

HertsConnect: simply done

Management of the Authority

Introduction

Hertfordshire County Council is already a successful organisation. Through the Herts Connect model, we have transformed access to our services and implemented organisational changes which aim to put our service users and citizens at the centre of everything we do. We have a national reputation for the provision of innovative and high quality services and we have been praised by government inspectorates for all that we have achieved. We should be proud of our success and build on our achievements. To put it simply we want to be even better at making a difference and improving the lives of people in Hertfordshire, today and in the future. We want the best people working for us so that we can keep on getting better. That is what the review of the management of the authority known as HertsConnect: simply done is all about.

The goal of this review – and of the implementation programme that will follow - is simply to ensure that our energy and resources are focused on meeting the needs of the people we serve. We need to make it as easy as possible for our staff to do this by:

- providing leadership which gives staff the confidence, motivation and freedom to work to the best of their ability
- creating a culture which encourages learning and discourages blame.
- being clear about what we expect of our staff and how they will be supported to do the best job they can
- trusting staff to get things right rather than setting rules to stop them getting things wrong
- reducing bureaucracy and enabling staff to spend more time on tasks that will make a difference to the lives of the people we serve
- allowing as many decisions as possible to be made as quickly and simply by people best placed to understand their implications
- creating modern working conditions which help rather than hinder staff to do their jobs
- working more effectively with our partners and ensuring partnership working brings real benefits to the people we serve

All of the elements of the Simply Done review contribute to these goals.

This report brings together the work that has been done since April 2002 on the HertsConnect: simply done review of the management of the county council.

Our conclusion is that we will achieve the objectives of this review by a combination of broad understanding and deep attention to detail. Much of this report is concerned with detail – simple steps to more effective working. But its overall message is the need for a shared understanding of outcomes backed by effective leadership and management. These proposals will be launched alongside a process to engage senior managers and all staff in developing this understanding and through that the whole the organisation – see *Implementing the Changes – creating a learning organisation*.

External challenge

- Tell a story everyone can understand
- Use fewer words
- Provide modern accommodation
- Ruthlessly simplify your processes
- Ask more from staff
- Work back from outcomes

*Stephen Taylor, Stanton Marris
HertsConnect: simply done Member Review
Group Oct 2002*

This report is a deliberately brief summary of a number of complex proposals. Our starting point was a set of blockages identified by drawing together the learning from three years of best value reviews, staff consultation and organisational development work across the authority (Appendix 1). More details on the proposals are available from the Chief Officers leading on each strand of the review – see Appendix 2.

The following sections of this report set out the specific proposals arising from each strand of the review. The final section “implementing the changes” sets out a programme of change to ensure that these changes become part of a continuing pattern of improvement and development.

Proposed changes

Improving working conditions – Lifewise

What we need to achieve

Enhanced recruitment and retention through better work-life balance for all employees.

How we can achieve it

Through promoting and supporting a range of enhancements to working conditions:

- Workwise – flexible working

- Carewise – support for carers and parents in balancing their work and home commitments
- Healthwise – encouraging healthier life styles and awareness of safe working practices
- Staff benefits options

How we will measure progress

Milestones

Lifewise benefits booklet	July 2002
Launch of new flexible working directory and toolkit	Oct 2002
Carewise policy, guidance for staff, support networks	Dec 2002
Healthwise: Health and Safety Week focus on workplace stress	Oct 2002
Communication / awareness campaign	Oct 2002
Monitoring process in place	Dec 2002

Outcomes

Staff perceptions of working for the county council and availability of Lifewise practices will be benchmarked in the all-staff survey (Dec 2002).

Improving working conditions – building stock

What we need to achieve:

We need to ensure our working environment matches our aspirations to deliver high quality services. Our staff should be well-equipped and supported while we should minimise the resources tied up in physical assets. Our office bases need to be flexible to meet future changes – we aim to make them fit for purpose. This work will assess if we can achieve this without increasing our costs.

We currently occupy around 60 offices. Many are in need of improvements and most are difficult and costly to equip with modern information and communications technology (ICT) services. Simply maintaining the status quo over the next 25 years will cost us (at net present value) £78.6 million for property and providing for our anticipated need for high quality ICT infrastructure at these locations will cost £39.0 million over that period. The feasibility study shows that, within these costs, from 2006 we could move to a much smaller number (say 4) of modern, well equipped all purpose offices, with more local access points.

