

# East Herts Council Report

## Executive

**Date of meeting:** 6 July 2021

**Report by:** Councillor Linda Haysey - Leader of the Council

**Report title:** Transforming East Herts

**Ward(s) affected:** All

**Summary – This report sets out proposals for the Transforming East Herts Programme to help reduce the net cost of operating the council, increase efficiency, deliver improvements in customer service and upskill and empower staff as part of requirements to deliver a financially sustainable council.**

## RECOMMENDATIONS FOR EXECUTIVE

- a)** Approve the vision for the **Transforming East Herts** Programme that 'By 2025 East Herts Council will be a customer focused, financially sustainable, effective organisation with flexible, empowered employees.'
- b)** Agree that the Head of Strategic Finance and Property be authorised to allocate such funding as required from the Transformation Reserve to deliver the Transforming East Herts Programme
- c)** Authorise officers to commencement of the 'discovery' phase of the programme, with an update to be brought back to Executive in Autumn 2021.

## 1.0 Proposal(s)

1.1 The Executive is asked to support the principles of flexible working and transformation of the council, driving out savings in order to ensure the council is financially sustainable and to protect the services supplied to our residents.

## 2.0 Background

2.1 Many councils are facing unprecedented financial pressures brought on not only by COVID but also reduced funding (in real terms) as well as an increasing demand for services. In addition to the savings already identified as required in future years, a budget gap of £2.389m has been identified for 22/23 rising to £3.25m in 23/24 and beyond.

### REVENUE BUDGET - MEDIUM TERM FINANCIAL PLAN

|                                      | 2020/2021 | 2021/2022    | 2022/2023      | 2023/24        | 2024/25        |
|--------------------------------------|-----------|--------------|----------------|----------------|----------------|
|                                      | £'000     | £'000        | £'000          | £'000          | £'000          |
| <b>Net Cost of Services</b>          |           | 16,391       | 16,686         | 17,145         | 17,872         |
| <b>Corporate Budgets</b>             |           |              |                |                |                |
| Fees & Charges Annual Review         |           | (17)         | (67)           | (117)          | (167)          |
| NHB Grants to Town & Parish Councils |           | -            | -              | -              | -              |
| Minimum Revenue Provision            |           | -            | -              | 290            | 618            |
| Interest Payable on Loans            |           | -            | 166            | 334            | 334            |
| Investment Income                    |           | (750)        | (750)          | (750)          | (750)          |
| Pension Fund Deficit Contribution    |           | 734          | 754            | 976            | 976            |
| Savings to be identified             |           | -            | (2,389)        | (3,250)        | (3,250)        |
| <b>Total corporate budgets</b>       |           | <b>(33)</b>  | <b>(2,286)</b> | <b>(2,517)</b> | <b>(2,239)</b> |
| <b>Total reserves</b>                |           | <b>2,898</b> | <b>(1,713)</b> | <b>(2,032)</b> | <b>(31)</b>    |

2.2 Events brought about by the COVID 19 pandemic in March 2020 and ongoing as at the date of this report, has seen the council adopting new ways of working both for officers and members as well as new delivery mechanisms forced by the

national lockdown, within a few days of it being announced.

- 2.3 This has resulted in accelerated channel shift with customers making much more use of our website, telephone and email services.
- 2.4 The new chargeable garden waste service saw 92% of customers sign up and pay on-line without any need to contact the council by traditional methods. The challenge moving forward is to move even more customer contact on-line and to automate processes, including updating records in back office business systems, without the need for officers to rekey data or to check and confirm changes.
- 2.5 Working remotely has become a way of life for many, but it is recognised that better collaboration take place face to face and it is recognised that not all officers or members have found the transition as easy as others. Through Transforming East Herts it is proposed that blended, flexible ways of working are adopted to help reduce the councils carbon footprint, supporting sustainability, reduce the required office space, enabling options such as renting out office space to be explored to provide an income as well as a reduction in operating costs.
- 2.6 In particular our younger, less experienced staff have struggled without someone to ask questions and advice of and some have experienced feelings of isolation as a result.

