

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE – 2 OCTOBER 2019
Report Number	AGENDA ITEM No. 8
Subject	PUBLICA UPDATE
Wards affected	ALL
Accountable member	Cllr Toby Morris Cabinet Member for Resources/Deputy Leader Email: Toby.Morris@westoxon.gov.uk
Accountable officer	Frank Wilson – Group Finance Director Tel: 01993 861291 Email: frank.wilson@publicagroup.uk
Summary/Purpose	To give the Overview and Scrutiny Committee an update on the progress of the Councils service delivery company Publica after the end of the financial year and to provide an update on the transformation programme. A presentation will also be given on the new customer service digital platform that has been introduced and how it may be developed in the future to support residents and councillors.
Annexes	Annex A - Design Principles Annex B - Summary of Savings
Recommendation/s	<i>That the update be noted</i>
Corporate priorities	To provide high quality services at the lowest possible cost to Council taxpayers
Key Decision	NO
Exempt	NO
Consultees/ Consultation	N/A.

1. BACKGROUND

ESTABLISHING THE COMPANY

- 1.1.** Following the decisions by the 2020 Partnership Councils to transfer services to Publica in the autumn of 2017, the initial focus was on company set up and transferring staff to the new organisation whilst maintaining service levels to residents and this has been achieved. It was recognised that this would be challenging both for staff, all of whom had worked for individual councils, and in terms of creating a legal entity with appropriate financial controls.
- 1.2.** The 2020 Partnership Programme Team, which contained staff from each council, oversaw the process to establish Publica including undertaking a full legal audit; agreement of articles of association and a memorandum of understanding; appointment of Executive and Non-Executive Directors; separation of budgets for both the Councils and Publica; and transferring budgets and staff into the existing finance and payroll systems.
- 1.3.** In the six months prior to staff transfer the newly established Company Board established Trade Union Recognition Agreements and a number of business critical policies covering finance and staffing matters.
- 1.4.** Following feedback from when GO Shared Services (Joint Finance and HR between all four councils) was established we knew that marking the change from Council employment to Publica was a significant moment at which we needed to create a sense of one new organisation serving four independent local authorities . Given our focus in the first year was very much around “doing the day job really well” we did not wish to start changing organisational structures and processes. We did however want to develop and promote to staff a common approach and support them with a series of change management initiatives including the creation of a staff portal, training on coping with change and weekly Keep You Connected emails.
- 1.5.** The branding of Publica as the new employer, the establishment of a new set of company values (developed with the staff) and moving across to Publica e-mail addresses (a legal requirement for the company) were essential components of our Day One Strategy to create a sense of belonging for our employees. It was also made clear that this branding needs to be subservient to any Council locality brand in the eyes of residents when receiving services.
- 1.6.** We embarked upon an extensive Leadership Development Programme which set out our plans for creating an organisation that was fit for the digital and connected world in which we now live. We shared this vision for the future extensively with our staff to gain their feedback and views. We also put in place the first phase of our new leadership team with five Group Managers each having a broad area of the business to lead:-

- Jon Dearing – Resident Services
- Claire Locke – Commissioning
- Andy Barge - Strategic Council Support
- Bill Oddy - Service Improvement & Commercial
- Phil Martin - Business Support

