

Body: CABINET

Date: 10 December 2014

Subject: Sustainable Service Delivery Update

Report Of: Chief Finance Officer and Senior Head of Infrastructure

Ward(s) All

Purpose To update Members on the progress made within the SSDS programme, with particular reference to the draft Target Operating Model (TOM) for Phase Two of the Future Model implementation.

Recommendation: Members are asked to:

- i) Approve the principles of the draft Target Operating Model as detailed in the report, in order to enable consultation to begin.
- ii) Delegate authority to the Chief Executive to approve any necessary changes to the Target Operating Model that arise from consultation.

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1.0 Background/Introduction

1.1 The Sustainable Service Delivery Strategy (SSDS) is a key response to the increasing cost and demand pressures facing the Council. It is a programme that was developed to promote a range of solutions, both internal transformation and effective partnership working with other organisations.

The Medium Term Financial Strategy (MTFS), as approved by [Cabinet in July 2014](#) includes savings targets for the SSDS as a whole.

This report presents an update on the Future Model (Phase Two), one of the major programmes being implemented under the banner of the SSDS.

1.2 SSDS: Future Model

In July 2013 Cabinet approved the adoption and implementation of Phase Two of the Future Model under Option 5 of the SSDS and delegated authority to the DRIVE Programme Board to run the programme within the allocated resources.

The Future Model Programme aims to improve service delivery whilst delivering savings estimated at £1.7m to £2m across the council and Eastbourne Homes Ltd (EHL). The current phase, Phase Two, is estimated to save £1.2m - £1.5m.

The Future Model describes a new way of organising and delivering council services, delivering efficiencies at the same time as putting the customer at the heart of all we do. Further details are available in the [July 2013 Cabinet report](#).

2.0 Future Model Programme Update

2.1 Summary of programme status

In October 2014 Cabinet received an update on the status of the programme. The key milestones have not changed since that update and we are on target to meet those milestones.

At that meeting, Cabinet approved the new structure for the council's Corporate Management Team (CMT) which would generate additional savings of £200,000 in addition to the aggregate savings of £500,000 that have been achieved since 2009. These savings were anticipated as part of the Phase Two business case. Cabinet delegated authority to the Chief Executive to progress formal consultation with current CMT officers and then appoint to those roles in line with standard HR policies and procedures. That consultation process is currently underway.

Cabinet was advised that the next key programme milestone was the publication of the draft Target Operating Model (TOM) for consultation with council and EHL staff, council members, EHL Board members and Unison. This will form the focus for the remainder of this report.

3.0 Draft Target Operating Model

3.1 What is the TOM and how is it developed?

The TOM outlines the significant structural changes to the council and Eastbourne Homes Ltd that arise from applying the Future Model to both organisations.

The TOM provides details of how roles and responsibilities for housing management will be aligned between the council and Eastbourne Homes Ltd in order to maximise efficiencies, create improved customer journeys and yet ensure that the benefits of having a dedicated housing management organisation are retained.

It also includes the expansion of the Customer First structure that was created in Phase One, the creation of a number of additional service delivery units and the strategic core of the organisation, referred to as Strategy and Commissioning.

The TOM will consist of a full set of role descriptions, job descriptions and person specifications which have been evaluated through our corporate job evaluation scheme.

The TOM is developed as a result of the output from the service redesign workshops that form part of the 'Create and Construct' project (referred to as Business Process Re-engineering in Phase One). In these workshops, led by our change management partner Ignite, staff review the way that services are

currently delivered, and then apply Future Model principles to move different tasks into the appropriate part of the Future Model structure. Activity analysis enables us to calculate the number of roles required in each part of the structure, taking into account efficiencies enabled through technology and process changes.

It is important to note that the Create and Construct project is still ongoing, and some services have not yet been redesigned. This was anticipated at the start of Phase Two, and the workshop schedule was designed to ensure that those services which had the biggest bearing on the TOM would be redesigned by the time the draft TOM was published for consultation. By the time the TOM is finalised post-consultation, most workshops will have been completed and the TOM will be adjusted to reflect the consultation feedback and the output from the additional workshops. As such, **final role numbers will change** and any numbers of Full Time Equivalent (FTE) roles shown in this report only represent the calculations at the time of publication.

3.2 **Strategy and Commissioning**

Under the Future Model, Strategy and Commissioning (S&C) represents the activity and resource required to translate political will and ambition and ensure that Eastbourne Borough Council is a successful, accountable and capable public authority. It is the only part of the Future Model structure which could not be delivered in partnership with other private sector bodies, since it is what makes the council unique.

This activity involves:

- Collaboration and partnership between CMT and political members
- Community leadership
- Community and customer engagement, insight and intelligence
- Strategy and policy development
- Designing and commissioning how outcomes should get delivered
- Corporate programme and project management
- Finding resources - partnerships, funding
- Strategic performance and contract management
- Activity to support democratic processes, including the management of elections

S&C is a concept rather than a department or single team. There will be S&C roles in all departments. S&C managers will report to members of CMT, and will manage both other staff in S&C roles and staff involved in 'delivery units' (see paragraph 3.3 below).

The current number of S&C roles and their alignment to different CMT roles is shown in Appendix 1: Figure 1 below.

3.3 **Delivery Units**

The roles which do not form part of S&C sit in business units. These business units could be in house (e.g. Customer First), separate companies (e.g. Eastbourne Homes Ltd) or shared services (e.g. HR, Legal).