### **3.0 Transforming East Herts – Opportunities**

- 3.1 Our vision has been defined as ‘By 2025 East Herts Council will be a customer focused, financially sustainable, effective organisation with flexible, empowered employees.’
- 3.2 Leadership team have taken this once in a lifetime opportunity to review how the council services are delivered to the

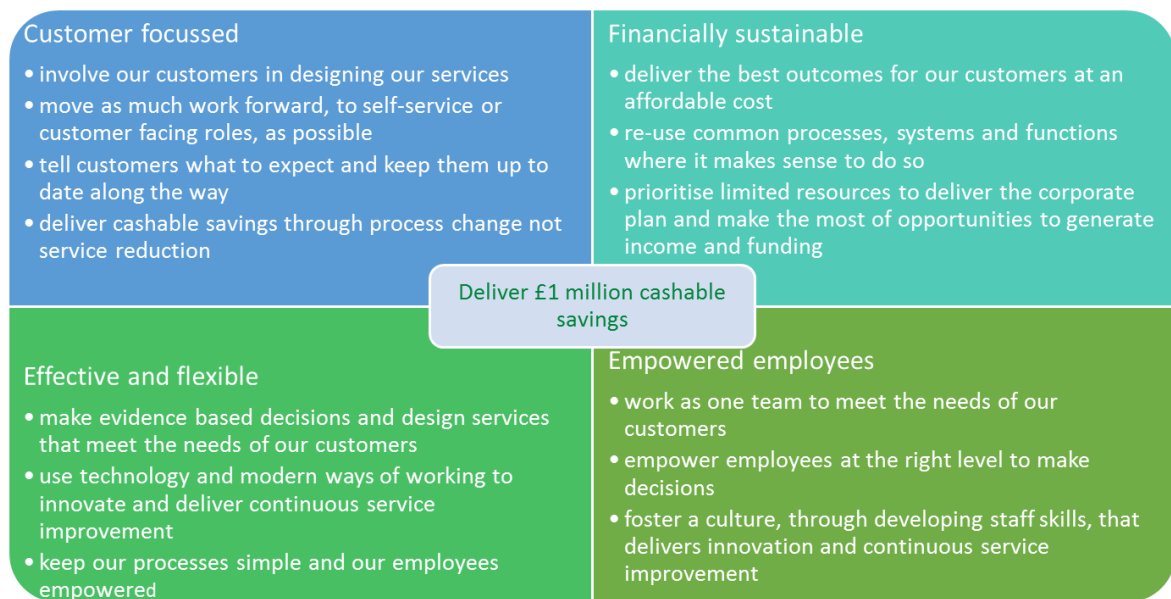
customer and what we can achieve as an organisation to serve our residents even more efficiently and effectively.

- 3.3 The organisational and cultural changes that will result from the programme will require significant determination by Members, Leadership Team and Service Managers to modernise the Council and put it on a financially sustainable footing. It is vital that Members, Leadership Team and Service Managers all model the new behaviours. We need to make a significant contribution to the savings targets in order to achieve a balanced budget. Our resources will need to be prioritised to deliver the Corporate Plan priorities whilst identifying new ways of working and delivering services to improve efficiency and customer service standards. This will result in some difficult and unpopular decisions being taken in coming months.
- 3.4 The Transformation Programme will be delivered alongside savings plans. Savings from the programme will be calculated and agreed for delivery as the Programme evolves. The aims of the programme are:
- a. Ensuring our staff teams are resourced appropriately, allowing us to focus on our corporate plan priorities;
  - b. Contribute to reducing the budget gap by delivering savings through Transforming East Herts of £1m
  - c. Accelerating a number of operational projects to improve efficiency such as bringing together administrative and business support functions;
  - d. Recognising the need to identifying and harnessing new ways of generating income to the council to mitigate some of the savings requirements. to how the council operates;

- e. Ensuring flexibility and collaboration – working across council services and with partners to share expertise, capacity and space;
- f. Consulting with our residents to understand what services they find most useful and why;
- g. Undertaking a flexible working review to:
  - i. transform existing working practices to ones that are more effective and efficient and ensure that previous investment in technology is being fully utilised to support agile working, starting with the finance system
  - ii. create a culture which acknowledges the benefits that flexible working can bring to both the employee and the organisation
  - iii. maximise customer self-service and digital engagement
  - iv. identify and then deliver new ways of working smarter through IT and technology solutions that will underpin how we collaborate and communicate; and
  - v. review our future office and space needs and ensure that we have the right space of the right size in the right place.