How we can achieve it

An initial study (see box) suggests that a reduction to four main office centres is feasible and can deliver some costs savings as well as enabling us to create flexible workplaces that support new and more effective ways of working. Further feasibility study should be commissioned and should include a study of all our local assets so that local access to services can be adequately met. We anticipate that the cost of these changes will be met through collaboration with the private sector over a long period.

How we will measure progress

Milestones:

Commission consultants to complete further detailed feasibility study and local property review, recommend go/no-go for market testing. April 2003

Outcome measures

- Reduction in the costs of provision of ICT and offices
- Higher satisfaction levels from people using and occupying the offices
- Improved recruitment and retention of staff because of more flexible working options
- Improved access at a local level to council and partner services

Decision-making

What we are trying to achieve

We need to take good workable decisions in the shortest time possible. We need to ensure that we are learning from the outcomes of our decisions.

How we can achieve it

- We need to allow more freedom for middle managers to make decisions within a clear framework (this will be addressed in the Learning Organisation strand of simply done).
- We should be clearer about the purpose of corporate resource boards (Finance, Human Resources, Information Systems, Property, Procurement). Broadly, they should aim to decide on cross-cutting issues within their terms of reference with a minimum of upwards referral or referral back to departments.
- Individual managers should be clearer on the extent to which they have delegated authority to speak on behalf of their departments.
- Meetings should be clear when they are making decisions, these decisions should be expressed clearly and they should be communicated clearly and promptly.
- We should encourage feedback and learning about the outcomes of decision-making. We should explicitly identify 'flagship' projects that are of corporate interest and ensure proper evaluation and sharing of learning.

The group tracked decisions and observed meetings of a number of internal boards, both departmental and cross-departmental (eg Finance, HR, Property). Observations included:

- We are not always clear on the purpose of these bodies. In general, agendas consist more of discussion and information than decision-making.
- We need to communicate decisions more effectively – and clearly.
- Boards consider too many items, some trivial
- Real decision-making rests with individuals; our current processes do not always make this explicit

The project team for this strand has also suggested that all decision-making boards should periodically be observed and receive feedback on their effectiveness.

Milestones

Communicate proposals to all relevant boards	Jan 03
All boards carry out self evaluation	March 03

How we will measure progress

- Reduction in number of items considered by departmental and resource boards
- Reductions in referrals by resource boards to SMB and back to departments
- Self-assessment by boards
- Staff survey shows increase in clarity about decisions.

Local partnerships and decision-making

What we need to achieve

To improve co-ordination so that everyone is clear about how HCC contributes to the development of local plans, ultimately making it easier for front-line staff to do their jobs and to respond to local needs.

How we can achieve it

The following proposals are aimed at ensuring that local HCC managers are clear about the framework within which they operate, balancing the need to use resources strategically with the need to respond to local diversity of need.

- More explicit and systematic needs identification and priority setting for HCC services. This will centre on an annual event for HCC service managers in each District, with partner organisations, to agree on use of data, understanding of needs, engagement of community and timetables for planning processes. This will be supported by a website for each Local Strategic Partnership (LSP) and the development of a comprehensive and up-to-date data profile for each District.
- Explicit endorsement by all HCC services and the Executive Member (Community Information and Development) of a community strategy for each District.

Decisions about priorities and action to be taken in response to the needs of local communities are made by the County Council and by Local Strategic Partnerships.

The County Council's priorities, and action to be taken to deliver them, are set out in the Best Value Performance Plan and in various service plans. Most service plans are countywide but some are locally-based e.g. CSF is developing 27 local preventative strategies.

The LSP's priorities, and action to be taken to deliver them, are to be set out in community strategies. These may take various forms:

- a district-wide community strategy (e.g. Stevenage)
- separate community strategies for local communities within the district instead of or in addition to a district-wide strategy (e.g. Three Rivers).

The countywide LSP, Hertfordshire Together, is developing a countywide community strategy which will inform, and be informed by, HCC plans and local community strategies.

In addition to the LSP itself, there are a variety of other partnership groups involved in the development of community strategies and HCC plans. These include Highways Partnership Panels and CSF Locality Preventative Strategy Groups.