2. BUILDING FOUNDATIONS FOR SERVICE TRANSFORMATION

- 2.1.** We knew that creating new organisation design (structure) together with consistent set of terms, conditions and pay would be essential for people to recognise that we were truly one organisation as well as being a legal requirement. At the outset we agreed that for all staff transferring into Publica we would protect local government pensions, length of service and existing annual leave entitlements. We also established the principle that efficiencies would NOT be delivered through a reduction in terms and conditions.
- 2.2.** After an extensive period of consultation with Trade Union and Staff Representatives we agreed a paper on revised Terms and Conditions and Pay and Grading Arrangements for formal consultation with staff. Between January and March 2019 the Joint Consultative Strategy group considered the feedback and made further amendments. The final proposals for the Terms and Conditions were subject to a formal ballot of Trade Union Members in April which was agreed by staff members and then implemented at the beginning of June.
- 2.3.** With regard to pay and grading, we agreed with the Trade Unions to undertake a process of “directed discussions” whereby each member of staff would be invited to discuss their roles. This assists us in better understanding how individual roles can be managed within our new organisation design principles and ascertain the appropriate pay and grading levels. To date 75% of staff have completed their directed discussions with the rest due to be completed by September. Each member of staff has the opportunity to challenge the grading assessment and ultimately appeal the decision to an Independent Panel. To date 86% of staff have accepted their initial assessment.
- 2.4.** We will use the detailed feedback we have reviewed from the directed discussions to make final amendments to the pay and grading proposals prior to seeking formal agreement with staff on the new scheme by January 2020.
- 2.5.** To support future organisation redesign 16 new Business Managers were created and appointed between November 2018 and March 2019. All Business Managers roles are

organisation wide and will support all of the councils and clients. They are a mixture of service based roles and organisational support roles (Business Support and Strategy and Commissioning). They are designed to be inter-dependent upon each other to avoid working in “silos”. This has resulted in a small number of staff (about 40) moving business areas. However, this is unlikely to result in any day to day change in their roles at this time.

- 2.6.** The third key component to building a solid foundation for one organisation supporting four independent councils was to invest in a new digital platform which has the capacity to deal with all service enquiries (both external and internal) from all access channels including face to face; phone; web; social media; and e-mail in a consistent way.
- 2.7.** After completing an independent detailed review of our needs and requirements we entered into a contract with a supplier called Salesforce which is a market leading customer relationship management (CRM) system and which has created specific public sector products. Phase one of implementing Salesforce has been to work with our customer services teams to transfer all of the existing face to face and telephone services onto the new system. This was completed for the Councils in May of this year.
- 2.8.** In order to give a complete picture of customer demand coming into the Councils we not only need to capture telephone and face to face interactions but also requests being made via the website, through e-mail and through the increasing use of social media channels. Capturing this data was not possible through our old systems but is now possible through Salesforce. It is anticipated that these capabilities will be added to the system by the end of the year.
- 2.9.** Over the last few months we have started building our ability to collect, collate and analyse user data and feedback. Since the start of the year we have been collecting customer satisfaction data through our various access channels. This has shown high levels of satisfaction for face to face and telephone contact but substantially lower satisfaction of the council website. This is consistent with other local authorities and gives us clear evidence that there is a latent demand for improved 24/7 online digital services.
- 2.10.** Other evidence and data on current levels of service demand being dealt with through our customer services teams together with our recent knowledge of customer service process reviews and the feedback from the directed discussions has given us a robust evidence base to help us put together a prioritised organisation redesign and service improvement programme which will start in September 2019 and in truth will be continuous.
- 2.11.** Historically our approach to improving services has been done in silos with professionals designing processes, i.e. planning officers reviewing development management services. We know, because we have completed user research with residents, that many of these processes are complex and don't meet customers' needs. We also know that customer

satisfaction rates for the council's digital services are significantly lower than other forms of engagement including face to face and telephone. These services are only offered during office hours and customers want to engage with the council remotely twenty-four hours a day, seven days a week.

- 2.12.** Over the last ten years digital services and the way customers interact with organisations has significantly improved. Central government has built the .GOV website and services offered nationally have been built in a more consistent way and examples to demonstrate this include DVLA, HMRC, and The Passport Office who all use Salesforce to deliver services. The local government sector has not worked collaboratively to improve digital services and each local authority has adopted its own approach. Many smaller authorities don't have the capability, capacity, or financial resources to improve digital services and this is reflected in their customer satisfaction ratings of their websites. One clear advantage of creating Publica is that the four councils have been able to pool their digital resources and build the capability to improve digital services for each council that meet the needs of local residents.
- 2.13.** We also understand that not all residents use digital technology and the ability to interact with the council using traditional methods will continue to be maintained at the high levels of customer satisfaction.

