

## CABINET

19 July 2016

<b>Title:</b> Ambition 2020 Transformation Programme – Response to Consultation	
<b>Report of the Leader of the Council</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
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<b>Accountable Strategic Director:</b> Chris Naylor, Chief Executive	
<b>Summary</b> <p>This report seeks Cabinet agreement to proposals to re-shape the Council and the way in which services are provided through the Ambition 2020 transformation programme.</p> <p>By Minute 118 of the meeting on 19 April 2016, Cabinet agreed to public consultation on the elements of the Ambition 2020 programme which comprised two Design Principles that related to core functions and workforce and organisational development alongside 15 Service Design Proposals which set out the proposals for the future delivery of services. The public consultation took place between 20 April and 16 June and the response from the public was generally supportive of the proposals.</p> <p>In parallel with public consultation, there has been extensive engagement with staff. This report summarises the views expressed by staff through road shows, briefings and surveys.</p>	
<b>Recommendation(s)</b> <p>Cabinet is recommended to:</p> <ul style="list-style-type: none"><li>(i) Consider the responses to the public consultation, which are summarised in Appendix 1 to this report;</li><li>(ii) Note the feedback from staff in response to the staff road shows and briefings, which is summarised in Appendix 2;</li><li>(iii) Confirm the future shape of the Council and that officers should implement the service design proposals as set out in the consultation document, and note that where necessary proposals will be referred to Cabinet for further approval of key decisions in accordance with the Council's constitution and scheme of delegation; and</li><li>(iv) Note that further consultation with staff and Unions will take place as each service design proposal is developed in accordance with the Council's procedure for managing change.</li></ul>	

## **Reason(s)**

To assist in the achievement of the Council's vision of "One borough; one community; London's growth opportunity" and the delivery of its priorities in the context of the Medium Term Financial Strategy.

### **1. Introduction and Background**

- 1.1 In April 2016, the Cabinet agreed to a public consultation exercise about the proposals in the 'Ambition 2020' transformation programme to re-examine every aspect of what the Council does and how we are structured to deliver the Council's vision and priorities. Cabinet agreed to consider the responses to consultation, and to take decisions about the next steps, in July 2016.
- 1.2 The consultation document, 'We all have a part to play – Transforming our borough and how our council works', was published on 20 April.

### **2. Proposal and Issues**

- 2.1 A detailed report on the response to consultation is at Appendix 1. A total of 198 responses were received from individuals, with an additional seven written responses from organisations. The results have been analysed in detail, and each comment has been counted and reviewed.
- 2.2 Overall 89% of respondents indicated that they agreed or partially agreed with the proposals (54% agreed, 35% partially agreed). Just under 8% of respondents did not agree, with 4% 'Don't know.'
- 2.3 In addition to that overall positive support, 186 of the respondents provided general comments. Respondents highlighted a number of key themes which have been categorised into the following areas:
  - 23% Providing support/positive comments on the proposals
  - 22% Encouraging civic pride and enabling social responsibility
  - 19% Concern over future service delivery
  - 19% Other comments
  - 12% Staffing arrangements
  - 12% Require further information
  - 11 % Greater inclusion of residents
  - 11% Agree the need for change
  - 9% Concern about the Council's track record and current service delivery
- 2.4 Respondents generally recognised the borough's potential and the need for change, notably in the perceptions of the borough and of the Council. There was support for bringing a sense of pride in the borough and with people taking responsibility. Cleanliness and social responsibility were highlighted as key parts of this. The Council's previous record in delivery, together with the current quality of customer service, were raised as key concerns. Respondents were keen that there should be more opportunity for the community to be involved in decision-making. A

range of issues was raised about future service delivery - in particular around stretching services too far, ensuring the elderly, disabled and vulnerable were not disadvantaged, requiring further detail on the individual proposals, and the Council's ability to turn the plans into reality.

- 2.5 Paragraph 3.3 below, and Appendix 1, pages 9 -12, set out the points raised by members of the public in relation to individual elements of the proposed new service design.
- 2.6 Section 4 of Appendix 1 summarises the points raised by those organisations and stakeholders who responded formally to the consultation. Feedback on the proposals was received from the Council for Voluntary Service (CVS), Refugee and Migrant Forum of Essex & London (RAMFEL), Citizen's Advice Bureau (CAB), Harmony House, LAGMAR (Barking) Ltd, L&Q, Future M.O.L.D.S Communities. In addition, a meeting was held with the Barking and Dagenham Youth Forum ensure the views of young people were also captured.
- 2.7 Overall, partners were supportive of the proposals and keen to play their part but raised a number of concerns. They included concerns about the language used in the Ambition 2020 consultation booklet. Some felt that terms such as 'Customer' and 'Account Manager' were not appropriate; and that references to 'resilience' might imply that the Council would abdicate responsibility. Partners were keen to receive more detail on the proposals and how they will work. Some questioned whether the Council had considered its statutory equality duties (see paragraph 7.4 below).