- Clearer officer and Member roles for engaging in the LSP process. An aim here will be to engage effectively while reducing overall officer time at meetings.

How we will measure progress

Milestones

- | | |
|---|------------|
| • Events in each District to agree local priorities | Jan 2003 |
| • Websites for each LSP to keep everyone informed of developments | April 2003 |
| • HCC endorsement of each community strategy | ongoing |

Outcome measures

- Front-line services that are more responsive to the needs of local communities, measured by meeting relevant targets set within the community strategy
- More effective partnership working at a local level, measured by the percentage of action plans supporting community strategies that are partner based
- The quality of life of local communities is improved, measured by meeting relevant targets set within the community strategy

Commercial Relationships

What we need to achieve:

We need to get the very best performance from our contractors; it is in our interests for them to be strong, commercially successful companies so that we minimise the risk of a contract breaking down. We invest heavily in the staff time taken to negotiate and manage contracts and constructive and positive relationships with contractors will mean that we get the best value from this investment and hit fewer snags as contracts progress.

How we can achieve it

- Regular senior contact with major contractors – seek out more innovative use of contractor resources
- Improve clarity of contracts.
- Develop greater focus on outcomes.
- Improve skills and strategic awareness of key client staff
- Continue learning from contractors, other organisations, and national experts.

In interviews with major contractors there was evidence that we could benefit from listening to ideas and suggestions on how to achieve outcomes and from better using the wider resources that some major contractors can bring to bear.

How we will measure progress

Milestones:

Amend best practice guidelines on contracts and contracts management	Jan 03
Review of innovative approaches to contract management – deliver outcome-based and clearer contracts. To include programme of raids and workshops with national experts, two-way interviews with contractor staff	Mar 03
Skills assessment of key contract staff	Mar 03
Set up annual strategy meetings at senior level with major contractors	Mar 03

Outcome measures

- Increase in user/staff satisfaction with contracted services from contractors satisfaction monitoring
- Annual survey of contractors showing increase in their satisfaction with us as client
- Increase in achievement of targets/compliance with standards within contracts
- Continuous service improvement, innovation and efficiency.

Simplifying administrative processes

What we need to achieve:

As an organisation we need to spend less of our time on our “back office” processes. We need to maximise the proportion of our resources delivering front line services.

How we can achieve it

- Resources can be freed up and processes simplified in the three areas explored in detail:
- **CSF Quadrants:** we will be trialling a package of solutions that should enable efficiency gains to deliver improved quality of practice and speedier turnover of casework. If all gains are realised implementation costs could be paid back within 3 years and these gains could thereafter equate to £380,000 per annum.

A sample of case work professionals in CSF showed them spending around half a day a week organising and administering meetings and doing other administrative tasks.

This is a complex package of proposals. We cannot assume that releasing this time would translate directly into additional cases dealt with.

- Expenses:** the current claims process is complex and time-consuming. A much simpler Lotus Notes-based system is already in use within ITNet; we will pilot it with 2 departments before rolling it out across the county. Initial estimates suggest that full set-up costs would be around £60,000 spread over this and next financial years, realising full-year savings from 04/05 of £73,000 per year.

35,000 expenses forms are processed each year, each costing £1.68 in ITNet process costs and somewhat more in staff time checking and keeping records.

The precise costs and savings for both of the above will be reviewed during the pilots.

- New Starters:** we are proposing to implement the new starters element of the new HR system as a first priority. Initial results suggest that process costs can be reduced by around one-third (approximately £200,000 per year) though a combination of process improvement and use of a single HR system.
- In all cases, detailed work towards implementation should continue.

The three case studies show that process reengineering approach is working. It should be continued and extended as part of our renewed approach to best value.

How we will measure progress

Milestones:

Expenses: complete trial, go/no-go decision on roll-out across all departments.	April 2003
Benchmark costs and performance for CSF case worker's workload	December 2002
Benchmark New starters costs and performance	December 2002
CSF: consultation completed, implementation plan agreed	November 2002
New starters: finalise system requirements, staffing implications and simplification of processes	December 2002

Outcome measures

- Benchmarking costs and performance for processes and activities under review.
- Identified cash equivalent values to be freed up. For the three areas listed above, a benchmark will be taken prior to implementation.