A fundamental principle of the Future Model is that any of the council's functions, aside from the S&C functions, could be fulfilled or commissioned via a range of different mechanisms, from in house delivery to outsourced, third sector or shared services delivery models.

The relationship between CMT roles and delivery units is shown in Appendix 1: Figure 2 below.

The largest delivery unit will be Customer First, which was set up in Phase One and will grow further in Phase Two, see paragraphs 3.5 to 3.10 below. Two new delivery units will be established: one for Sports, and one for Seafront and Events. Some delivery units will not be remodelled by Phase Two and these are shown as Phase Three or Out of Scope on the diagram.

3.4 **Housing Functions and the role of Eastbourne Homes Ltd**

The draft TOM proposes an enhanced Neighbourhood Management role for EHL. Recognising EHL's strengths in working closely with communities, focusing on complex cases, vulnerable families and outreach work, the TOM proposes to widen the scope of EHL's current functions.

In addition to the existing functions of tenancy management, resident involvement and community initiatives, EHL will assume responsibility for a wider range of housing and neighbourhood functions, including:

- An improved customer journey joining up allocation through to tenancy sign up.
- A joined up approach to neighbourhood issues such as anti-social behaviour and noise, concerning both tenants and non-tenants.
- Complex cases involving welfare advice, homelessness and debt.
- Problems with other landlords, e.g. disrepair, damp, leaks.

An essential component of the proposed new model sees EHL working as part of a 'Neighbourhood First Partnership' with the council, police and the wider community, adopting a joined-up, zone-based way of working. EHL neighbourhoods would be aligned to Sussex Police neighbourhoods and Neighbourhood First zones to support focussed, multi-agency working.

The TOM also sees a transfer of other, less complex activities from EHL to Customer First, including customer contact across a range of channels and processing of straightforward applications and cases. Members will also be aware that EHL corporate services staff have already transferred to the council.

The TOM shows a dotted reporting line from the EHL Property Service to the council's CMT lead for Regeneration, Planning and Assets, to reflect the link with the council's Corporate Landlord Model planned for implementation in 2016 when the current EHL repairs and maintenance contract is due for renewal. See the previous two SSDS Cabinet papers for further details.

Other functions of EHL are unaffected by the TOM, such as the STEPS service that is delivered under contract to East Sussex County Council, providing support to the over 65s to stay living independently (SEIL), and the Housing and Economic Development Partnership (HEDP).

Key EHL functions and roles under the Future Model are shown in Appendix 1: Figure 3 below.

3.5 **Customer First Overview**

Customer First was created during Phase One of the Future Model and represents a universal approach to customer contact and case management. It currently consists of five teams:

- Customer Contact
- Customer Casework
- Neighbourhood First
- Specialist Advisors
- Service Improvement and Development

In addition to operating the contact centre for face to face and telephone enquiries across a wide range of functions, both Phase One and Phase Two, Customer First delivers the services that were in scope of Phase One: planning, environmental health, licensing, waste and recycling, parks and open spaces and economic development.

Phase Two will see Customer First expand significantly to incorporate services such as revenues, benefits and some housing functions, as well as bringing together work around debt recovery and processing changes to customer circumstances to ensure a more joined up approach. A summary of the proposed changes follows in paragraphs 3.6 to 3.10.

3.6 **Customer Contact**

Phase Two will see this team more than double in size and will include the insourcing of revenues and benefits call handling, a function that has been outsourced at EBC for many years, and attracts poor customer feedback currently.

To reflect the growth of the team, a number of team leader roles have been proposed.

See Appendix 1: Figure 4 below for details.

3.7 **Customer Casework**

The most significant change to the Phase One Customer First structure happens in Customer Casework, which more than trebles in size, largely due to revenues and benefits processing being brought in, and splits into two teams: Case Management and Account Management.

The Case Management team will deal largely with cases and applications that involve an ongoing customer journey. Some of the work will be mobile. It will consist of two to three sub-teams split across people, business and property. The focus of these teams will mirror that of the new Specialist Advisory team structure, see 3.9 below.

The Account Management team will deal largely with transaction and accounts changes and will largely be desk based. It will consist of two teams - finance, and data integrity/intelligence.

Both Case Management and Account Management teams will be flexible to allow and encourage multi-skilling across the sub teams.

The Case Management team will deal with routine processes and applications regarding:

- Planning
- Licensing
- Environmental health
- Corporate complaints
- Benefits applications
- HMO licensing
- Grants and loans
- Housing applications
- Homelessness assessments
- Tenancy issues, ASB
- Small works procuring

The Account Management team will deal with:

- Parking
- Council tax accounts, discounts
- NNDR
- Land charges
- Rent arrears
- General income invoicing and arrears
- Electoral roll
- Address maintenance
- Maintenance, data cleanse, mismatches

See Appendix 1: Figures 5 and 6 below for details.

3.8 **Neighbourhood First**

Phase Two will see the number of Neighbourhood Advisors increase and, as explained under paragraph 3.4, an enhanced Neighbourhood First partnership approach with EHL and Sussex Police to develop a shared ambition and vision for neighbourhood areas. At the point of publication the number of FTEs across the different teams is still being reviewed and is not included in this report.

