

TITLE OF REPORT: Change Programme – Progress Report First Quarter

REPORT OF: Jane Robinson, Chief Executive

Purpose of the Report

1. To update members on the progress being made in respect of the Change Programme, that was agreed by Cabinet in February 2016.

Background

2. Cabinet agreed to a major programme of Change at the meeting on 9^t February 2016, to help the Authority ensure it continues to secure a balanced budget in the period up to 2021 whilst securing the right range of activities that residents need (See Appendix 1). Given the unprecedented scale and pace of change required, a co-ordinated programme was determined to provide the best opportunity to review the right things at the right time and to minimise the effect on what residents need and expect as well as employment.
3. It was acknowledged that the scale and breadth of the programme requires significant commitment from across the Council to understand the relationships and interdependencies between projects. This disciplined approach is intended to ensure we are exploiting opportunities to increase income rather than close or reduce provision where needed. The scale of the challenge requires a significant investment of time from all senior staff to deliver a major programme of change that will reach every aspect of the Council's business and every effort will be made to enhance the skills of the workforce through involvement in the various projects.
4. The sequencing and packaging of activities within the programme is also important as there will be some activities that are more complex and need a longer timeframe to explore the opportunities and find the right solutions (e.g. some changes relating to social care and the environment are likely to take a number of years to implement, especially where we need to ensure the community is able to share responsibility, whereas some projects, especially in regard to expanding traded services, could be completed within a year in order to create benefits). This comprehensive whole organisation approach will provide transparent and robust performance management so that decisions can be made about competing pressures within the resource constraints. It will also become clear, early on, what sort of issues and decisions might need to be considered.

Update

5. This paper outlines the progress being made across the four workstreams since the programme's inception. Progress is described at both workstream and individual project level in order to provide a comprehensive overview.

Proposal

- 6 It is proposed that Cabinet consider and comment on the progress that has been made across the Change Programme and within each of the four workstreams, particularly around the pace of change within the context of the challenges facing the Council and our ambitions

Recommendations

- 7 It is recommended that Cabinet:
- (i) Notes the progress being made in devising the Change Programme; and
 - (ii) Offers any comments which will help ensure that progress is made at pace on the right issues.

For the following reason:

To ensure Cabinet is able to monitor progress of the Change Programme and give direction in a timely manner.

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Policy Context

1. The delivery of an effective change programme is an essential mechanism to enable delivery of Vision 2030 and the Council Plan. Set in the financial context of the Medium Term Financial Strategy the objectives of the change programme are to accelerate analysis and decision making on a Council wide basis through the best use of resources to deliver Council priorities. Underpinning this is the need to secure longer term financial sustainability. Each of the four workstreams is clearly focused on delivering the shared outcomes in the Council Plan.

Background and Progress

People Workstream

2. The Vision for the People workstream is aligned to the Council Plan, By 2020 the Workstream will have developed and implemented innovative approaches to:
 - **Maximising Growth** – Identifying and considering areas that can grow and trade in a commercial environment. Opportunities that are being considered include a social care trust. We are also considering opportunities to integrate effort with partners, in particular the CCG and NHS Provider Trusts
 - **Reducing Costs** – Services are being redesigned in order to reduce spend in high cost areas and focus on early intervention and prevention.
 - **Increasing Collective Responsibility** - Through service redesign and the Achieving More Together project we are facilitating and supporting community resilience. We are encouraging, empowering and enabling local people and partner organisations to share responsibility for the outcomes of Gateshead.
3. **Adult Social Care**

The current mobilisation period will see the new model for Adult Social Care implemented by 1 June 2016. There are milestones up to March 2018 for Adult provider services and All age commissioning in order to realise £14m savings over 2 years. The model is being progressed but there are a number of factors and dependencies that could affect future progress such as the strength and development of the independent sector, increasing demand and the agenda being driven by central government. The future model beyond 2018 will be incorporated into Care Wellbeing and Learning redesign and also the health and social care integration project. The model will need to continue to develop in order to be efficient and deal with changing demands. The Benefits we aim to achieve through this are as follows:

 - 80% of customer queries resolved at point of contact.
 - 60% of customers going through enablement will not require a service for 2 years.
 - Increase in customers who are enabled and living independently with a better quality of life.
 - A strong market that offers a good range of choice for the customers.

