



Cabinet

7 October 2014

Report of the Cabinet Member for Finance and Performance

Rewiring Public Services: Business Case for Children's Services

1. Background

- 1.1. The Cabinet established the Rewiring Public Services programme in February and has received progress reports on a regular basis.
- 1.2. In establishing the Programme Cabinet recognised that there would have to be significant change across the Council and in particular:
 - the ways it relates and accounts to residents;
 - how it partners with other public agencies in the City;
 - how it supports and collaborates with the voluntary and community sector; and
 - the services which it delivers and commissions for residents and local businesses.
- 1.3. This change is being driven by several factors – most of which are not unique to the City of York – and by a very strong determination by the Cabinet and Council to allow local residents and businesses to increasingly influence how the city develops.
- 1.4. The Rewiring Programme is designed to respond to external change and to fulfil the Council's objectives and priorities.
- 1.5. The national context for the programme includes:
 - legislative and policy changes in areas such as education, health and social care;
 - the introduction of the Social Value Act;

- unprecedented reductions in public expenditure especially central government grant to local authorities (£80m over 5 years);
- the prospect that the central government austerity programme will continue at least throughout the 2015 – 2020 Parliament irrespective of the general election result in May 2015; and
- an ever changing basis of local government finance.

1.6. The local context for the programme includes:

- the Council's objectives and priorities;
- the high level of digital engagement across the City and rising public expectation to access and transact services and information digitally;
- a strong a vibrant local voluntary and community sector;
- demographic change; and
- the needs, views and aspirations of residents, businesses and communities

1.7. The Council and Cabinet have recognised that given the local and national context, currently and for the next five or more years, change is inevitable and that the traditional local authority approach to incremental change and budget reductions will not suffice. There has to be a transformative Rewiring Programme designed to ensure:

- effective outcomes for residents
- the Council strengthens its relations with residents through listening and responding to the public to
 - enhance democratic participation
 - improve service outcomes
 - improve access and sustainable service provision
- fairness and a major contribution to the Council's fairness agenda

- services are targeted where appropriate at those most in need and where they can maximise their impact
 - empower communities and individuals to take more control of and responsibility for their own lives, services and communities
 - shift the balance between preventive and reactive services
 - the Council is financially secure for this and the next Spending Review period.
- 1.8. Consequently the Council is committed to being a 'Co-operative Council' and has undertaken a major engagement exercise over the last two months. This has involved conversations with 7,800 residents and what they are telling the Council is set out below in Section 4.
- 1.9. An officer transformation team and CMT have undertaken a programme of analysis and option appraisal for place based, children's, adult care and customer services. This programme has involved staff across the Council and the York Community Voluntary Service, which has seconded a member of staff to work alongside the Council team.

2. Adult Social Care & Place Based Services

- 2.1. This report focuses on the engagement process and proposals for Children's Services. In November, proposals for the transformation of Adult Social Care and Place Based Services will be presented.

3. Service delivery criteria

- 3.1. The service delivery options set out in this paper and the appended business cases have been designed and tested against the wider Rewiring Programme objectives. Above all they have been designed in response to what residents said through the engagement exercise.
- 3.2. They have been designed in accordance with the Council's equalities and fairness policies, and its commitment to be being an exemplar employer.
- 3.3. Whilst a wide range of services will remain 'in-house' and be directly managed and delivered by employees of the Council, where we contract with the private sector:

- there will be consultation on the business case before a final decision is taken to instigate a tendering process;
- there will be early dialogue with potential providers as part of the commissioning process to understand what might be possible and on what terms;
- a holistic social and value for money assessment will be undertaken to take in to account social and economic impact of any proposals on the City, the Council, its partners and its employees;
- avoidance of traditional outsourcing to the private sector wherever possible and instead the adoption of new public/private models;
- where possible (and legal) preference will be given to social enterprises, voluntary and community sectors, local SMEs and staff led mutual's;
 - and support where feasible and not contrary to procurement and 'state aid' rules will be made available;
- where possible, practical and in line with procurement regulations, any private sector providers will be required to:
 - adopt excellent employment standards including the Living Wage, professional and personal development and trade union recognition;
 - adopt 'open book accounting' to standards set by the Council; and adopt 'profit share' arrangements
 - publish details of financial and operational performance;
 - be subject to political scrutiny;
 - demonstrate added social value;
 - make available details of the organisation's ownership and underlying business model and be required to notify the Council of any intended changes; and its remuneration policy; and
 - involve service users and staff in any procurement process, service design, performance monitoring and review and have an ability to challenge client and provider; and an element of a provider's payments will be based on user and resident satisfaction.