It is envisaged that staff multi-skilling across the council and EHL teams will develop over time, building resilience and flexibility into the partnership. There will be a single Neighbourhood Operations team supporting whole partnership by providing operational support or other activity where rapid response, maintenance or vehicle support is needed.

See Appendix 1: Figure 7 below for details.

3.9 **Specialist Advisors**

Phase Two will see this team increase by half and continue to perform similar functions as established in Phase One, across a wider range of services. The role of Specialist Advisors in leading communities of practice across the other multi-skilled teams becomes even more important with the introduction of Phase Two.

To reflect the growth of the team, two team leader roles have been proposed, one with a focus on People services and the other on Place/Business services. This matches to the sub-teams within the Case Management team.

See Appendix 1: Figure 8 below for details.

3.10 **Customer First Functions Transferring to Strategy and Commissioning**

Phase Two sees Future Model principles applied across the majority of the remaining council functions. In Phase One, certain compromises were made to reflect the fact that the S&C roles were not yet defined. Now that we have a draft scope for, and roles to sit within, S&C, certain roles and functions that were put in Customer First in Phase One can now be moved.

Notable movements into S&C from Customer First are:

- Planning Policy and Economic Development moves from Specialist Advisors to Planning, Regeneration and Assets, due to the key role in forming policy and strategy, as well as playing a key role in regeneration initiatives.
- Service Improvement and Development is re-cast as part of the new Projects, Performance and Technology team.

4.0 **Resource Implications**

4.1 Financial:

- The current level of savings projected by the draft TOM is £1.03m. This excludes other areas of saving within the Phase Two business case, such as building and technology costs, and is in line with both the business case estimates and the MTFs. The budget 2015/16 proposals elsewhere on this agenda as well as the EHL budget savings show further savings of approximately £500,000.
- The projected savings will fluctuate as workshops continue and as a result of consultation feedback, but are not expected to fall below the levels required by the MTFs.

4.2 Staffing:

- As was the case with Phase One, the projected reduction in FTEs as a result of Phase Two will be approximately 20%, equivalent to 35-40 FTEs.
- The draft TOM will be subject to consultation until late January.
- A comprehensive consultation pack is being produced which includes an overview of the structures, the post details and the proposed recruitment process. A number of staff briefings are programmed to be delivered to launch the consultation and a full member briefing will also be held.

5.0 Conclusions

5.1 Publication of the draft TOM is a key milestone in the implementation of Phase Two. It is critical to publish the TOM in mid-December to provide adequate time for staff to provide feedback and to enable the final TOM to be produced in time to start recruitment.

The TOM will continue to change through consultation, and all FTE numbers and savings estimates outlined in this report are only estimates at the time of publication.

5.2 Principle features of the TOM outlined in this document are:

- Clearly designated S&C roles that form part of the strategic heart of the council, mapped to the new CMT structure.
- New delivery units for Sports and Seafront and Events.
- An enhanced housing and neighbourhood management role for EHL, with customer contact and routine casework shifting to Customer First.
- Casework splits into Case Management and Account Management
- A new Neighbourhood First partnership approach between the council and EHL, working closely with the police.
- Planning Policy, Economic Development and Service Improvement and Development moves from Customer First to S&C.

5.3 Members are asked to approve the principles of the draft TOM, whilst acknowledging that exact numbers of roles will continue to change, and delegate authority to the Chief Finance Officer to approve any changes arising from consultation, provided that they are in line with the principles laid out in this report and the requirements of the MTFS.

Henry Branson
Senior Head Of Infrastructure

Background Papers:

The Background Papers used in compiling this report were as follows:

- Sustainable Service Delivery Strategy Programme – Implementation of the Future Model Phase 2 (Cabinet Paper, 10 July 2013)
- Sustainable Service Delivery (SSDS) Update (Cabinet Paper, 5 February 2014)
- Sustainable Service Delivery (SSDS) Update (Cabinet Paper, 16 July 2014)
- Sustainable Service Delivery (SSDS) Update (Cabinet Paper, 22 October 2014)
- Medium Term Financial Strategy 2014-2019 (Cabinet Paper, 16 July 2014)

To inspect or obtain copies of background papers please refer to the contact officer listed above.