3. DIGITAL SERVICE IMPROVEMENTS

- 3.1.** At the time of completing the initial implementation of Salesforce for telephone and face to face contact, no changes were made to the existing processes but as services were transferred across we identified a number of simple changes that could be made to improve the customer experience. These have been added to a backlog of quick win service improvement opportunities which will be considered during the service improvement phase.
- 3.2.** This next phase of our journey will build on the foundations we have put in place over the last year and make the residents' experience of our services better. The Publica Business Plan states that "By 2020 for our residents, councillors, staff, clients and other councils will notice visible improvements to how services are delivered".
- 3.3.** Our data and evidence from the last 18 months tells us that there are opportunities for substantial improvements to be made, some of which might be easy and others which may require substantial investment and time to implement. We know that we have about 350,000 contacts across the partnership from residents through our phone and face to face channels. However, we do not yet know how many other interactions we receive each year from e-mail, web and social media. Nor do we know the extent of internally driven requests for action. It is likely that this could double the total number of contacts.
- 3.4.** Our first digital transformation objective will therefore be to reduce the need for residents to contact us. We know from our research that many residents contact us

because they are not clear on who else to ring, or how else to report something. They also contact us repeatedly when they are trying to get an update or to get reassurance that what they have already given us has been received and actioned. Providing better, clearer and simpler information as well as regular and timely updates and quality responses will reduce the need to contact us.

- 3.5.** Our second objective is that if someone does need to make contact with us that they are encouraged as far as they are able to “self-serve” This will reduce the number of calls coming to the council as well as ensuring that the information required can be automatically loaded into our systems. This will require building the capability in Salesforce to link actions such as “report”, “request” “apply” and “pay” from the website directly into the system. As part of this we will be undertaking a complete overhaul of the website architectures to ensure that self-serve is easy, quick, simple and secure.
- 3.6.** Our third objective is to optimise the speed at which a customer interaction is completed preferably at the first point of contact but, if not, by the teams responsible for the service. This is perhaps the most challenging objective which may require further investment in new systems to automate processes and/or require changes to the way we organise our services.
- 3.7.** Our fourth objective is to optimise the use of our staffing resources. We know that traditionally our most specialist and experienced staff have undertaken “blended roles” taking them away from optimising their unique skills and knowledge that they have. By creating a team of staff around them we are able to ensure that each part of a task is undertaken by the right person at the right skill level.
- 3.8.** In 2018 we undertook a three day research audit of how residents experience our customer services which identified a number of things that if addressed would make a substantial difference to the user experience. In order to deliver our promises we will undertake a systematic review of all our customer interactions guided by the following design objectives:
- Give residents confidence to self-serve
 - Make it easier to find information – by providing shorter clearer written material and letters
 - Only request evidence when it is absolutely necessary and proportionate
 - Be clear on what information is required and ask only for what is necessary for each specific request
 - Only use online forms and editable formats (not PDFs)
 - Prioritise simple requests to be completed by a single click either online (self-serve) or by the customer services agent
 - Make all payments simple and intuitive using the same method online or assisted by customer services agent
 - Be clear what requirements need to be met for a service to be approved

- Provide status updates as soon as progress has been made – no matter how small
- Provide confirmation that information or payments have been made
- Ensure that time sensitive issues are responded to immediately
- Ensure that where a call back from a specialist is needed that this is actioned promptly
- Explore with other local bodies (e.g. County Council) how we can provide a “front door” service to all of our residents
- Where specialist advice is needed book an appointment with the right person
- Make sure information is up to date and is consistent across all channels
- Maintain Council to Resident branding to avoid confusion
- Link properties to people to give a single view of the customer

3.9. Now that the Salesforce platform is live in all three authorities, the focus of the next phase of transformation is to build the necessary digital capabilities, which will facilitate the introduction of new improved processes and ways to service customer requests, thus ultimately improving the customer experience and operational efficiency.