3.5 The Transformation Programme proposal will help deliver, firstly and most importantly, a financially sustainable council by transforming the staff and operations of the council and the amount of office space required. Secondary benefits will include customer service improvements and more efficient operations.

3.6 East Herts has long had aspirations to improve its Customer Service and reform how services are provided. The pandemic has provided the catalyst for this work and the Appendix A shows the detailed work that Leadership Team have already undertaken.



### 3.7 A number of work streams have been identified

- Core Digital Platform
- Central Business Support Function
- Customer Service Improvement
- Wallfields (Future)
- Asset Management
- Fit for purpose Front of House facilities
- Flexible working
- Office 365 roll-out
- Commercial Strategy
- Charging Policy
- Other opportunities (Shared Services/Outsourcing/Insourcing)

## 4 **Our Customer Vision**

4.1 Our ambition is for our customers to be able to have a single view of their transactions with East Herts Council. A 'My East Herts' Portal where they can check their council tax, benefit payments, waste services and more.

The Transformation Programme will be made up of a number of work streams that will deliver our vision and crucially the benefits to be delivered by each project.

#### 4.2 Benefits will be measured in the following way

- a) Financial benefits are quantified in terms of money saved that contribute towards closing the council's budget gap. These are cashable savings, measurable cost avoidance, and income generation opportunities.
- b) Efficiency benefits relate to people or processes being more productive (i.e. doing more for less), reducing the cost of service delivery, reducing errors, duplication and multiple hand-offs, but do not necessarily result in a cashable saving.
- c) Customer benefits relate to improved satisfaction, a better experience (quicker response and resolution time, direct access to information), including online and digital experience.

#### 4.3 Projects will not be undertaken unless they deliver financial benefits. Any projects that do not deliver financial benefits will not proceed.

Work is on-going on projects that will be part of the foundations of the Programme. These are:

- a) Microsoft 365
- b) New Horizon Virtual Desktop Environment
- c) Assessment of Thin Client v. Chromebooks
- d) Top twenty processes by volume being prepared for lean process review
- e) Assessment of centralising business support and administration into one central team

- f) Replacement of the debit/credit card payments software which is no longer fit for purpose
- g) Commercial strategy project including a consistent charging policy for how the council will set fees and charges
- h) Service reviews including an assessment of creating one officer team to serve a number of district councils and the identification of willing partners
- i) Flexible return to some office working

## **5 Budget Requirements**

- 5.1 As part of the Transformation Programme, costs, return on investment and benefit realisation will be determined and a further report will outline the options available and the implications.
- 5.2 As part of the evaluation to date it has been identified that there is a resourcing requirement to enable the programme delivery. Leadership Team have already endorsed in principle a Business Analyst post, required on a fixed term basis for 2 years at a total cost of £79k (£39.5K pa) It is anticipated that all additional work can, at this stage, be absorbed within the current workforce.
- 5.3 The proposed timeline can be found in Appendix A along with the governance arrangements.