Appendix 1: Draft Target Operating Model Structures, Roles and Accountabilities

Figure 1: Strategy and Commissioning Roles

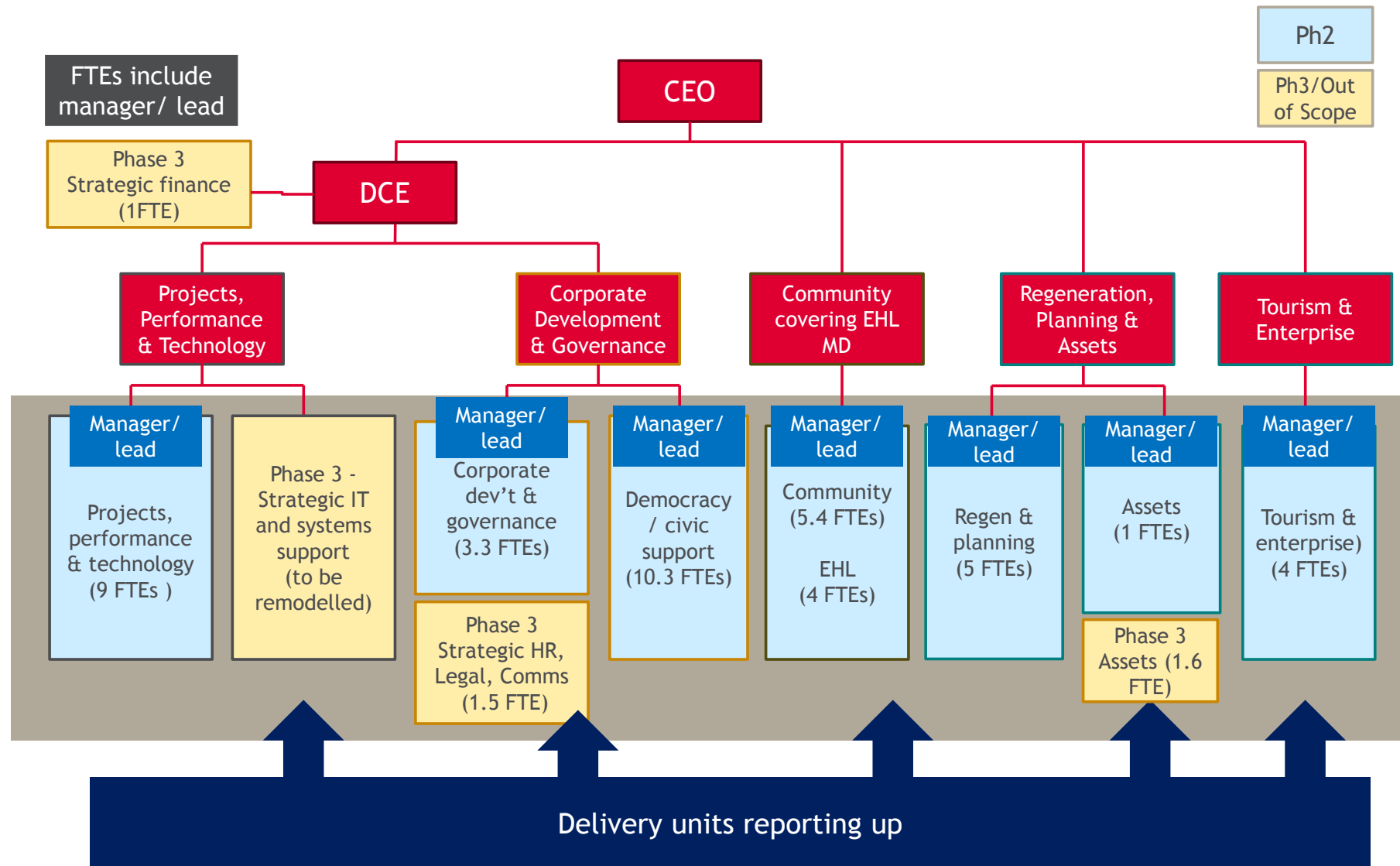