Widening and deepening the customer gateway

What we need to achieve:

Our customers' needs should be met in the minimum amount of time with contact from the minimum number of people and they should feel that the experience is personal and courteous.

How we can achieve it

- There is clear scope for the customer service centre (CSC) / client services to take greater responsibility for decision-making.
- We will focus on getting the CSC to handle enquiries in greater depth.
- We will better manage caller expectations. All services must set and keep to clear and realistic standards for responding to and acting on calls.
- We will enhance current arrangements for training and awareness raising among our own staff about the CSC and the web services.
- Some on-line payments can be introduced now, more when the new financial system is implemented.
- Use the website and digital TV for preventative and promotional messages.
- We can take a number of sensible and cost effective steps to minimise real or perceived barriers (e.g. for people with learning difficulties, people whose first language is not English) to use of CSC and web.

In some service areas, more than one in ten callers are calling back later to check on progress, as they have been given no indication of when to expect action.

One in ten calls passed to trading standards officers require no more than an acknowledgement of the information received from the caller.

HCC staff who have visited the CSC usually leave with far greater awareness of its role and a much improved opinion of the Gateway

How we will measure progress

Milestones:

Completion of analysis of tracking activity and consultation with key service managers in ACS & CSF	30 Oct 02
Development of detailed implementation plan	Nov 02
Monitoring of deliverables against plan	Jan 03 - Mar 03
Programme of staff visits to customer service centre in place	Nov 02

Outcome measures

- Satisfaction ratings remain high for responsiveness of services and courtesy of call handlers
- Greater number of calls completed at the first point of contact & reduction in incidence of repeat calls

- Maximise proportion of transactions completed via the web that would otherwise have involved staff time.

ICT

What we need to achieve:

All staff who need it should have ready access to appropriate computer equipment which gives trouble free service and meets the needs of service delivery.

How we can achieve it

Network provision

There is scope to improve efficiency:

- by rationalising the number of sites supported (see *Building Stock* above).
- by rationalising the number of suppliers we use and converging our telephone and data networks

The telephone network supports 6500 users across all services. Calls can be transferred across 120 sites. There are 5m in-coming calls, 5m out-going and 5m within the network, at 99.98% reliability.

The data network connects 5500 users across 170 sites. It handles 3 million emails and 1 million internet transactions per year – and rising.

Demand forecasting

- We can plan better and obtain efficiencies if we start using a standard forecasting model and formalise the links between ICT planning and property planning.
- If we consolidate the IS analysis role we should have systems which meet operational needs better and fewer snags in implementation.

IS architecture

- We can better support our business needs and partnerships with flexible information systems by adopting the industry standard e-government IS Architecture, including the mandatory e-government interoperability framework (eGIF) requirement for local government. This provides a set of criteria to ensure that future purchases and software developments enable effective sharing of information across different operational areas and public channels. It is a model for the acquisition and implementation of IT systems.

How we will measure progress

Milestones:

Network supplier rationalisation and convergence (3-5 year programme).
Best practice process being followed for capacity planning
network provision (Sept 2003).

IS Systems procured in line with e-government IS Architecture and meet specified criteria, including e-GIF (immediate implementation).

Outcome Measures

ICT planning is considered at the early stages of the business/service planning cycle, ensuring ICT infrastructure investment/development to match business needs.

1. Delivery of tangible benefits:-

- Key business objectives been delivered, including Local Government On-line (LGOL), Implementing Electronic Government statement (IEG) etc
- Services delivered across partner boundaries

2. New ways of delivering services

- Adopted IS Architecture has enabled managers to re-engineer their services to cross service/organisational boundaries
- More cost effective IS systems by integrating with, and making better use of, existing systems (reduced risk of vendor lock-in)

The e-Government Interoperability Framework (e-GIF) sets out the government's technical policies and specifications for achieving interoperability and information systems coherence across the public sector. The e-GIF defines the essential pre-requisites for joined-up and web enabled government. It is a cornerstone policy in the overall e-Government strategy. Adherence to the e-GIF specifications and policies is mandatory. They set the underlying infrastructure, freeing up public sector organisations so that they can concentrate on serving the customer through building value added information and services.
Office of the e-Envoy April 2002

Performance measurement

What we need to achieve:

Members and managers having a quick and effective way of assessing how well we're doing as an organisation, alongside the Promises. This will enable them to make well-informed decisions and understand how better to meet the needs of service users.

