

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	28 March 2011
<b>Title:</b>	“Open for Business”: the alignment of policy and resources – Report 2
<b>Reference:</b>	2792
<b>Report From:</b>	Chief Executive

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#### 1. Introduction

1.1 Cabinet received the first ‘Open for Business’ report at its meeting on 24 January 2011 when it was agreed to:

- take a strategic review of opportunities, policies and transformational issues that will develop over the life of the current political administration;
- systematically work through these policy developments, create a sustainable response and implement the necessary delivery mechanism whilst keeping sight of the importance of focusing on best value public outcomes;
- produce a (revised) policy framework around which future capacity and resources would be organised; and
- to update Cabinet on a regular basis on these developments

1.2 This report updates Cabinet on a number of proposals and issues mentioned in the last report and those that are emerging as opportunities for the Council. The approach agreed by Cabinet in January was to develop a systematic way of developing new opportunities and business approaches alongside the impact of reduced resources.

The previous report identified the following significant activities around which work has now begun:

- **Review of Rural Policies**
- **Trading and Shared Services opportunities**
- **Partnership working**

- **Asset Management and Infrastructure**
- **Economic development**
- **Public services in Hampshire**
- **'Super fast' broadband**
- **Hampshire County Councils role as an employer**
- **Children's and Adult's Services**
- **Apprenticeships and employment opportunities for young people**

- 1.3 It is not intended that these activities are given a higher priority than other service activity – more that they represent areas of work that should be developed to complement and underpin the realignment of resources being driven by the Cost Reduction, Efficiency and Transformation Programme. This provides the opportunity to demonstrate that Hampshire is 'Open for Business', for the public, business and partners. This is consistent also with our role in developing public services in Hampshire.

## **2. Localism Bill**

- 2.1 A detailed briefing on the specific provisions of the bill and a commentary on the main points of interest for the County Council has been circulated to Members.

At the same time, work is already underway to proactively prepare for the implications and requirements of the Bill. This will need to include the Public Services Reform White Paper which David Cameron gave some indication of in late February and is due to be published imminently. One of the themes of the Prime Minister's recent speech was a desire on the part of central government to have a mixed economy of provision in public services.

Cabinet may wish to consider the opportunities and challenges of the emerging localism, transparency and wider 'Big Society' agenda. The Localism Bill and Local Government Reform White Paper will impact on how the Council does business, how local development takes place and how aspects of the community (or private sector) can be supported to complement or substitute for some activities of the Council. The Bill contains many other provisions that are covered in the briefing paper mentioned above.

## **3. Place Shaping**

- 3.1 The previous 'Open for Business' report referred to the need to review our policy and approach to economic development. In looking at the economy it is important to take a long and a broad view, and not to be entirely focused on immediate short term issues and circumstances or indeed on a restrictive view of what contributes to 'economic' well being. Quality of Life in Hampshire is not only a key priority for the County Council, it is fundamentally important to its future economic success. Therefore it would

be wrong to define or measure economic policy as simply about economic growth or development. However, a stable and sustainable level of economic growth will be an important objective, which generates wealth to invest in the infrastructure, environment and public services which underpin the quality of life in Hampshire.

- 3.2 Environmental quality is a major asset of the County both in economic terms and in defining the special quality of Hampshire. The County Council can play a major strategic leadership role in setting out an integrated policy approach to the future of Hampshire, developing a framework which combines our vision for the future scale and direction for growth with a management of the quality of development, regeneration targeted on priority areas of particular need or economic under-performance and careful stewardship of the environment and character of Hampshire. This 'Place-Shaping' role will also need to embrace the emerging challenges such as energy security and a changing climate, as well as the immediate issues around workforce skills, delivery of infrastructure and securing the right quality development in the right locations.
- 3.3 The previous report also discussed the challenging issues in relation to future funding and the need for the County Council to consider new models for investment and delivery, including Tax Increment Finance (TIF). With the growing interest in the concept of TIF or the potential repatriation of some proportion of business rates to local authorities, the link between economic performance and financial security for local authorities may become even more compelling. Therefore early work on reviewing the County Council's approach to economic development, capital financing and new delivery models, as part of the 'place shaping' agenda is important and timely. A report on these matters will be presented to a future meeting of Cabinet.