- 3.4. In order to be able most effectively to work with alternative service providers and to ensure that any proposals are adequately assessed it is proposed to enhance the commercial capacity and skills within the Council. It will be necessary even for assessing 'in house' service provision options and to support potential staff mutual's and co-operatives to have strong commercial expertise.
- 3.5. This would focus on:
- contributing to policy development
 - risk assessment and management
 - commercial costing
 - market intelligence – immediate and long term
 - market development (where required)
 - procurement and linking this to commissioning without conflating the two; and supporting commissioning across the authority and its partners
 - contracting and contract management
 - supporting the development of new models including 'spin outs'
 - supporting third and community sector providers
 - supporting politicians, managers and others across the organisation to understand the basics of commercialism in public service
- 3.6. Where service charges are to be applied to services provided by the Council or external providers, only the Council will be able to set the level of these charges. They would only be applied where it is legal to do so, there is a net financial benefit, there is no disincentive to those most in need of the service not to use it and where charging would be compliant with the Council's fairness objectives.

4. Our engagement with York's community

- 4.1. In July, Cabinet agreed to a period of engagement with residents, partners and businesses to learn what was important to them. Although not a formal consultation, we have engaged with over 7800 people (1700 on Children's proposals) through a number of different activities. These include open days at Council offices, conversations with residents on the buses, using social media, workshops with Parish Councils and Resident Groups and sessions with different stakeholder groups. We have worked with York Community and Voluntary Service to engage with communities of interest so that we consider the views of as many residents as possible.
- 4.2. We have learned that people love living in York but they do not just see the postcard image. They recognise there is a need for change and improvement in some services.
- 4.3. Although we had conversations with people around a number of different issues the common themes that emerged were that people:
 - want the Council to prioritise front line services such as street care, highways, litter and waste;
 - asked us to reduce bureaucracy;
 - see protecting vulnerable people as important;
 - want the Council to deliver more services online;
 - would like access to facilities for young people;
 - want to keep the city centre feeling safe and with less alcohol; and
 - asked us to be transparent, even when we are in the wrong.
- 4.4. People said they wanted the Council to just get on with the job and tell them when we need their help. They want the Council to consult residents before we want to make any changes so they can help us think through the implications. They also want us to demonstrate that we have listened, even if proposals go ahead unchanged.

- 4.5. The Council and its partners will work with residents, communities and businesses to respond to the feedback and the proposals in this section begin that process.
- 4.6. Looking specifically at the feedback from parents regarding the Early Years Service, the most significant response was that they strongly want to maintain the Children's Centre buildings we currently have. The Council's original view had been to reassess the demand and need of the buildings as part of a move towards targeting services to the most vulnerable in the City. By listening to what people actually want, they have influenced the debate and we will now work with parents and others to maintain the current provision. This can only be achieved if communities play a greater role in owning and managing the centres and we will work with them to achieve this.
- 4.7. In terms of services to young people, the Council proposes to relocate Castlegate based services to West Offices. This provides an enhanced and co-ordinated post 16 young people's service as an alternative to the current service provided from Castlegate by the Personal Support Inclusive workers. The new service will work together with existing council services such as Housing, Benefits, York Learning and Future Prospects and with partners including Job Centre Plus, Citizens Advice Bureau and others to deliver the support currently given under one roof.
- 4.8. Further proposals centre on schools and are influenced by school heads. These include having a small team to support school to school peer led improvement and also providing a traded service as required. Heads acknowledge that schools have the expertise and leadership to best drive improvement, supported by the Council where required.
- 4.9. In relation to Place Based services, residents have already told us that waste and recycling are important to them. Residents recognise that they have a part to play in keeping the City clean and tidy and a role in the City's sustainability through recycling. In addition, the following themes emerged from discussions with residents, communities, businesses and our partners.

- Some areas of the City have a very strong community capacity and willingness to be involved whilst others are not as strong;
- Communications need to be improved such as:
 - access to information;
 - more accessible channels to feedback and communicate with other community groups, the council and partners;
 - discussion with residents about changes to traditional services such as grass cutting and green waste; and
 - support and training for people in the community to work with us.
- Greater support for volunteer organisations to sustain a strong core of volunteers and develop the service offering;
- Communities want better access to the Council's (and its partners') assets and resources. They want the Council to support and enable community groups to develop rather than act as a gatekeeper. They also want influential community members such as 'Community Wardens' to be encouraged to network and share knowledge.

4.10. Our proposals for Place Based services will be set out in November but they will include two different community safety projects. In The Groves we will work with community groups led by the Residents Association to tackle issues around drugs, alcohol and intimidation. In Rural West we will work with our partners and communities to strengthen communication and networking between villages and provide access to resources to help resolve problems such as cold calling.