Figure 2: Relationships to Delivery Units

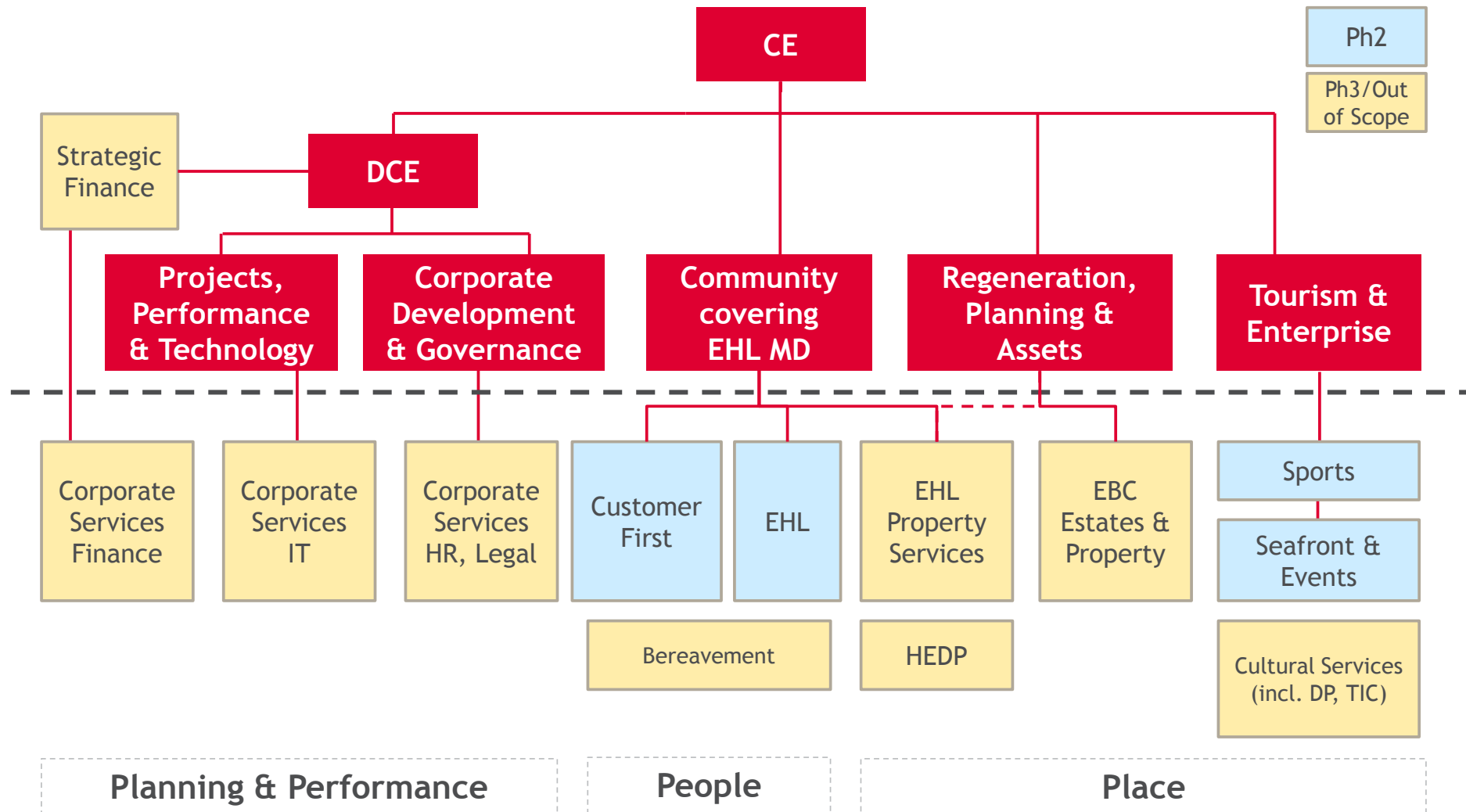


Figure 3: Eastbourne Homes Ltd and the Future Model

