.

Full Workshop Commentary

The discussion topics were fed back to the workshop as a whole to facilitate further discussion by Members.

Follow on discussion touched on the following issues:

- There needs to be a strong vision statement – a driven business plan which needs to be communicated out to stakeholders as well as staff.
- Mixed views on whether outsourcing was preferred to sharing.
- Consensus that in house transformation was needed and deemed a priority.
- Concerns centered on whether there was enough information to hand at the minute to decide what should be transformed first and what costs would be applicable to transform HDC. Members acknowledged it was just as much about culture as well as process.
- There is a debate still to be had as to whether a shared service is preferable to outsourcing as there was no clear agreement. Preference is for more information to be gathered as to what should be shared or outsourced and why, before any decisions are made.
- Members recognised that there are various ways that Members can see a service either in a good or bad light. Assessments would need to be made on all service areas using strict criteria that established the viability for in-house transformation, outsourcing or sharing.
- If a shared option was adopted – HDC should be considered as lead authority on the service.
- There was a request was for a benchmarking exercise to be completed. The CEO reminded the Members that this was outside the scope of the project. However it is not excluded from any future work streams.

- Members recognised that there could be a mixture of models – no single right way.

Members agreed that they would have to be open and honest when looking at services to determine what needs to be done to achieve sustainable efficiencies and savings. Attitude to risk needs to change.

Next Steps

Following on from the project team’s research and technical notes, the feedback from the two Member’s Workshops will all feed into the final report including recommendations made by the Interim Chief Executive Officer to take to Full Council for decision 31st October 2011.

It was agreed to hold another All Member Briefing on 17th October at which Members will be invited to attend to hear the content of the report going to Full Council. This is solely a briefing and not a discussion workshop.

Sources of Information

Members Workshop 22nd September 2011.
Emerging Findings Report

Consultees

Members (see attached Members Attendance List Appendix 3)

Officer Conclusions

A clear message from most Members was the need for some sort of In House transformation programme as a priority. Members stated that they would like further information before any transformation programme or other model is adopted based on expected costs/investment against expected benefits. Some significant questions as to how to fund this given public views on council expenditure—this would need careful management

A future where shared services and outsourcing featured within a mixed approach seems to have emerged from the debate, with an incremental approach to its application. A sound business case would be required for either of these two approaches. There is a view that these approaches should not be applied as a blanket application, what’s right for one service may not be right for another.

There appears uncertainty as to the immediate benefits of sharing of management team and CEO, and questions remain as to what the change in role might mean.

No negative comment or political stance was evidenced at the workshop – the focus was centred on what is best for Harborough District Council and its communities.

Members were asked if there was any model that they would like to be discounted from the process. Apart from Do Nothing, every approach has a place going forward.
It could be concluded from hearing the member debate that a more measured and less risky approach to the new future is more palatable than a big bang approach.

Appendix 1 – Agenda

1. Overview on Emerging Findings Report
2. Different Approaches
3. Assessment Process
4. Potential Risks associated with each approach
 - Member group work and debate facilitated by officers
5. Feedback on risks
6. Agreement on which approaches to proceed to next stage.

Appendix 2 - Emerging Findings : Presentation

Overview on Emerging Findings Report

- Technical Notes
- Evidence base
- Emerging Findings is a summary of this work

Headline findings

- shared values and a shared vision
- customer focus can produce both savings and service improvements
- Human relationships

Views and Values of Councillors

- Local government role is about community leadership, shaping places, protecting the vulnerable and enabling individuals, communities & businesses to achieve their potential
- Short term savings yes, but shouldn't dictate long term project.
- Developing services around need of public is the most important factor
- Shared values and vision is more important than being similar
- Share services across county boundaries could be possible
- Sharing management staff with the private sector was not dismissed out of hand but recognised could be difficult
- Councillors agreed that 'to stay as we are' is not an option.

HDC Benefits on sharing services

- Identified benefits to HDC of sharing
- 13 service areas have been shared – each leading to benefits for customers

- Whilst cost hasn't been the main driver, services shared so far have saved the Council £200,000 per year
- The sharing arrangements have led to the Council being more resilient

HDC Lessons on sharing services

- To succeed, shared service projects have needed to overcome IT hurdles in order that separate systems can communicate with each other.
 - There is a need to engage staff at the earliest opportunity when a shared service is considered.
 - There is a feeling that HDC should be more pro-active in engagement with others – taking the lead, rather than being led.
- The experience of others in sharing, outsourcing and all other models
- Mass of information on this
 - No right answer, no wrong answer.
 - Any configuration can be made to work
 - Making right for Harborough is the important factor
 - Sharing a service that is fit for purpose
 - Realisation of financial savings could be outsourced
 - Being the same helps, but is not a requirement. Examples of where it was important and examples of where not important. Is it important to Harborough?

Deal breakers

- HDC will have to demonstrate a clear and compelling vision,
- Strong and stable leadership
- A willingness to compromise; a natural consequence of collaboration
- A positive and less risk averse culture

Appendix 3 – Members Attendance – 22ND SEPTEMBER, 2011

Ackerley, Bannister
Brodrick, Charlish
Dann, Dewes
Dunton, Evans
Everett, Golding
Graves, Hallam
Hill, Holyoak
Johnson, Liquorish
McHugo, Page
Pain, Robinson
Rook, Simpson
Smith, Spendlove-Mason
Tomlin, Wood

Apologies and absences

Beaty, Beesley-Reynolds, Birch
Bremner, Burrell, Callis, Galton
Hall, King, Knowles, Tooley