### **3. Options Appraisal**

- 3.1 The responses to public consultation demonstrate broad appreciation of the need for change, and broad support for the direction of travel and service design proposals. Many of the comments raise questions about how the proposals should be implemented, while expressing support for the principles. In the responses about the service design proposals, there is a substantial majority of support for the proposals.
- 3.2 There were, however, some frequently raised concerns which will need to be addressed in the next phases. The key issues are:
  - Capability and service delivery – A common concern was that, while recognising the need for change, the financial pressures will damage the quality of services. That is a recognised risk which all the service design proposals are intended to mitigate.
  - Track record and service quality – Many respondents were critical of the Council's current service delivery, particularly in relation to customer service, which leads them to doubt future capability. The transformation programme acknowledges the shortcomings in current services as part of the case for change; and the responses to consultation have reinforced those arguments. We recognise also that the programme will require the development of new capabilities and skills.
  - Impact on vulnerable residents - The responses about the proposals for people-focused services consistently raised concerns about the potential impact on vulnerable or elderly residents if services are reduced, or if access to services is through routes with which service users are uncomfortable or unfamiliar – for example, digital only access. The development of Community Solutions, and Care and Support, will ensure that resources are focused more effectively and help to

address the root causes of problems for families and individuals. The work on improving customer access will reflect the needs of all service users; and that will be supported by a 'digital inclusion campaign' to improve access and skills for residents who currently have limited internet access.

- Civic pride and social responsibility – There was strong support for action to improve civic pride and address anti-social behaviour. That indicates that the proposed improvements to enforcement, street cleansing, and refuse should be priorities for early implementation within the transformation programme.
- Information and involvement – Some respondents were keen to receive more information about particular proposals (although there were also responses about there being too much information and/or complexity). It will be essential for each of the transformation projects to incorporate public and stakeholder engagement. We propose also to publish a transformation 'roadmap' which would set out for the public, stakeholders and staff a timetable for the development and implementation of the programme over the next 4 years.
- Leisure service - The proposal to transfer the management and operation of the service to a not-for-profit operator received the largest proportion of responses disagreeing with the proposal. Of the 60 respondents who commented on the proposal, 14 (23%) disagreed; although the majority of respondents agreed or partially agreed with the proposal, with some arguing for privatisation of the service. There were concerns about the potential future quality, cost, and choice of services if the services were not run directly by the Council. The detailed options appraisal of the service has provided strong evidence that transferring the management to an established operator will allow considerable efficiencies and offer the greatest potential to expand and improve services. A detailed proposal, which will take account of respondents' concerns, will be submitted to Cabinet in the Autumn. That will include how standards, choice and quality can be maintained and improved through the Council's oversight and management of any contract with an external operator.

3.3 In addition to the commonly raised concerns, the table below sets out our consideration of, and response to, the key points on each service design proposal.

Service design proposal	Key points from consultation	Council's consideration
<b>Community Solutions</b>	<ul style="list-style-type: none"> <li>• Early intervention enabling self-sufficiency received positively</li> <li>• Maintain duty of care and delivery of statutory services</li> <li>• Protect the most vulnerable</li> <li>• Work with voluntary and community partners</li> <li>• Develop staff expertise and skills</li> <li>• Some concern over terminology used such as 'customer' and 'account manager'</li> <li>• I.T. systems viewed as critical success factor</li> </ul>	<p>We have considered the feedback and feel the 'Community Solutions' proposal will help protect the most vulnerable by tackling the root cause of problems, by intervening early, in a joined up way, using multi-disciplinary teams and working with the voluntary and community sector. The terminology will be amended taking on board feedback.</p>
<b>Care and Support</b>	<ul style="list-style-type: none"> <li>• Overall agreement that the services are needed</li> <li>• Ensure elderly and vulnerable are not put at risk due to changes</li> <li>• Concerns regarding current service and high work loads of social</li> </ul>	<p>The Council has considered the feedback and feel that the proposal will help protect the elderly and vulnerable through bringing together a cluster of services for those who need</p>