4.11. After collaboration with Innovate York, the Council will work with communities to design and own a sustainable-living app will provide refuse collection reminders, recycling and up cycling (where waste or useless products are converted into something that can be used) advice, tips on sustainable best practice and sustainable news and information about events.

4.12. At the Council's open engagement events people said that the adult social care services that really mattered to them were mental health services, having good carers, home care, good social care and protecting vulnerable people.

- 4.13. The biggest changes they wanted to see were a one-stop shop for adult social care/care of the elderly, inclusive support, suitable adult social care equipment and care tailored to individual needs.
- 4.14. Residents expressed the view that health and social care advice, information and services needed to be brought together more. Particularly carers commented that it made little sense to deal with two organisations when much of their activities overlapped. The council's work on a series of Better Care Fund projects with York Hospital and the Vale of York CCG will provide the basis for further integration and this will be set out in the November Transformation Paper.
- 4.15. During October a specific engagement campaign will take place with residents receiving adult social care services, their carers and our partners. Outcomes from this will be reported in November.
- 4.16. Overall the community engagement activity has given valuable insight into what is important to residents and communities and this has influenced the proposals made in this paper. It is important to stress that this is not a one-off engagement campaign; rather it is our new approach to ensure the Council puts residents at the heart of everything we do.
- 4.17. The Council will commit to explain decisions which it takes especially when these are taken for good reasons but are not inconsistent with the immediate views of residents and users. These may be taken for legal, financial, sound operational or even political reasons. This is inevitable especially in a democratic local authority but the key is transparency, explanation and accountability.

5. How we work in the Council

- 5.1. The feedback we have received from residents, staff, elected members and partners challenges the way the Council works. We also recognise that in the face of significant staff reductions and an increased demand for services we have to work hard to support our staff to make the changes that will be required.
- 5.2. In order to put residents first, the Cabinet Paper in July set out the behaviours the Council wants to encourage to help become

more responsive and flexible. This shift change signals that we want to become modern public servants, who are outcome focused, accountable, entrepreneurial, professional and ambassadors for the community.

- 5.3. This is a planned and systematic approach to align our strategy, people and processes. This is not just about behaviours; procedures will have to be reviewed and changed, for example performance management and levels of delegated authority. It is a long-term programme where the impacts will be cumulative over time and requires Members and senior managers to lead by example.
- 5.4. We already know that the Council's workforce is eager to transform and deliver excellent customer service. The Rewiring programme provides the framework to do this so that staff can provide a better experience for residents and customers. Therefore we need to commit to review and reform procedures and processes.
- 5.5. We reported in July that a review of the current position had been conducted and that we were engaging with residents to gain their perspective of our organisation and the changes we need to make. The review highlighted that some aspects of our culture and approach need to be overhauled.
- 5.6. We now know from our engagement with residents what is important to them when they interact with our staff. They said the changes they wanted to see were:
 - staff listen to them;
 - staff are experts in their particular area;
 - staff provide ongoing feedback to keep people informed;
 - we are efficient, more transparent and communicate better;
 - we explain what we are doing and what we will not do;
 - we work together as a Council;
 - we use our common sense;

- we engage with residents better and encourage communities to take charge;
- 5.7. These expectations align with the Council's four values and we are now able to outline our plans for transforming internally to meet the expectations of our residents and the external changing environment. Senior managers have given considered thought to what is required and a comprehensive action plan, developed with staff, is now in place that will:
- strengthen leadership capacity and capability at all levels including elected Members;
 - develop the culture we want to establish;
 - fully engage staff in transforming how we work; and
 - enhance the skills of our staff and attract high calibre candidates.
- 5.8. During October we are holding a series of engagement sessions for all staff that aim to focus everyone on listening to and working with residents and communities. The sessions will be led by senior managers and include a short film featuring City of York residents and businesses. They will also increase awareness of how we are transforming to respond to residents needs and demonstrate how we are taking action on the issues raised by staff. In addition we will engage staff in suggesting how we work together to deliver an excellent service with the resident at the heart of it.
- 5.9. The approach demonstrates our commitment to continuously involve and engage staff in designing and developing how we transform so that real progress can be made.
- 5.10. Collectively the activity we have planned will help enable the Council to change how we do things in line with residents' expectations as well as improve our systems, processes and structures. The aim is to create a truly engaged organisation that achieves:
- better business performance;
 - high staff retention;
 - a strong sense of purpose and identity;

- highly energised, productive and innovative staff;
- an attractive reputation;
- accountability; and
- sustained long-term success.