4. ***Health and Social Care Integration***

High level strategic discussions are ongoing with health partners to understand and identify opportunities for integration, with proposals to be identified by September 2016. Priorities identified for Gateshead are out of hospital care, children's services and mental health. Complementary workstream activities particularly around strategic assets and commercialisation will be employed to add both resource and expertise to effect solutions to health and social care challenges in creative and cost efficient ways. We will explore the potential through these initiatives to attract additional funding and academic support to assist with establishment and development costs, where possible, to fund innovation and delivery. The vision and aspiration is to have a fully integrated model by 2020; work is to be undertaken to model both the savings and improved outcomes.

5. The work aims to achieve the following benefits:

- Integrated and co-located teams that are co-ordinated around the needs of the customer.
- Better data sharing for a holistic whole system approach.
- Improved quality of services and safety for customers.
- Reduced cost across health & social care
- Employing Council assets beyond Social Care to achieve health and social care outcomes to attract investment from our strategic partners

6. ***Care, Wellbeing and Learning Redesign***

We have looked at potential models for 2020 including a single point of access and an integrated early help and prevention function. Work is ongoing to understand the picture nationally and how services have been integrated successfully elsewhere whilst achieving good outcomes. The expected benefits are:

- Maximise opportunities to work with families
- Cost reduction and achievement of year on year savings.
- Focus on early intervention and reduce high cost care.
- Integration with partners, avoiding duplication & delivering better outcomes.

7. ***Achieving More Together***

The intended outcomes of this project will be determined once we are clear on the following:

- What is best done by the Council
- What is best done by communities
- What is best done together?

8. We will be more explicit about the outcomes, approach and role of the Council in progressing this project. In line with CWL redesign, a detailed business case will be developed by 31 May 2016. This will define what we want to achieve by 2020 and what we will do to get there. Benefits from this project are:

- Empowered communities to take responsibility for themselves and their environment.
- More joined up working and collaborating with residents and communities to identify the best long-term solutions.
- Resources of citizens and communities complement Council services, with a reduction in demand for services.

- Identify and make visible the health-enhancing assets in a community, in order to improve the health of residents and reduce health inequalities.

9. ***Integrated Commissioning***

The new model for Adult Social Care has already integrated Adults, Children's and Public Health Commissioning into one unit. The model for CWL redesign shows that by 2020 we will have integrated commissioning with the CCG. There may be an opportunity to integrate commissioning opportunities across our directorates focusing upon commercialisation, accommodation and leisure as well as with others outside the Council e.g. Newcastle Council and the CCG working across Newcastle Gateshead, and these options will be explored. In line with Health and Social Care integration, areas will be identified by September 2016 and this will be a key milestone for decisions. There will be a large dependency on Health and Social Care integration in order for this to progress.

10. The approach is aiming to achieve the following benefits:

- Greater control over the price and level of quality; improving services for customers.
- A whole systems asset based approach which identifies resource and efficiency opportunities both within and outside the Council
- Improved provider relationships to improve market development and build on community assets.
- Greater intelligence to inform strategic commissioning.
- Improved partnership working that can foster relationships in other areas of integration.
- A strong, sustainable, flexible independent sector
- Deliver the savings and ensure best value for money

11. ***Partnership Working***

This project is covered in other projects, namely, One Public Service, Achieving More Together, Health and Social Care integration and Integrated Commissioning. Therefore it has been removed as a specific project.

12. ***Transport***

This is a relatively new project. A core group will agree the scope of the project so the benefits realisation and delivery plan can be drafted and agreed. A plan will be developed by the end of May 2016. The scope is likely to include:

- Eligibility
- Policy changes
- Operating times
- Income
- Types of transport
- Transport sharing

13. In order to achieve objectives and address the budget gap, different models of delivery will be considered for implementation by 2020, which will require Council wide support and have a major impact on other services within the Council.