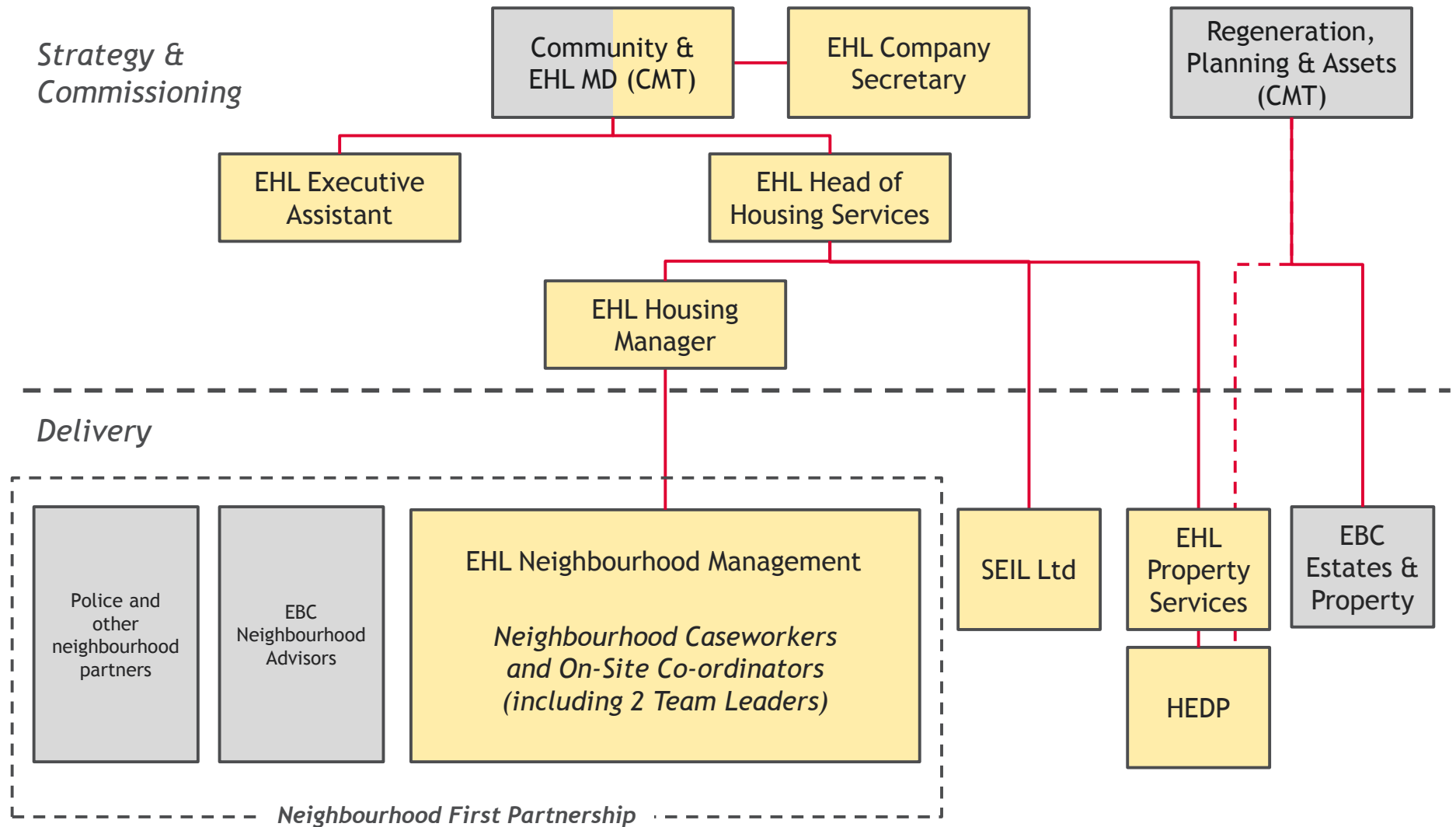


Figure 4: Customer First – Customer Contact

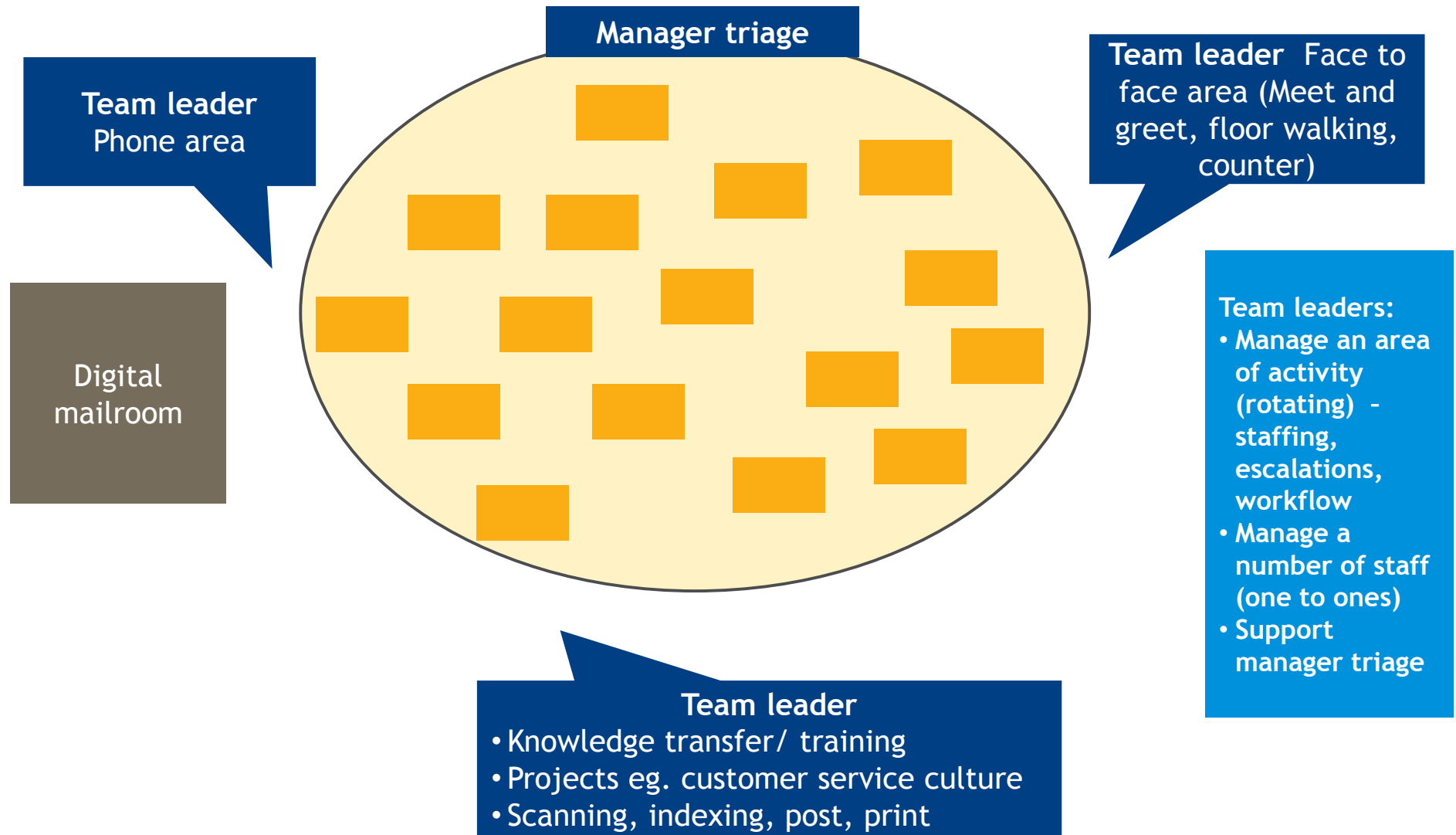