5.11. Our residents and customers will benefit from seeing the changing relationship we want to achieve:

- By proactively creating opportunities to engage with residents and communities we will understand what they want to achieve for themselves, their community and the City of York. Together with our partners, we will work with them to deliver this. Residents will feel that we have listened, they have influenced and we have delivered the right outcomes for the city.
- Our customers will experience a consistently excellent level of customer service across the Council. We are working hard to achieve the Customer Service Excellence Award that will recognise our commitment to this. We will have a Council where staff are focused on delivering results for the customer rather than adhering to a process.
- As leaders we will set the tone for the organisation and continuously engage with our staff through the organisational development activity our behaviours will change. We will become a more cooperative Council, working together, living our values, behaving as our customers expect and being willing to go the extra mile. This will help our customers to feel valued and City of York's reputation as an excellent Council will grow.
- By introducing an ICT system to record and report contact with residents from a variety of channels, customers will only have to tell their story once. All frontline staff will have access to the same information and will take responsibility for co-ordinating activity across a number of areas. Customers will experience a seamless service where issues are resolved more quickly.
- By aligning the behaviours we expect with the right systems and processes, the Council will be better placed to act on its promises, have access to up to date information on-line and

communicate regularly through the resident's medium of choice. Our customers will feel informed and know what is happening at every stage in the process. Customers will know that City of York Council puts residents first and they can trust us to make the right decisions. They will also know that when we get it wrong, we will be honest and work with them to find the right solution.

- Over time the impacts of the activity to improve how we work internally will increase the level of staff engagement. An outcome of this is increased performance and residents will see an improvement in the level of service provided by the Council.

5.12. The activity to develop the culture and behaviours will evolve as we transform how we work. The Council will provide regular updates to Cabinet on the progress made and the outcomes for residents and customers.

6. Implications

- It should be noted that all of the Transformation projects will have significant implications in terms of Financial, Procurement, Legal, ICT, and HR support.
- The programme is dependant upon a significant input from these areas of expertise. The issues, and options, within the programme potentially involve major new procurement activity, major systems change, fundamental changes in delivery method, and major staff changes.
- Ensuring the capacity and skills needed to support the Rewiring programme (alongside major other savings not within the transformation programme and many other major projects), will present a significant challenge.
- **Financial** – Individual projects will develop further detail throughout the engagement period and the resulting revised options and business cases will have financial implications. These proposals will be considered by Cabinet in October 2014. Individual proposals also may create procurement events e.g. implementation of digital channel;
- **Human Resources (HR)** – The report acknowledges that during the implementation of proposals, there will be an

impact on council resources. The report also identifies that an Organisational Development Programme will be created;

- **Equalities** – The actions in this report further the Council's commitment to equalities;
- **Legal** – A number of the proposals within this report will lead to different delivery arrangements for some existing council services. Legal expertise and advice will be sought accordingly.
- **Crime and Disorder** – None;
- **Information Technology (IT)** – The Re-wiring Public Services will depend on ICT services to support a new phase of on-line services;
- **Property** – It is likely that changes will be made to the Council's asset base as a result of the rewiring programme. Property colleagues will be consulted as appropriate.
- **Other** – None.

7. Recommendations

7.1. Members are recommended to :

- note that extensive engagement has taken place as agreed by Cabinet in July and the priorities that residents have expressed;
- approve the 3 Children's Services business cases.
- agree that a further update on the organisational development plan be brought to Cabinet in November as part of our commitment to report regular progress.

Reasons:

- the phased approach will allow Children's Centres to become more sustainable, develop community capacity and support the long term vision for Whole Family Support;
- the approach for Phase 2 of the transformation of Services to Young people will allow for the savings target to be achieved
- support the closure of Castlegate and the re-provision of services from West Offices will build a sustainable model which has the flexibility to respond to schools needs;

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Wards Affected: All			√
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For further information please contact the author of the report

Background Papers:

[July 2013 Annual Performance Report](#)

[Peer Review Letter](#)

[Response to Peer Review](#)

[LGA Summary Document of Rewiring Public Services](#)

Better Care Fund Application

Annexes

Annex 1 – Early Years Business Case

Annex 2 – Services to Young People Business Case

Annex 3 – School Improvement and Skills Business Case

Glossary of Abbreviations used in the report:

CAN's – Communities and Neighbourhoods

CCG – Clinical Commissioning Group

CiN – Child in Need

CMT – Corporate Management Team

CPP – Child Protection Plan

DfE – Department for Further Education

HR – Human Resources

IAG – Information, Advice and Guidance

ICT – Information and Communications Technology

IDACI – Income Deprivation Affecting Children Index

LA's – Local Authorities

LAC – Looked After Child

LDD – Learning Difficulties and Disabilities

NEET – Not in Employment, Education or Training

PSI's – Personal Support Inclusion Worker

SEND – Special Educational Needs and Disabilities

SME's – Small and Medium Enterprises

SICG – School Improvement Commissioning Board

SOA – Super Output Area

YEP – York Education Partnership