	<p>workers</p> <ul style="list-style-type: none"> <li>• Develop social worker skills</li> <li>• Importance of partnership working with care and education providers</li> </ul>	<p>support. There will be a single disability service for those with life-long disabilities. The proposals will ensure that social work professionals are utilised more effectively, enabling them to carry out functions specific to their expertise. The service will work with Community Solutions to reduce demand and will play a key role in any future devolution proposals with health service partners.</p>
<b>Access for Customers</b>	<ul style="list-style-type: none"> <li>• Praise the vision and acknowledge the need for change</li> <li>• Current customer service levels highlighted as consistently poor</li> <li>• Poor customer experiences</li> <li>• Concerns that digital approach will see customer service levels fall</li> <li>• How will 'Digital by Design' affect the elderly and vulnerable?</li> </ul>	<p>The transformation programme acknowledges the shortcomings in current services as part of the case for change; and the responses to the consultation have reinforced those arguments. We also recognise that although many residents can access services online, not everyone will be able to do so. Support will be available online, by telephone via the contact centre, through staff at various locations across the borough, and through face to face appointments with staff.</p>
<b>Enforcement Service</b>	<ul style="list-style-type: none"> <li>• Support for improving civic pride</li> <li>• ASB, parking and fly-tipping are a great concern</li> <li>• Council not dealing with the issues</li> <li>• 'Get tough', but not for profit</li> <li>• Clear rules and education</li> </ul>	<p>There was considerable support for enforcement to deal with issues such as fly-tipping, parking, and ASB. The Council recognises that although the service will generate income the main focus is to change behaviour in order to tackle these issues and send a clear message to those who behave irresponsibly. There was strong support for encouraging people to take pride the area and behave responsibly.</p>
<b>My Place</b>	<ul style="list-style-type: none"> <li>• A small number of comments received</li> <li>• Further clarity and information requested</li> <li>• Concerns about current service levels</li> <li>• Should the Council be competing with local businesses?</li> </ul>	<p>Having considered the limited feedback on this proposal we feel that 'My Place' will allow for better property management of the Council's own stock and in the open market for landlords and developers. We also believe that through 'My place' commissioning the refuse and street cleansing service significant improvement in efficiency and improvement in</p>

		the local environment can be achieved.
<b>Refuse and street cleansing</b>	<ul style="list-style-type: none"> <li>• The track record and current service levels are a real concern</li> <li>• Frustration with the lack of pride taken by some residents</li> <li>• Does prevention mean a reduction in service provision?</li> <li>• Stronger enforcement needed</li> </ul>	Feedback from respondents supports the need for change. There is concern over current service delivery and current standards of cleanliness in the borough which the Council recognises as part of the case for change.
<b>Parks and open spaces</b>	<ul style="list-style-type: none"> <li>• An invaluable resource that needs protecting</li> <li>• Strong ideas on how parks can be used more effectively</li> <li>• Concerns around staffing levels</li> <li>• Mixed views on exploiting commercial potential</li> </ul>	The majority of respondents agreed with the proposal. There was concern about 'exploiting the commercial potential' would lead to less access for the public or for charges to use them. We believe that tapping into the commercial potential for parks will not affect access to the parks nor do we plan to charge to access parks. We believe the proposal will help parks become destinations of choice and particularly improve access for the disabled thereby improving standards for all users across our communities.
<b>Heritage Service</b>	<ul style="list-style-type: none"> <li>• Strong support that the history and heritage of the borough be promoted</li> <li>• Concern over fees to access the service</li> <li>• Continue to engage with residents</li> </ul>	There was very strong support for the proposal overall with respondents agreeing that the history and heritage of the borough should be promoted. Residents raised concerns over whether being commercial would mean an increase in fees to access the service. We will ensure that fees for accessing services will remain fair and being commercial will be more about exploiting opportunities for making better use of the historic venues and our heritage.
<b>Be First</b>	<ul style="list-style-type: none"> <li>• Support the need for change</li> <li>• Specific queries and suggestions</li> <li>• Clarity of funding arrangements required – how can profit be brought back in to the Council?</li> </ul>	There were limited comments on this proposal. Some respondents raised specific queries and asked for more detailed information on the proposal. This will be addressed as part of the next stage where a more detailed business case will be developed. We believe through establishing 'Be First' the Council will be able to accelerate the pace and scale of