How we can achieve it:

- Enhancing the performance framework to meet the CPA and audit recommendations.
- Developing a 'scorecard' – should be available in November
- A number of approaches to performance management and reporting on performance information are being evaluated.

The balanced scorecard is a framework that helps organisations translate strategy into operational objectives that drive both behaviour and performance. It might look at performance from the perspectives of:

- Customers, citizens, community
- People and organisational development – investment in the future
- Finance
- Effective business processes

The performance information would be targetted at appropriate levels of staff and management.

How we will measure progress

Milestones:

- Basic data handling system operational (October 2002)
- Scorecard developed and agreed (November 2002)
- Improvements made to Promises monitor (November 2002)
- Approaches to performance management and reporting on performance information evaluated (February 2003)

Outcome measures:

Receiving positive comments from District Audit and other external bodies will indicate we meet external information requirements. Comparative time to produce information requirements will also be monitored, including input from Internal Audit.

At outturn, there will be an increase in meeting of targets and therefore improvements in service delivery through identifying potential problems earlier.

A review will be undertaken to assess if improved performance information has helped Members and SMB to make better-informed decisions.

Implementing the changes – creating a Learning Organisation

Delivering what we want to achieve

These changes will neither be successfully implemented nor will they achieve their ends without effective leadership. We must engage members and senior managers and, with their help, staff across all departments. If people understand our overall objectives, their energy can be brought to bear to help us achieve far more than implementing the specific proposals in this report can deliver.

Public Sector best practice

- Drives for outcomes
- Understands leadership
- Favours project approach
- Sees staff as citizens
- Looks over the wall

*Stephen Taylor, Stanton Marris
HertsConnect: simply done Member Review
Group Oct 2002*

As well as understanding, the other essential elements of success will be:

- Commitment to objectives and outcomes, which can be achieved through active participation and focus on measurable results and milestones
- Changing the way we do things - the behaviours of managers and staff
- Capability and capacity, through equipping managers and staff with the skills and knowledge they need to lead and to make change happen
- Active learning and sharing of learning

How we can achieve it

All of this requires a comprehensive programme of organisational development. This will be launched, along with the other strands of this report, at a Joint Management Team (JMT) on 1 November 2002. Communication materials designed to sensitise staff to engagement will precede this (see *connect extra*, Issue 1 October 2002). At this JMT those present will be given an opportunity to develop and refine the direction of the changes and begin to take personal responsibility as change leaders.

Following November JMT, we will establish a 'champions' group drawn from senior JMT officers to work with managers across service boards. They will focus on collecting evidence to show what achieving our purpose will look like in terms of real behaviours. This approach, known as Appreciative Inquiry, concentrates on promoting and sharing good practice at all levels of the organisation. This phase will conclude with a further conference in March 2003.

Appreciative Inquiry is based on a deceptively simple premise: that organisations grow in the direction of what they repeatedly ask questions about and focus their attention on. AI does not focus on changing people. Instead, it invites people to engage in building the kinds of organisations they want to live in.

Based on the outcomes of that conference, we will then develop a variety of training, development and learning solutions to support the changes. These are likely to include workshops for senior managers on leadership and

coaching, as pioneered in CSF and ACS, plus a variety of structures to facilitate exchange of learning and cross-service working.

This phase will then lead into the active engagement of middle managers and staff; this will need to be contextualised within services.

Alongside these changes SMB will continue to set an example by investing in development of leadership skills and team working. Communication with all staff will also continue throughout this period, sharing progress, learning and celebrating successes.

How we will measure progress

Milestones

Connect Extra – ‘Does it have to be like this? Could things be more simply done?’	Oct 2002
JMT conference – briefing and engaging senior managers	1 Nov 2002
Benchmark all staff survey launched	Dec 2002
Champions group formed	Nov 2002
Staff survey results published; improvement targets set by SMB (see Outcomes, below)	February 2003
JMT conference – behaviours, building on good practice, launch of learning support processes and leadership development programme.	March 2003
Develop and implement leadership and learning programme including off job training, coaching, learning processes and practices.	May 2003

Outcomes

- Clarification and measurement of outcomes will be built into the process. The all staff survey will set a benchmark. Working with the champions group, SMB will set targets for measurable year on year improvement.