## **6.0 Options**

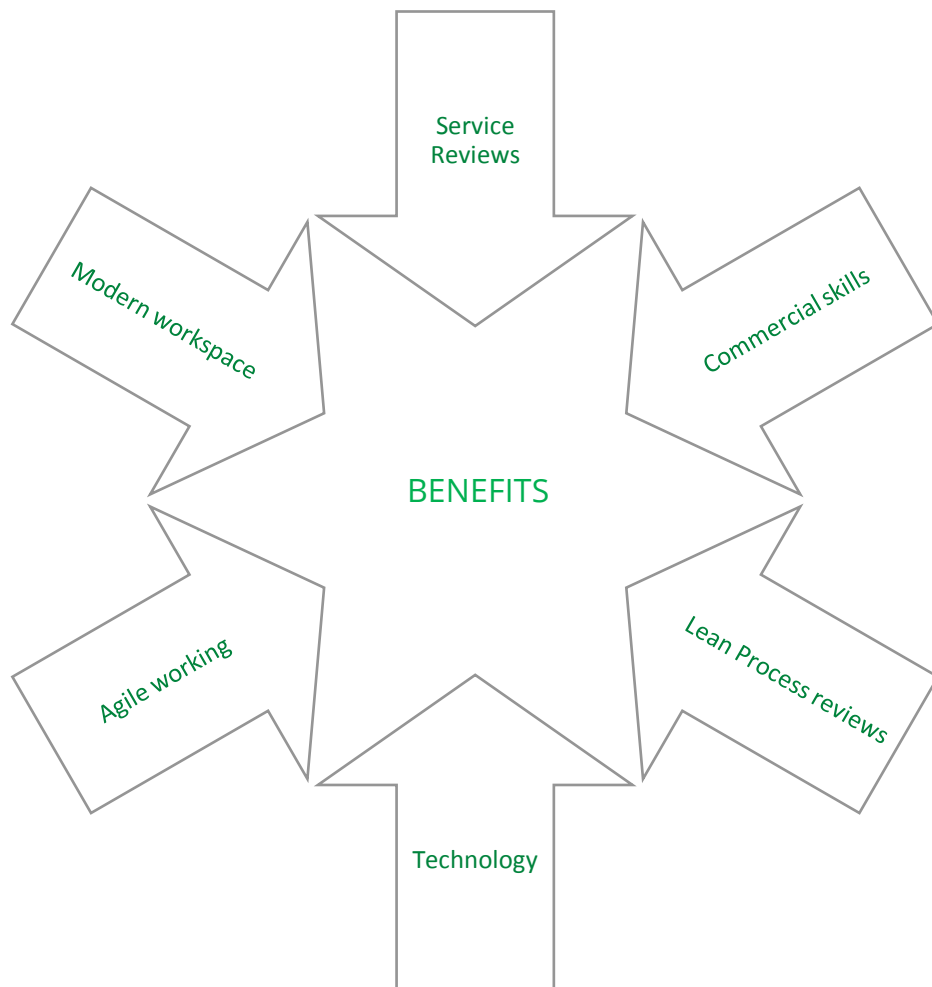
- 6.1 Do nothing – this has been considered however, due to the requirement for the Council to achieve a balanced budget position, this option would pose the highest risk to the organisation both in terms of service delivery and staffing. Balancing the budget could only be achieved through reducing or stopping the delivery of non-statutory services as well as reducing the offer wherever possible to statutory services. This is most likely to be the least popular amongst residents, staff and Members
- 6.2 Proceed with the 'discovery' phase of the Transformation programme to evaluate what could realistically be achieved and bring the proposals back before members in autumn 2021

## **7.0 Risks**

- 7.1 The Transformation Programme will have a risk register established as part of the major projects protocols.
- 7.2 The main risks to the programme are:
- a) Insufficient resources – having the right people available at the right time
  - b) Benefits not being clearly defined, delivered or communicated
  - c) Lack of buy-in/support – Members and staff
  - d) Financial imperatives overriding transformation ambitions - 'savings' and 'transformation' being perceived as separate, potentially competing activities
  - e) Forgetting support services in the change.

7.3 A number of critical success factors will have to be met to mitigate risk. These are:

- a) Member leadership
- b) Leadership Team and senior management ownership
- c) Sufficient resources, investment and financial planning
- d) Clarity of purpose and a shared understanding of objectives and agreed priorities
- e) Clear benefits realisation
- f) Consistent, easy-to-use programme management process
- g) The right communications at the right time



## 7.0 Implications/Consultations

### Community Safety

No

### Data Protection

Yes – the one view of the customer and increase in digital interactions will require systems and processes to be designed with data protection and privacy inbuilt.

## **Equalities**

Yes – an equalities impact assessment will be drawn up for the programme. Initially the impact digital will require reasonable adjustments to be made and the reason for the customer services assisted digital service by telephone or face to face appointment. There will also need to be community based reassurance and skills sessions in which people with devices are given the confidence and skills to use them. This will also open up other advantages to residents who do not access the digital economy e.g. utilities switching for best deals, reduced prices on goods delivered from websites etc.

## **Environmental Sustainability**

Yes reducing the need for travel will significantly reduce emissions from transport. Switching to email communication by default will also reduce the carbon footprint of business activities.

## **Financial**

Yes/No

## **Health and Safety**

Yes/No

## **Human Resources**

Yes/No

## **Human Rights**

No

## **Legal**

Yes/No

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

### Appendix 1 - Presentation

#### **Contact Member**

Linda Haysey - Leader of the Council

[Linda.haysey@eastherts.gov.uk](mailto:Linda.haysey@eastherts.gov.uk)

#### **Contact Officer**

Helen Standen Deputy Chief Executive

[helen.standen@eastherts.gov.uk](mailto:helen.standen@eastherts.gov.uk)