		economic, infrastructure and housing development in the borough in line with the Council's vision and 20 year goals. Ownership by the Council will ensure that revenues are retained.
<b>Home Services</b>	<ul style="list-style-type: none"> <li>• Positive comments on the proposal</li> <li>• Strong support for an in-house service</li> <li>• Current service should not be affected by intention to be more commercial</li> <li>• Support for a 'bank' of skilled workers available to the community</li> </ul>	Respondents generally supported the proposal. There was concern about the current service and whether this would deteriorate by becoming more commercial and expanding the customer base. We believe that the significant work that will go into making the service more commercial will help drive up performance of the service and lead to improvements. We have taken on board the suggestion about the service being made available to wider members of the community and future development will allow for that.
<b>BDT Legal</b>	<ul style="list-style-type: none"> <li>• Small response rate</li> <li>• Mixed views on how proposals will be achieved</li> <li>• Efficient I.T. systems will be required</li> <li>• Service to be available for community use</li> </ul>	A very low number of responses were received on this proposal. Many of the comments received were positive and generally supportive of the proposal. Some respondents suggested making the legal service available to the community.
<b>Traded Services</b>	<ul style="list-style-type: none"> <li>• A logical and a positive way forward</li> <li>• Staff require commercial knowledge and expertise</li> <li>• Concern over previous implementation of service models e.g. Meals on wheels</li> </ul>	A low number of comments were made on this proposal. Having considered feedback we believe that a social enterprise model owned by the Council, that offers a range of support functions for schools is the best way forward.
<b>Leisure Services</b>	<ul style="list-style-type: none"> <li>• Support given provided service levels are maintained</li> <li>• Questions around the impact on costs and staff expertise</li> <li>• Continuation of joint working around health is important</li> <li>• Some resistance to 'out sourcing' the service</li> </ul>	See paragraph 3.2 above

3.4 The public consultation document stated the Council's intention to consider the responses to consultation and to reach firm decisions in July. Taking account of the overall public support for the proposals, and subject to Cabinet being satisfied by the proposed response to the key issues in paragraphs 3.2 and 3.3 above, it is recommended that Cabinet should now confirm the future shape of the Council, and confirm that officers should implement the service design proposals which were set out in the consultation document under the following headings:

- Community Solutions
- Care and Support
- Access for Customers
- Enforcement Service
- My Place
- Refuse and Street Cleaning
- Parks and Open Spaces
- Heritage Service
- Be First
- Home Services
- BDT Legal
- Traded Services
- Leisure Services

3.5 Where necessary, proposals will be referred to Cabinet for further approval in accordance with the Council's constitution and scheme of delegation.

#### **4. Staff engagement and feedback**

4.1 The purpose of this report is to enable Cabinet to decide the next steps in the light of formal public consultation. Although not part of formal public consultation, there has also been extensive engagement of staff across the Council. Over 2000 staff attended road shows where they were briefed by the Leader or Deputy Leader, and the Chief Executive. Appendix 2 summarises the staff engagement which has taken place since April 2016, and the feedback which staff have provided.

4.2 Of those staff who responded to the invitation to provide feedback, many reported that they were inspired by the roadshow and were clear about the need for change. Many felt that this type of transformation was overdue, and that the ideas were uplifting. As well as the need for change, many commented on the challenges ahead, including the need to have the right people and systems.

4.3 Many staff wanted understandably to know what the proposals would mean for them, their service, their profession and their job. There were questions raised about where particular services will fit in the proposed new service blocks. There were requests for more information about how TUPE will apply and a small number of points about the impact on pay and conditions.

4.4 Trades union representatives were briefed on the proposals and the impact on the workforce. Most representatives indicated in discussion that they were broadly supportive of the general approach, although they would want to consider in due course how their members would be affected. Most have not provided any further comments. The GMB union, however, provided a series of extensive comments and indicated that they did not support the proposals to establish service arms length



delivery blocks owned by the Council. They questioned the reasons for, and benefits of, setting up such services as arm's length bodies; and the potential impact on staff terms and conditions. We consider that all those issues will be fully addressed in the detailed appraisal of the options for each body.

- 4.5 The issues raised by staff, and those raised by the trades unions, will be addressed in the next phase of the transformation programme, which will entail detailed design for each service, and substantiation of the detailed costs and benefits. Any restructuring will be subject to formal consultation with affected staff and trades unions, in line with the Council's well-established agreed policies and procedures.