#### **4. Relationship with the Voluntary Sector and local communities**

- 4.1 One area identified for exploration in the first Open for Business report is how to evolve new partnerships, in particular the Council's relationship with the voluntary sector and local communities. This is not a new area of discussion or of activity. Departments have in place various approaches that are locally focussed (e.g. Local Children's Partnerships, Area Transport Forums) and involve communities and users (e.g. Self-Directed Support, Community Support). The Council already provides significant support to the voluntary sector in all its forms from commissioning large volumes of service from the sector to helping communities to support themselves (e.g. support to VCS and community associations and member grants). These commitments need to be maintained whilst exploring how to shift the balance, if desirable, in favour of more enabling and co-production rather than direct provision. This will require actively supporting and encouraging social enterprise and the voluntary/ charitable/ community sector. The Council's role could be more about removing barriers, supporting the creation of a strong market and ensuring that public

funds are effectively used. A new policy statement for this relationship would provide a platform for this development including how to measure how effectively resources are being deployed.

4.2 The challenges for the future include consideration of:

- Putting community empowerment at the centre of a strategy to ensure we save money by focussing on what matters most to people and maximising the extent to which they get involved in decisions and delivery.
- Addressing to what extent more delivery capacity is moved, particularly to social enterprises and community organisations. This can provide the opportunity to reshape services and achieve efficiencies in the use and management of assets. It also allows the Council to focus on its strategic and democratic roles and to redefine the part played by commissioning as opposed to direct delivery of services.
- A greater emphasis on local solutions to local issues means the role of local members as leaders in the communities they represent needs to be redefined.

All of this work is consistent with emerging policy ideas on or around the 'Big Society', greater levels of voluntary activity and recognising in the short term the reduction in our resources. Work in all these areas has begun.

**5. Developing Alternative Trading arrangements for Adults In House Services and other Council Services**

5.1 In order to further contribute to the Corporate Efficiency and Departmental transformation programme, Adult Services needs to consider reform to the ways in which its services are delivered. Although it is important for the County Council to retain its presence and influence in the market place, there is a recognition that all in-house services need to continually become more flexible and responsive, including the need to reduce unit costs; to compete and trade more openly and fairly alongside the independent sector; to seek opportunities to generate more income, particularly from the self-funding market; to facilitate personalisation; and to position services in a way that can respond to the future needs of the wider health and social care commissioning arrangements.

5.2 Work is underway to explore a number of options:

- Business as usual – continuing with transformation but retaining in-house services
- Moving in-house services to an independent provider
- Providing services via a joint venture with an independent provider
- Providing services via a social enterprise
- Providing services via a Local Authority Trading Company (LATC)

- 5.3 A broad evaluation has so far demonstrated that setting up a LATC may allow a more efficient and streamlined operation, whilst retaining the County Council's role as a strategic commissioner. The next steps are that the Council formally initiate the development of a robust business case for the development of an LATC under the Local Government Act 2003, to be presented to Cabinet as a draft in September 2011, with final approval in December 2011.

## **6. Customer Services /HantsDirect**

- 6.1 It is now nearly four years since Hantsdirect opened and the first of the Council's services were delivered via a Contact Centre. This was the first stage in the development of a Customer Services vision for the County Council and has proved to be a significant change to the way in which the Council interacts with customers. In the last four years there have been a number of other changes affecting the County Council the most significant of which is the reduction in public sector funding. This is therefore a sensible point to review the original assumptions on which the customer service vision was developed and consider the options for the future.
- 6.2 Hantsdirect has now become firmly embedded in the culture of the County Council and is a key part of the delivery of effective customer services. It is important that the 'Hantsdirect' brand is seen in those terms and not solely as a contact centre. Having got a sound base around customer access we now need to look at how we improve customer services further and exploit what we have to the maximum.
- 6.3 One aim is to develop more web based services and therefore access to new services should be designed on this basis, with common business procedures and protocols. Recognising always that face to face contact and other service channels means that we need to have a co-ordinated approach to designing and delivering services.
- 6.4 In moving to a contact centre model the assumption was that the telephone would always be answered by a person and that we would not use automated technology to either route calls or deliver services. There have however been significant changes in the quality of such technology in recent years and it is recommended that further detailed work is done to consider the use of Interactive voice recognition for certain routine high volume services. This together with the development of web self service would improve access to services as certain transactions could then "take place 24/7". Some essential services could not be 'shifted to other channels'.
- 6.5 As ever, there is an issue around funding in that the original budget for Hantsdirect was set to cover operational running costs but not any future IT developments. The future funding of Corporate IT developments will be included in the future review of our efficiency programmes.