3.10. This will essentially be delivered by two teams working closely together. A technical team who will have the skills and knowledge needed to build the capabilities within the Salesforce platform and a service design team, who will work closely with operational managers to work through processes using a range of tools and techniques as well as consulting customers and completing user research.

3.11. In order to ensure that the next phase of transformation meets the needs of the Councils and it's residents, a priority list of the processes that the service redesign team will focus on has been identified and includes:

- Replacement container (Waste and recycling)
- Development management Enquiry
- Missed collection (Residential Waste)
- New container request (Waste and recycling)
- Container delivery delays (Waste and recycling)
- Bulky waste booking
- Councillor enquiries
- Missed waste/recycling collection
- Purchase garden waste licence
- General enquiry - Council tax
- Building control inspections
- Abandoned vehicles
- Fly tipping
- HR processes

- 3.12.** In order to improve these processes the following Salesforce functionality/capabilities will be built:
- Email to Salesforce Case (e.g. Email straight into Salesforce)
 - Web to Case (e.g. Web forms on Council websites)
 - Social Media to Case (e.g. Facebook, Twitter)
 - Customer Tracking (e.g. customer ability to track case)
 - Councillor to Case (specific capabilities to better support our Councillors)
 - Field Service App Connectivity (using an App to update cases on the move)
- 3.13.** In addition, the intention is to refresh the council websites using national standards to enable residents to find information and report issues more easily and for this to be linked to the Salesforce platform.
- 3.14.** All of these processes, with the exception of the HR ones, are customer related. In addition, they are all 'high' volume and relatively low risk and lower complexity. By redesigning these processes the business plan vision for our residents, councillors, staff, clients and other councils to notice visible improvements to how services are delivered will be delivered.
- 3.15.** A presentation will be given on progress to date with the digital platform and the data that is now becoming available to help support decision making and resource allocation in the future.
- 3.16.** The design principles supporting the digital service improvements are based upon the Government Digital Service (GDS) principles which all public bodies are expected to follow. These are set out in Annex A.

4. FINANCIAL IMPLICATIONS

Business Case

- 4.1.** The 2020 Vision Partnership established by the four partner councils in 2014 led to a successful bid to the Department for Communities and Local Government for £3.8m of funding to support further partnership working and deliver further shared service savings to all partners. The partners also supported the partnership with the addition of their own funds to create an overall business case funding package of £10.1m to resource the work across the partnership and finance change.
- 4.2.** The business case initially led to the development of the Environmental and Regulatory Services shared service for three partners (delivering circa £800k of revenue savings) and subsequently an agreement to form a company (or companies) to deliver all the services of three of the partners and some services for one of the partners (CBC).

- 4.3. The overall business case set out the delivery of annual revenue savings of £5.5m to the partners for a net one off cost to the partners of £6.3m (after DCLG funding) with the delivery of the savings in large part coming through by 2020 and further smaller savings being achieved in the subsequent years to 2028 to reach the target. In total over a ten year period the business case suggested cumulative revenue savings to taxpayers of £40m.
- 4.4. Since the formation of the partnership the planned savings as at 31 March 2020 had been expected to reach £13.5m. Latest projections anticipate the cumulative savings to taxpayers will be £14.9m by 31 March 2020 so savings are running slightly ahead of target at present assuming the savings budgeted this year will be delivered.
- 4.5. To enable the remaining underlying revenue savings targets of the business case to be met for all partners the partnership will need to deliver a further £0.5m of savings in 2020/2021 with the balance being delivered through continued pension savings in subsequent years from new Publica employees.
- 4.6. As in previous years some of the savings will be made through the Publica contract and some directly in Council budgets through other activities such as the Ubico contract and through property and accommodation savings where possible.
- 4.7. For West Oxfordshire the underlying budget savings proportion being delivered through the partnership and the company model was set out in the business case at around £1.7m – it is anticipated these savings will reach £1.5m by the end of March 2020 with cumulative savings reaching £4.4m since 2015.
- 4.8. With the inclusion of the partnership savings made with West Oxfordshire and through GO Shared Services prior to 2014 these figures reach a £2.7m base budget reduction and over £14.5m cumulative savings in the decade from April 2010 to March 2020 for West Oxfordshire DC.
- 4.9. Attached at Annex B is a summary of revenue savings made through the various partnership arrangements shown graphically.