Figure 5: Customer First – Case Management

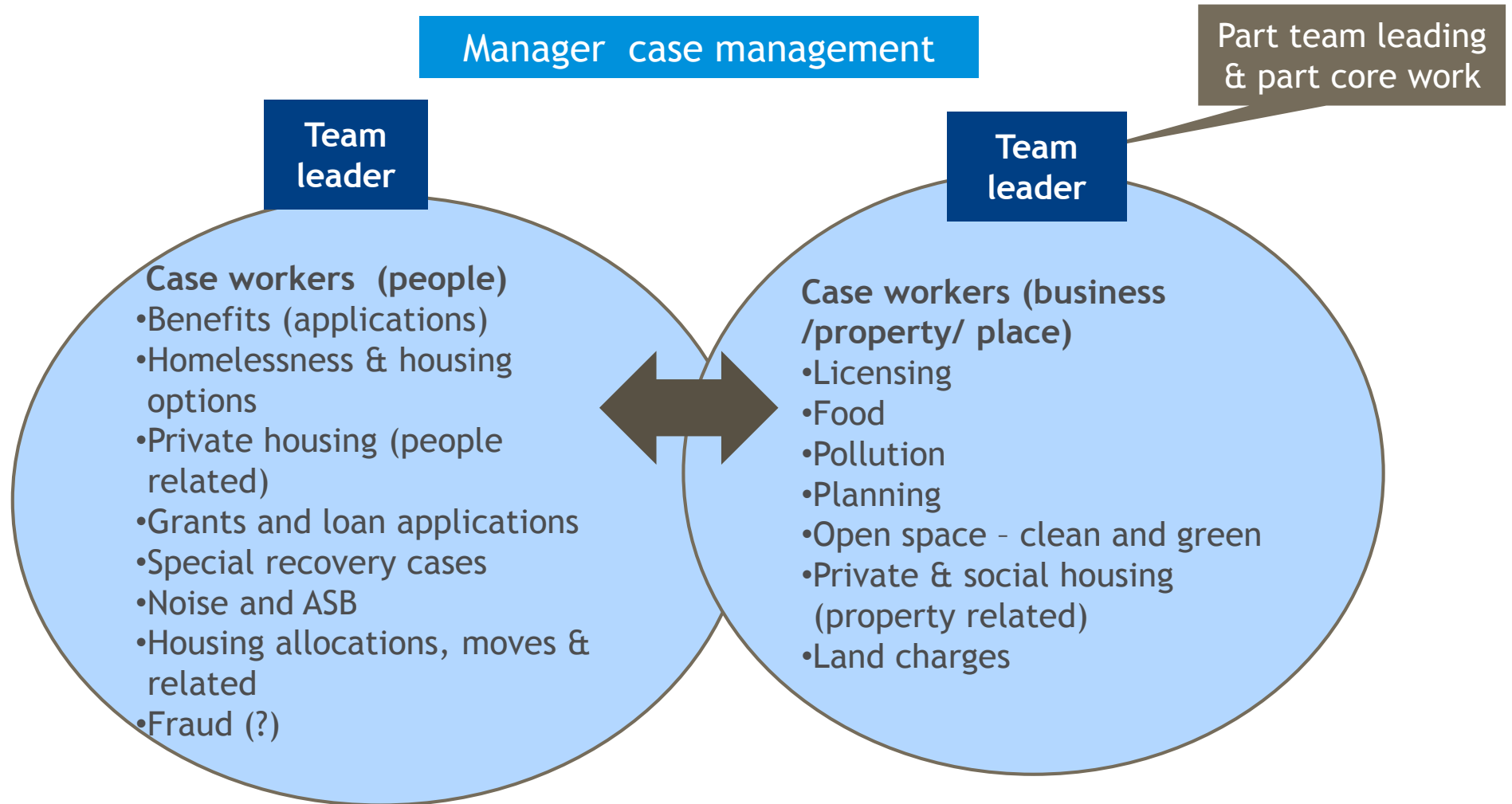


Figure 6: Customer First – Account Management

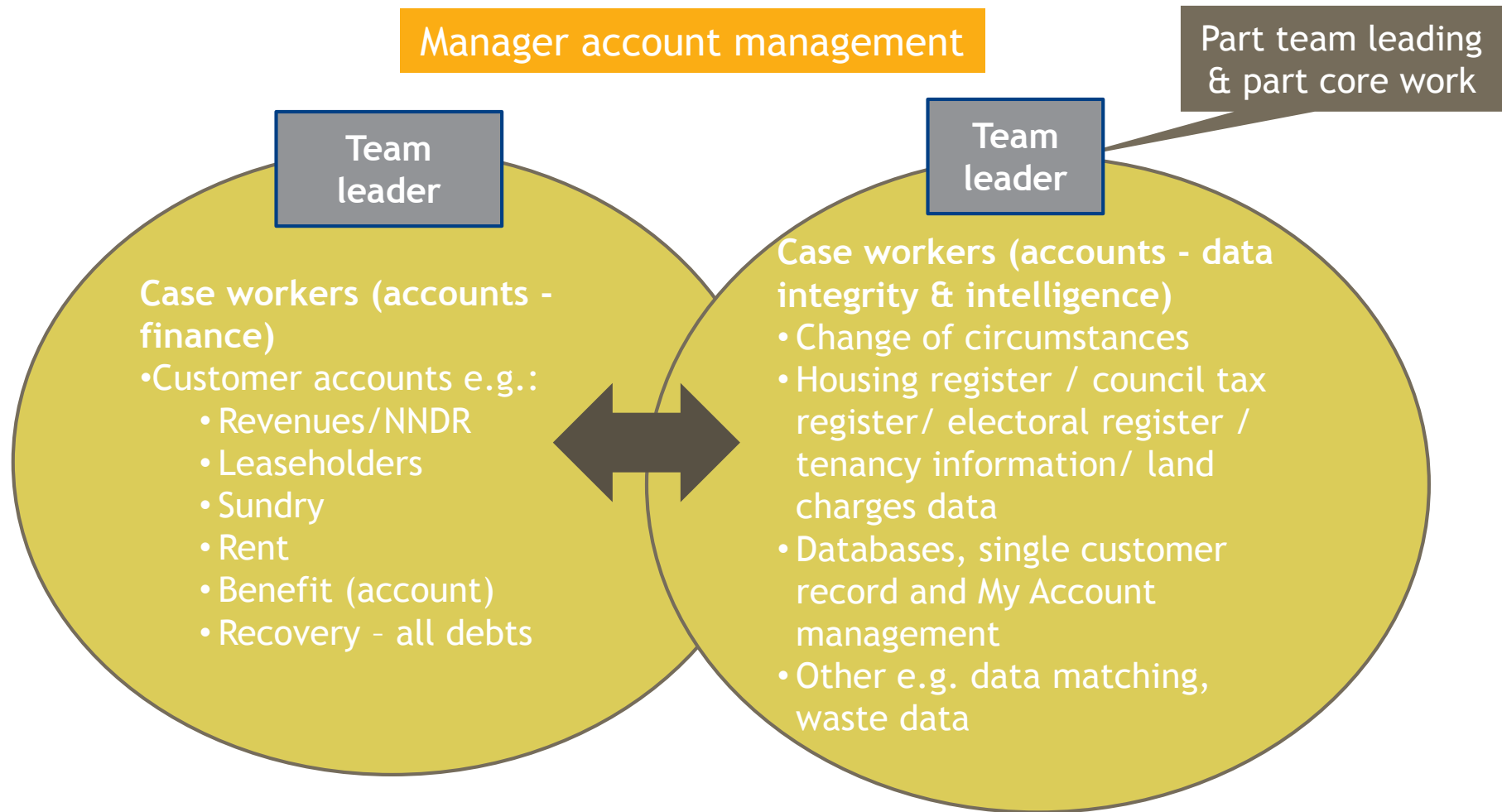