## **5. Financial Implications**

Implications completed by: Kathy Freeman, Finance Director

- 5.1 This report presents the feedback from the public consultation and staff engagement. It also sets out the next steps for the Ambition 2020 programme, seeking approval for officers to implement the service design principles.
- 5.2 The Council's Medium Term Financial Strategy elsewhere on the agenda, reports the progress in reviewing and challenging the original forecast saving presented by the outline business cases (OBCs). The original OBCs indicated that Ambition 2020 could deliver net savings of £49.5m by 2020/21, against the budget gap of £63m.
- 5.3 Following review and scrutiny of the work streams, the Programme is now able to deliver savings of £45.5m by 2020/21, against a revised budget gap of £66m, following revisions to the assumptions to the MTFS.
- 5.4 As the officers work through implementing the service design proposals, detailed analysis will be undertaken to further refine the savings deliverable against the Programme.

## **6. Legal Implications**

Implications completed by: Fiona Taylor, Director of Law & Governance

- 6.1 Cabinet decided in April to commence an eight week period of public consultation beginning on 20 April and ending on 16 June. Consultees were provided with the detailed proposals and options put forward under the Council's Ambition 2020 proposals.
- 6.2 This report sets out the public responses to the consultation proposals. Appendix 1 provides Cabinet with the detail of those responses. It is important that Cabinet consider the responses in Appendix 1 ahead of making their decision on the recommendations as set out. Appendix 2 sets out workforce feedback after a series of staff engagement sessions through staff road shows and briefings. This is informal staff engagement and any staff affected by future proposals will be consulted in accordance with agreed staffing procedures. Members are asked to consider these responses and decide whether detailed design proposals for the services (as set out in Appendix 1) should now commence. Once complete, individual service design proposals will return to the Cabinet (if appropriate) for key decisions in accordance with the Council's Constitution.

## 7. Other Implications

7.1 **Risk Management** - The transformation programme will entail significant change to every area of Council business. Robust governance and programme management are in place to manage those risks.

7.2 **Contractual Issues** - None at this stage.

7.3 **Staffing Issues** - Of the current workforce – approximately 3500 full-time equivalent posts – about 1000 posts would transfer into the proposed wholly owned models, owned by the Council and contribute to new income generation. Some reduction in the overall size of the workforce will be necessary, and as a result of the proposed reforms, the size of the workforce will reduce by about 550 FTE posts.

7.4 **Corporate Policy and Customer Impact** - The proposed changes will have a major impact on many of the traditional approaches of the Council and the services people are accustomed to receiving. The combined impacts of austerity, population changes and government policy mean that we can no longer afford to meet the needs of our residents in this traditional way on the type of services we currently provide. Instead we need to re-focus what we do so that we identify the root cause of need, so that people have a better chance of living more independently.

A high-level Equality Impact Assessment was part of the papers considered by Cabinet in April 2016. As each of the service design proposals is developed, a specific impact assessment will be prepared.

7.5 **Safeguarding Children** - We intend to move from separate departments to coordinated and integrated services for residents who need help. Current services often work in functional silos, tackling single issues and failing to address the underlying reasons why the person may be looking for help. The combination of rising demands and financial pressures means that we have to re-think our approach. We propose to bring together the cluster of services for those individuals or families who either need our continuing support or require an intervention to safeguard those who are at risk.

There will be a re-designed adult social care service; a re-designed children's social care service; and a new disability service. Our aim is to enable and support more adults to live in their own homes for longer, and more children and young people to live at home with their families.

7.6 **Health Issues** - Similar considerations apply to the impact of the proposals on health. On many measures of health and well-being, our residents have significantly worse health outcomes than national averages – including lower life expectancy, and higher rates of obesity, diabetes, and smoking prevalence. By re-designing the way in which services are provided by the council and our partners, focusing more on the root causes of poor outcomes, we aim to improve those outcomes.

7.7 **Crime and Disorder Issues** - Many of the proposals – particularly new approaches to working with partners, and the proposed 'Community Solutions', 'My Place', and enforcement services – should improve the prevention of, and response to, crime and disorder.

7.8 **Property / Asset Issues** - The proposals include a more effective approach to managing the Council's existing assets – 'My Place' – and, separately, the development of a capital investment programme.

**Public Background Papers Used in the Preparation of the Report:** None

**List of appendices:**

Appendix 1 – Response to public consultation

Appendix 2 - Staff engagement and feedback