

UNISON Barnet: Future Shape of the Council Programme

September 2008

Briefing No. 5 Service transformation

Executive summary

The Council has asked a number of questions such as: What type of council do residents need in the future? What do we do well and what do other people do as well or better? What changes could we make as a council that would be better for our residents? What skills do we need for the future? How would any changes affect staff?

The Future Shape of the Council programme needs to be based on a transformation strategy, which draws on the skills, experience and ideas of the workforce and service users.

The approach set out in this Briefing is intended to cover the three-month Future Shape of the Council programme. A fuller and more comprehensive transformation strategy should be drawn up for the period following Future Shape decisions. The proposals below are intended to kick-start a new approach to transformation.

Recommendations

The Council should ensure that the Future Shape of the Council programme adopts the key components of this initial transformation strategy:

1. Innovation and new ways of working: using joint Council/trade union workshops to explore the scope for service innovation and integration, shared services and public-public partnerships and staff and user involvement and empowerment.
2. Performance comparisons and benchmarking should compare like with like using verifiable and audited performance information.
3. Development of options must be based on improved and innovative in-house provision reflecting the full potential of the service, not on the current service.
4. Options appraisal criteria should be amended and based on twelve criteria described below.
5. In-house bids should be submitted if procurement selected.
6. An accessible evidence base is prepared to support the development and appraisal of options.

Introduction

The London Borough of Barnet commenced the *Future Shape of the Council* project in May 2008 to review the organisation of the Council, challenges and changing demands on the capacity of the Council. The European Services Strategy Unit (ESSU) has been commissioned by Barnet UNISON to provide research and critical

analysis for the Branch in the consultation process. This is the fifth of a series of Briefings, which will be produced over the next few months.

Innovation and new ways of working

1. Joint Council/trade union workshops

Joint Council/trade union workshops should be organised for staff and managers in key services to draw upon their skills, experience and ideas for innovation and improvement. They could be supplemented, if necessary, by more targeted focus groups on particular issues. We believe the workforce is a key Council asset. They have amassed skills, experience and intellectual knowledge about local needs, how services are currently delivered and they have ideas for innovation and improvement.

The Council has spent resources training many staff and it would be perverse in the extreme not to draw upon their experience and ideas. Further Workshops and/or focus groups could be established to discuss particular aspects of innovation, improvement and proposals in more detail.

The workshops should:

- Develop a better understanding of the nature and level of needs and demands for services in Barnet and the strategic functions carried out by the Council.
- Adopt a user-centred approach to service delivery and performance criteria.
- Promote a freedom to innovate based on public services principles (see Briefing No. 2).
- Examine new ways in which services can be delivered.
- Explore the boundaries and responsibilities between the Council and other public agencies in Barnet and how these might or should change.
- Discuss the effectiveness of current service improvement plans.

2. Explore the scope for service integration

There will be scope for more vertical and horizontal integration and better coordination of service delivery and to make more effective use of resources and eliminate unnecessary duplication. This should:

- Examine ways of improving vertical and horizontal integration between teams and directorates.
- Address how professional and cultural barriers to service integration can be challenged.
- Examine ways in which contractual obligations can be drawn up to maximise vertical and horizontal integration to prevent new barriers emerging as a result of increasing the number of service providers.
- Identify ways in which policy-making and service delivery processes can more effectively draw on lessons learnt.

3. Shared services and public-public partnerships

A discussion of the potential for shared services or public-public partnerships must be rooted in reality. It must start by identifying which services may potentially offer advantages from shared delivery and those where there are no or very limited advantages. A discussion of the potential for shared services should focus on how to:

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- Improve the quality of service to internal and external users.
 - Extend collaboration and sharing best practice in frontline as well as back-office services.
 - Make full use of economies of scale to maximise benefits for reinvestment in frontline services.
 - Develop a multi-skilled and motivated workforce and a work environment to support workforce development and continuous improvement.
 - Take a long-term perspective and avoid a short-term focus on efficiency and savings.

There are different organisational models for shared services such as collaboration and shared procedures between two or more public bodies; corporate consolidation within a public sector organisation at regional or national level; lead authority on behalf of a group of local authorities and public bodies; and jointly managed services between a group/consortium of public bodies at subregional or regional level. These should be fully explored before a strategic partnership or joint venture with the private sector is considered.