Figure 7: Customer First – Neighbourhood First

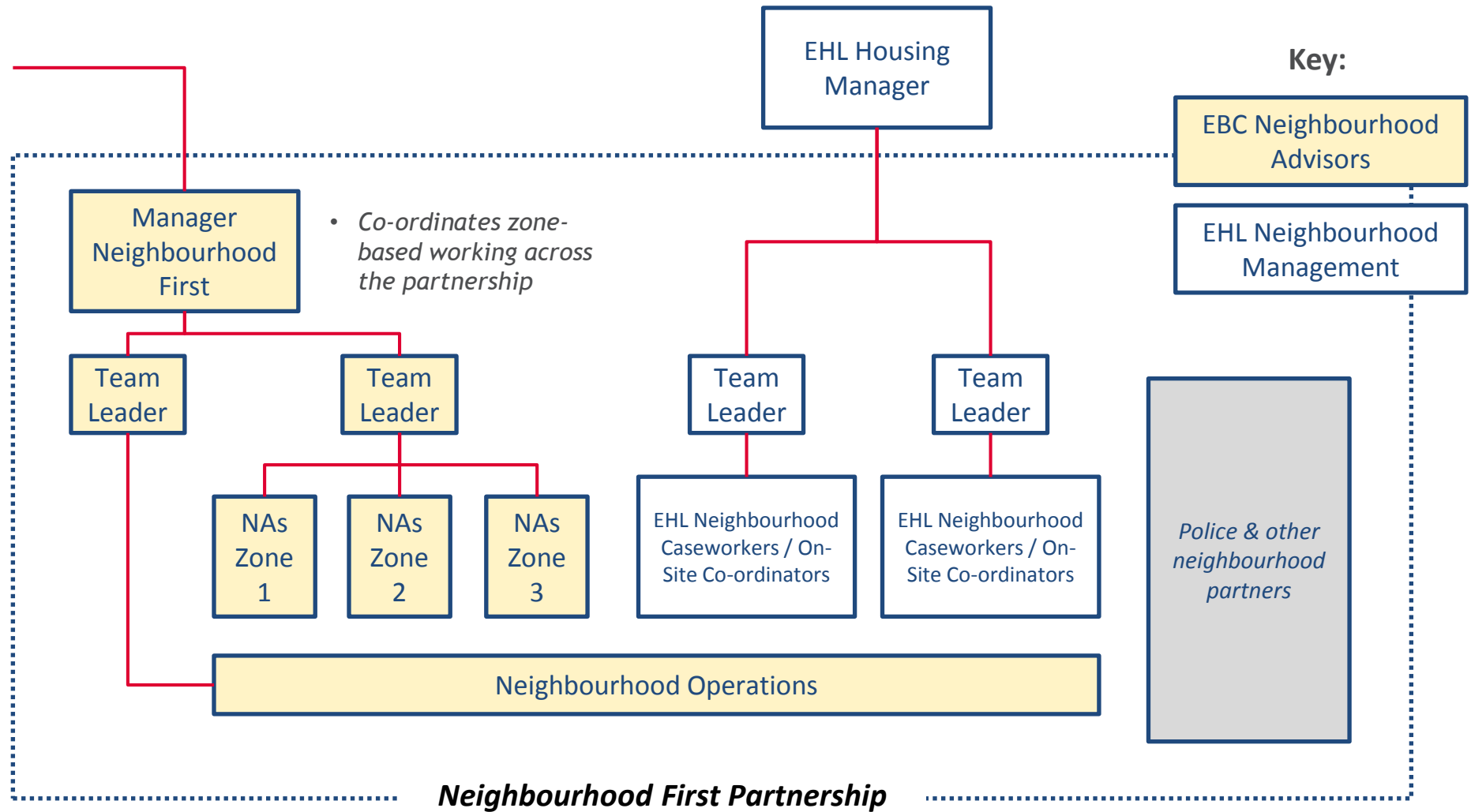


Figure 8: Customer First – Specialist Advisors