Financial Implications – Costs and Benefits of implementing *simply done*

This section sets out the business case for implementing the proposals in this report. There are two parts to this case:

- The specific strands – Lifewise, Building stock, etc etc
- The overall ‘organisational development’ programme, *creating a learning organisation*

There is still much work to be done to define fully the details and outcomes of this review, and much of this work will develop the thinking set out in this report. The costings shown here are therefore provisional.

For clarity, we have shown benefits in three categories:

- γ Red: realisable savings.
- γ Amber: productivity improvements which we can estimate but are likely to be non-cashable.
- γ Green: other benefits which are more difficult to accurately quantify. This includes expected productivity improvements where we do not currently have the data to reliably quantify.

Improving working conditions: Lifewise

Costs:

The costs of the Lifewise programme are already within HR and communications budgets

Benefits:

- γ Red: none.
- γ Amber: none quantified.
- γ Green: contribution to staff retention and overall productivity (see *creating a learning organisation* financial implications, below).

Improving working conditions: building stock

Due to the long term nature of these proposals, costs and financial benefits are shown discounted to net present cost (NPC). These estimates will be further refined by April 2003.

Costs:

To maintain existing office stock over 25 years: NPC £78.6m

To set-up and maintain three new offices and County Hall over 25 years:
NPC £77.2m

To set up and maintain 4 new offices over 25 years: NPC £75.5m

To deliver and maintain projected high quality ICT infrastructure with existing office stock over 25 years: NPC £39m

To deliver and maintain projected high quality ICT infrastructure with three new offices and County Hall over 25 years: MPC £32.3m

To deliver and maintain projected high quality ICT infrastructure with four new offices over 25 years: MPC £25.6m

Benefits:

- γ Red: based on the above figures, a NPC saving of £9.9m over 25 years for three new offices and County Hall. NPC saving of £14.9m over 25 years for four new offices.
- γ Amber: no productivity increases quantified.
- γ Green:
 - Staff retention
 - Productivity increases
 - Reductions in support staffing

- Increases in departmental inter-working
- Greater flexibility to support future organisational changes
- Benefits of enhanced ICT more realisable
- Improvements in accessibility
- Risk transfer to private partner
- Potential to improve training facilities and democratic spaces
- Improved meeting facilities.

Decision-making

Costs:

within existing budgets

Benefits

- γ Red: none quantified
- γ Amber: none quantified
- γ Green:
 - reduced officer time at meetings
 - clarity of decision-making

Local partnerships and decision-making

Costs:

Within existing budgets.

Benefits:

- γ Red: none
- γ Amber: none quantified
- γ Green:
 - Freed up time for front-line managers
 - Greater responsiveness to needs of local communities
 - More effective partnerships at local level

Commercial Relationships

Costs:

Training needs analysis and training for client staff will be absorbed within existing resources as identified for the implementation of the Procurement and Contract Management Best Value review.

Benefits:

- γ Red: none
- γ Amber: none quantified
- γ Green:
 - Better value from major contracts
 - Delivery of contract outcomes
 - Continuous service improvement, innovation and efficiency

Simplifying Administrative processes

This shows the costs and benefits anticipated from implementing the three areas explored in detail. We are currently exploring the business case for extending process re-engineering work across the county.

1 CSF Quadrants

Costs:

Transition costs (to support change in working practices) £50,000 over two years.

Ongoing annual costs to take administrative work from case workers:

Additional administrative support: £394,000

Bulk typing or similar arrangement: £336,000

We expect to manage cash flows associated with these costs within existign budgets.

Benefits:

γ Red:

The proposals will produce an annual productivity improvement equivalent to £1,113,000. We estimate that £730,000 of this will be needed annually to cover the costs, above, leaving a net 'saving' of £383,000. If, as we would expect, this is used to increase overall caseworker capacity it would amount to an additional 13.8 staff. This would enable us to improve practice quality and safety and to handle cases more quickly.

γ Amber:

Not quantified.