## **7. Broadband**

- 7.1 The Hampshire Economic Board recently approved the submission of a bid to Broadband Delivery UK (BDUK) for grant funding to tackle the delivery of superfast broadband to rural areas. The bid will include a digital strategy for Hampshire that will need the support of partners as well as that of the wider community and the business sector. The digital strategy will include the approach for delivering online public services together with proposals for digital inclusion. This work is now urgent and being given the highest priority given its importance.

## **8. Asset Management**

- 8.1 By early summer a new strategic asset management plan will be available which will define an overarching policy framework for the better management of the Council's property assets, and will establish targets to ensure assets are more efficient, fit for purpose and tailored to meet emerging service requirements. The approach complements what is already underway through the Hampshire Workstyle programme. Work at Eastleigh was completed during February and the first phase of the Havant PSV (Public Service Village) will be complete by September. Together with the work already completed in Winchester these projects will deliver annual revenue savings of over £400,000. In less than 5 months' time County Council staff will be occupying offices in the PSV alongside District colleagues and shortly thereafter will be joined by staff from Health and the voluntary and community sectors. Once complete the workstyle project will have reduced the total number of offices from 53 to 15.
- 8.2 Alongside the Hampshire Workstyle project significant capacity will be created in the Council's libraries to support flexible working and customer access to services and information. A number of libraries now host Registration services and the latest initiative is a community police service in the Leigh Park Library.

## **9. Shared Services**

- 9.1 The earlier report explained the potential for the shared services market to expand. Some Councils will put a higher priority on some services than on others depending upon where a Council believes it has effective capacity or other competitive advantages. Initially, the development of SLA's (Service Level Agreements) to support the first Academies in Hampshire will be symbolic and important. Discussions and opportunities around shared services are emerging with Reading Borough Council, Surrey County Council, Dorset County Council, West Sussex County Council, Poole Borough Council and Fire and Police. It is anticipated that more Councils will wish to look at lower cost shared service options. The Council is therefore developing a management strategy in this activity alongside the developments in trading arrangements and the Corporate Services review approved in January 2011.

## **10. Economic Partnerships**

- 10.1 In the last report mention was made of the two LEPs emerging within Hampshire (and part of Surrey). The County Council needs to decide how it will work with both organisations. The transfer of the Economic Development function to the Environment Department brings together a critical mass of issues around place, transport, infrastructure, development and regeneration. A further report on opportunities in this area is planned for Cabinet in May 2011.
- 10.2 An update on Apprenticeships and the development of employment and recruitment schemes for school leavers and children in our care is planned for June 2011 making use of the £600,000 provided in the 2011/12 budget for young people Not in Employment, Education or Training (NEET).

## **11. Conclusions**

- 11.1 Subject to Cabinets approval, this report and the report in January 2011 will act as a template for policy and development reviews developed under the theme of “Open for Business”. Members may wish to consider how we develop a communication strategy with partners about our priorities – responding to the many and significant changes happening in Local Government.
- 11.2 The Cost Efficiency and Transformation programme for 2012/13 was approved by Cabinet in January 2011 and, taken together with the “Open for Business” strategy, provides a focus for how resources and priorities are developed and focussed. Responding to change on a local and national scale, together with the impact of reducing resources makes it imperative that the Council also maintains its performance on key services. Future reports on Open for Business will also look at the development of a suitable energy policy for the County Council and a more strategic review of future capital expenditure issues.

## **12. Recommendations**

- 12.1 It is recommended:
- a) that Cabinet endorse the policy reviews in this report as the basis for further work and report back to Cabinet, and
  - b) that a suitable communication strategy be developed for “Open for Business”.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes/æ
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes/æ
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes/æ
Corporate Improvement plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **Equalities Impact Assessment:**

Open for business draws together a significant programme of transformation for the County Council, updating policies and approaches. Equality impacts assessments of each element will be undertaken on the implementation plans.

### **Impact on Crime and Disorder:**

Many of the policy reviews underway present specific opportunities to enhance or promote community safety. For example, in developing any proposals for the joint use of community facilities with police or in call handling and response with partners.

### **Climate Change:**

#### **How does what is being proposed impact on our carbon footprint / energy consumption?**

The most significant areas relate to the policies on development and the future use of assets. Carbon and financial savings are key to the development of these specific policies.

#### **How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?**

The most significant elements relate to the policies on development for which climate change mitigation and adaptation will be key considerations.