Future Savings Requirements

- 4.10. All of the partners have outlined medium term financial strategies that highlight a continuing need to deliver further savings beyond those set out through the partnership or other related mechanisms.
- 4.11. Given the uncertainties in government funding it is not clear what the potential budget gap facing each Council is and this may not become clear for some time. We do know however that there are some significant risks around the funding to district council

services in respect of Business Rates reset; New Homes Bonus; Fairer Funding Review and Rural Services Grant.

- 4.12. These issues raise potential risks that have been flagged up to each Council that could amount to £2m + for each of the partners. This funding gap could start to occur as early as April 2020 although it is likely to manifest itself more slowly in light of the current government legislative timetable.
- 4.13. Each Council will need to consider the range of options available to it to fill any such funding gaps in the future and Publica could meet some of these requirements through the further changes set out in section 3 above.

5. LEGAL IMPLICATIONS

- 5.1. As this is an update report with no decisions to make there are no legal implications.

6. RISK ASSESSMENT

- 6.1. As this is an update report with no decisions to make there are no associated risks. Risks associated with the partnership are set out in the Councils corporate risk register.

7. CLIMATE CHANGE IMPLICATIONS

- 7.1. Shared working arrangements potentially increase the carbon footprint of the partners where some officers are required to work across the broader geographical partnership. This is mitigated as far as possible through the use of technology to reduce the need to travel. Home working and smart working practices also reduce the need for travel. Improving the self-serve offer for the Council's customers, will provide more choice to residents and should reduce unnecessary travel to the Council's offices for residents.
- 7.2. As part of the climate change working group officers will consider the potential for further improvements in our carbon footprint in a shared working environment for example using pooled electric vehicles.
- 7.3. In addition Publica offers access to a car leasing scheme for all employees which gives savings in tax and national insurance via salary sacrifice for Ultra Low Emission Vehicles (ULEV).

8. BACKGROUND PAPERS

None



Service Design Principles and Standards

To guide the work of the service design team we have set out the following design principles which are based on the Government Service Design Standards - <https://www.gov.uk/service-manual/service-standard>

Understand service customers and their needs

Develop a deep understanding of customers and the problem we are trying to solve for them.

Solve a whole problem for customers

Work towards creating a service that solves one whole problem for customers, collaborating across organisational boundaries where necessary.

Provide a joined up experience across all channels

Work towards creating a service that meets customers' needs across all channels, including online, phone, social media, paper and face to face.

Make the service simple to use

Build a service that's simple, intuitive and comprehensible. And test it with customers to make sure it works for them.

Make sure everyone can use the service

Provide a service that everyone can use, including people with disabilities or other legally protected characteristics. And people who don't have access to the internet or lack the skills or confidence to use it.

Have a multidisciplinary service design team

Have a multidisciplinary team that can create and operate the service in a sustainable way.

Use agile ways of working to deliver service improvements

Create the service using agile, iterative user-centred methods.

Iterate and improve frequently

Make sure we have the capacity, capability, resources and technical flexibility to iterate and improve the service frequently.

Create a secure service which protects customers' privacy

Evaluate what data the service will be collecting, storing and providing.

Define what success looks like and publish performance data

Work out what success looks like and identify metrics which will tell us what's working and what can be improved, combined with user research.

Use the right tools, and technology to meet customers needs

Choose tools and technology that let you create a high quality service in a cost effective way. Minimise the cost of changing direction in future.

Operate a reliable service

Minimise service downtime and have a plan to deal with it when it does happen.