γ Green:

- potential to ease the implementation of new technology use by case workers, leading to further productivity improvements
- reduced stress

The overall cash flow over five years can be seen in the following table:

All figures £000

	02/03	03/04	04/05	05/06	06/07	Totals
Costs	-232	-750	-730	-730	-730	-3172
Additional caseworker capacity		600	1113	1113	1113	3939
						767

2 Expenses

Costs:

Set-up costs for adapting the ITNet software and for project management are estimated at £50,000, plus £12,500 additional consultancy support to the overall implementation. These costs will be distributed over this and next financial years.

Benefits:

γ Red:

Full year cost reductions:

Realisable HCC staff costs:	£44,000
ITNet charges reductions:	£29,000

Assuming early trials are successful, these savings should begin from the latter quarter of next financial year.

γ Amber:

Around £40,000 non-cashable administrative capacity within departments in reduced checking time

Savings in staff time completing claim forms – 35,000 claims are processed per year

γ Green:

Promotion of on-line transactions

The overall cash flow over five years can be seen in the following table:

All figures £000

	02/03	03/04	04/05	05/06	06/07	Totals
Costs	-25	-37				-62
Savings		25	73	73	73	244
						182

3 New Starters processes

Costs:

- These are not yet fully quantified. We would expect to maintain costs within existing resources, including those agreed for implementation of the new corporate HR system.

Benefits:

γ Red:

- Also not yet fully quantified. Initial estimates suggest that administrative costs can be reduced by around one-third, approximately £200,000 per year.

γ Amber:

γ Green:

- Faster recruitment

4 *Future process review work*

Costs

We are assessing the potential to re-allocate existing resources, including some of those supporting best value reviews, to support a team working on further process reviews.

Benefits

Savings and benefits will be assessed during the process for agreeing a corporate programme of reviews.

Widening and deepening the customer gateway

Costs:

Not yet quantified: will include consultancy support to deliver changes and potentially some increase in CSC traffic.

Benefits:

γ Red:

- Not yet quantified: there will be realisable savings in staff time as a greater proportion of calls are dealt with without referral beyond the CSC.

γ Amber:

- Not yet quantified: productivity increases also as a result of a higher proportion of calls dealt with by CSC (not all will be cash-able)

γ Green:

- Better, faster customer service
- High satisfaction ratings for CSC and improvements in overall perception of HCC services
- Reduced barriers for (eg) people with learning difficulties, people whose first language is not English)

Information and Communication Technology (ICT)

γ Red: See Building Stock, above.

γ Amber:

Not quantified

γ Green:

Implementation of these changes is highly dependant on good ICT provision both as to aid productive working and in order to support management and monitoring.

Performance Measurement

Costs:

- Not yet quantified: any additional costs for a more comprehensive and sophisticated system for recording and reporting on performance information will be contained within existing resources.

Benefits:

γ Red: none identified

γ Amber:

- Not yet quantified: reduction in staff time spent analysing and processing performance information.

γ Green:

- Increased likelihood of meeting targets and improving service delivery
- Quicker delivery of performance data
- Positive comments from Audit Commission and other external bodies.

The implementation programme – creating a learning organisation

Costs

We will aim to contain these within existing budgets.

Benefits

1 *The proposed changes will not be delivered without attention to overall change management and leadership.*

People tend to resist externally driven change. Some of this resistance is exhibited actively and some is exhibited in loss of motivation, energy and productivity. Simply instructing people to change will increase both forms of resistance, but particularly the latter. The implications of such resistance for *simply done* is that we would implement specific changes, but not change underlying behaviour: the blockages would arise again.

A recent Audit Commission study is one of many drawn on decades of research on effective change management to set out how managers need to become leaders if change is to be effective in improving overall organisational performance:

- leaders show their staff that performance matters by what they do

- they take time to join-up their thinking and learn about whether things are improving, and if not why
- they take action on what matters the most, to ensure that change happens
- they translate national agendas into something that is more meaningful for their organisation
- they sign up their staff so that everyone feels that they are on the same side
- they find their own framework that is simple, focused, and fits the organisation
- they measure what matters to encourage effort around what is most important
- they help people perform and are prepared to deal with situations where people are not performing

The development programme will concentrate on developing effective leaders.