4. Staff and user involvement and empowerment

The Government, the IDeA, the Local Government Association and other local authority organisations are promoting 'community empowerment' in a series of public policy initiatives and legislation.

Staff/trade union and user/community organisation engagement, in contributing to the Future Shape of the Council programme, will help to improve service delivery and take-up, identify needs and priorities, target and make more effective use of resources, improve integration and coordination, set relevant performance standards, enhance democratic accountability, more effective planning and development, and in the longer term, strengthen public management.

Performance comparisons and benchmarking

Lessons can be learnt by comparing performance. But it is essential that like is compared with like.

- Comparator organisations should provide similar services and on a similar scale to avoid the 'oranges and lemons' so prevalent in much benchmarking.
- Only verifiable and audited performance information should be used which can be sourced and dated.
- There should be a balanced set of performance indicators covering quality, cost, user satisfaction and employment.
- Comparisons must be set in the context of the corporate objectives and priorities of the comparator organisations.
- Benchmarking should include delivery processes as well as service performance indicators.

Comparisons and benchmarking of past/current performance should be used to identify the scope for future innovation and improvement.

Development of options

In-house options must be included in the development and appraisal of options for council services and functions. They must be based on improved and innovative in-house provision reflecting the full potential of the service, not on the current service. The status quo is not an option.

In-house options must be fully developed – the use of comparators does not constitute an option. Options must be based on community needs, performance, potential and not dogma. They should reflect public service principles and values – see Briefing No. 2.

Options appraisal criteria

The Transformation of Service Delivery Workstream: Project Initiation Document recommended: *“The Board are asked to consider the following preliminary evaluation criteria for the options that will be considered:*

- *Positive business case*
- *Impact on customer service*
- *Ability to manage risk*
- *Ability to respond flexibly to changing demands*
- *Ability to generate strategic capacity*
- *Ability to innovate*
- *Readiness for change”*

However, there are important gaps in these criteria, for example, the effect on democratic accountability and the quality of employment. The ‘positive business case’ is hardly a criteria since no option should be viable without a positive business case.

Revised appraisal criteria

We recommend that options in the Future Shape of the Council programme should be assessed using the following twelve criteria:

1. **Design and scope:** How each option meets strategic objectives, vision and aspirations, ability to meet current and future community needs.
2. **Accountability, governance and participation:** The implications of each option for enhancing democratic accountability, transparency and scrutiny and user/community and staff/trade union involvement in planning, policy and provision.
3. **Financial assessment:** Assess the likely whole life and transaction costs, investment requirements and funding, affordability, use and allocation of savings, and risks.
4. **Quality of service:** The potential impact on performance, service integration, continuous improvement and innovation, flexibility, responsiveness, accessibility and connectivity.
5. **Local/regional economy and community well being:** Assess impact on jobs, skills and the local economy, regeneration and economic development strategies, community well being and cohesion.

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6. **Quality of employment:** Application of employment models to each option, ability to retain terms and conditions, pensions, training and workforce development.
 7. **Sustainable development:** Impact on services and facilities, environmental impacts and efficient use of resources.
 8. **Ability to address social justice and inequalities:** how each option may reduce/eliminate health and other inequalities and discrimination for equality groups.
 9. **Capability, management and intellectual knowledge:** Effect of each option on retention of key skills and intellectual knowledge, ability to manage change and regulatory frameworks and transferability of skills to rest of the authority.
 10. **Organisational arrangements:** Effect on flexibility, scope for collaboration with other local authorities and public bodies.
 11. **Added value:** Proposals over and above core requirements and additional community benefits.
 12. **Corporate impact on the authority:** Assess the impact on the viability of in-house provision, service integration and the financial and employment knock-on effects on central and other services.

In-house bids if procurement selected

If the Council proceeds to procurement of a service, an in-house bid should be prepared. Management must prepare and 'own' the bid. Selective and limited use of consultants may help increase capacity and to build confidence in the ability to deliver the project.

The current economic crisis has led to instability, high risks and uncertainty for multinational and national financial and service companies. A new spate of mergers and acquisitions means further uncertainty when services are outsourced. Whilst community and voluntary sector provision has a role to play, its capacity and ability to provide services is being inflated out of all proportion to serve a political agenda. Taking all these factors into account, we need to focus on the strengths of the public sector.

Evidence base

The evidence base for the development and appraisal of options should include needs assessments, performance and cost assessments, service reviews, contract reviews and evidence that support the development and appraisal of options.

References

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