2 Effective leadership can raise organisational capacity and productivity

Basic research into the impact of leadership on organisational performance began in the 1930s with Kurt Lewin and has been extensively replicated both experimentally (including recent simulations within ACS) and organisationally many times since. The basic theory is simple: leadership affects organisational climate, organisational climate (the 'atmosphere' in any working group) affects staff motivation which in turn affects performance and productivity.

There is extensive evidence on the characteristics of a productive climate and on the type of leadership that engenders it. Effective organisations are those where leaders:

- Are clear about goals and outcomes and help staff clarify their roles in delivering these
- Establish and promote high standards
- Recognise achievement and excellence
- Encourage staff to take responsibility and to get involved in decision-making
- Promote teamworking
- Encourage and promote initiative and new ideas

Quantifying the impact of this is difficult but not impossible. A quick review of the literature shows claims of productivity improvements ranging from 10% to over 100%. The cost of the programme proposed in this report would amount to less than one-tenth of 1% of HCC spend. A 1% increase in overall productivity for non-schools non-manual staff would equate to £5m per year.

3 *We will need to get more from all our staff*

We already have significant recruitment difficulties. Though many of the changes in this report can help to improve retention, we should still expect to have difficulty in recruiting for many years to come. Part of the answer has to be to raise the capability of the staff we do have – to operate with fewer, more productive and higher skilled staff. Again, the role of managers as leaders and developers will be critical, both in developing individuals and in helping to develop teams and to promote exchange of learning and knowledge across the whole organisation.

4 *There are costs to not developing our managers as effective leaders*

In a recent study quoted by Stephen Taylor (external challenger) in his presentation to this review's member review group Bruschi and Ghoshal suggest that in studies of commercial businesses only 10% of managers surveyed were both fully engaged and energised *and* clear about direction and focus. As a consequence, they suggest a loss of organisational energy and a decrease in staff satisfaction and morale. This can lead to high turnover and increased stress.

This review started by looking at evidence (blockage 7, Appendix 1) that 'our managers don't manage people'. There is related evidence that some staff are leaving because their managers are not helping them to develop. If we do not improve leadership and people management we will continue to pay the price of a drag on staff effectiveness and higher turnover and recruitment and agency costs.

The basic cost of filling a vacancy– excluding loss of productivity and agency costs – is over £3000. A 1% reduction in turnover would save at least £240,000 per year – although turnover will also be affected by market conditions.

The productivity improvements and vacancy cost reductions discussed above are achievable, although we face a considerable challenge to fully account for and realise them. Using the above points as the basis for an indicative cash flow over 5 years would suggest realistic targets would be as shown in the following table:

Cost reductions (£000)	02/03	03/04	04/05	05/06	06/07	Totals
1% reduction in turnover		100	150	240	240	730
1% productivity improvement on non-schools expenditure			2500	5000	5000	12500

Appendix 1 - Blockages

- 1 Our most basic administrative systems are over-complex and have not adapted to the ways we work now.
- 2 We don't obey our own rules
- 3 Our financial systems don't tell us what we want to know
- 4 Our ICT infrastructure (PC's and pipes) is not comprehensive
- 5 We have difficulty in recruiting and retaining staff
- 6 We still work in silos
- 7 Our managers don't manage people
- 8 Professional staff are overloaded
- 9 We don't use our buying power effectively
- 10 Our managers (and staff) need new skills and knowledge
- 11 Our project management is unsatisfactory
- 12 We don't use performance measurement effectively
- 13 We don't involve front-line staff enough in the planning and implementation of new systems and processes
- 14 Our commercial relationships are unsatisfactory
- 15 Key people have too much work to do
- 16 Our staff need better working conditions
- 17 Our decision-making processes need to improve

Appendix 2 – SMB leads on *simply done* strands

Improving Working conditions – Building Stock	Bill Ogley
Improving Working conditions – Lifewise	Steve Seaber
Decision making	Caroline Tapster
Local partnerships and decision making	Bill Ogley
Commercial relationships	Charlie Watson
Simplifying administrative processes	Alan Warner
Widening and deepening the customer gateway	Andrew Robertson
Information and Communications Technology	Andrew Robertson
Performance measurement	Ray Shostak
Implementing the changes – learning organisation	Bill Ogley