Place Workstream

14. The Strategy for delivering the Place workstream is also firmly aligned with Vision 2030 and the Council Plan by maximising growth, reducing costs and increasing collective responsibility. It also takes forward the policy directions for Increasing community, individual and Council resilience such as enabling communities to do more themselves by actively improving their local environment and promoting positive behaviours like recycling and tackling negative behaviours such as fly-tipping. It is likely to significantly change the current role of the Council. In recent weeks work has been undertaken to develop the outcomes to be achieved through identifying Gateshead's strategic assets and USP as well as the strategic interventions needed to enable the Council, working with partners, to realise Council Plan and Vision 2030 priorities for 2020.
15. The next steps across the Place workstream can be summarised as:
 - Complete workstream delivery planning and Benefits realisation
 - Mapping of interdependencies by July 2016
 - Understand resource requirements to deliver and detail about savings/income that could be generated across the workstream.
16. ***Economic Growth***

Work has been undertaken to model and track property tax income generated from a range of activities. The intention is to review the current approach in order to understand the how to get the best outcomes for the Council. This will include modelling different approaches, timescales and focusing on those areas that will make the biggest difference, taking account of Short, medium and long term ambition. The scope of the current approach will also be broadened to take a more strategic review of the way in which the Council uses all the levers it has available - its relationships and influence, policies, resources, statutory and non-statutory services as well as the interventions that would help to achieve real economic growth, based on evidence. The work will continue over the coming weeks and the workstream will make recommendations on the way forward by the summer.
17. Although the project will also be taking a longer term view, we are currently estimating the following benefits by 2020/21:
 - £3.2m new business rates
 - 34,000 sqm new office space
 - 7,500 sqm new retail space
 - 26,000 sqm industrial space
 - 2,000 sqm leisure space
 - While by 2030 8,000 new jobs will be created.

18. **Maximisation of Assets**

This project is focusing on the Council's physical assets and how these can be maximised. It is closely linked to the Economic Growth and Housing Growth activity. Through this work the Council will secure capital receipts, reduce operational costs, increase revenue, new job opportunities both long and short term and new housing. Specific benefits are more efficient management of the Council's property portfolio including generating income from asset maximisation, rationalisation of the operational portfolio, and generating savings and receipts through sales of properties declared surplus. The total receipts over the period are expected to be around £20m.

19. The approach is being developed alongside opportunities to work with others. Benefits include:

- Reduced operational costs;
- Income generation through capital receipts; New Homes Bonus; Business Rates/Council Tax.
- Better use of assets as part of a strategic approach to Place and Economic Growth.

20. **Housing Growth**

Housing Growth focuses on how the Council can enable homes to be delivered. It is focused on objectives around population growth to underpin sustainable economic growth as well as ensuring the Gateshead residential offer provides a choice of high quality accommodation to meet current and future needs. An analysis of interventions that could be adopted to achieve better outcomes or increase the pace is taking place and will be used to inform the approach. This is particularly relevant in the context of issues such as the use of Council owned land; changing definitions of affordable homes and wider changing context around housing.

21. The following benefits will be achieved through this project (All these figures are estimates):

- 2021 - £5.2m new Council Tax income
- 2021 - 4,025 new homes, bringing in over £400m of private sector investment, plus New Homes Bonus.
- 2030 – 11,000 additional new homes
- Local Employment, Apprenticeship and Training opportunities.

22. **Housing Repairs and Maintenance**

This project is making good progress following the decision (19th January 2016) to develop a new delivery model with the Council working with a commercial partner to deliver housing repairs and maintenance. Key timescales around this are: 2016/17 – Mobilisation and Planning; 2017 2019 – Efficient Operation and 2019 2021- developing the service to market to others e.g. Housing Associations, landlords and domestic clients.

23. The project is aiming to achieve the following benefits:

- Delivering more and achieving better outcomes for customers within existing budget including integration of construction services and housing management (2016/17) and Increased use of digital technology to access services 24/7 (2017/18).
- Surplus returned to the Council (2018/19)
- The right people, skills and behaviours with a Workforce Assessment (2017/18) and development of modern and flexible ways of working (2018/20)
- Delivering high performing services with a track record including offering repairs and housing management services to the internal and external market on a competitive cost basis (2020/21)
- Employment and apprenticeship opportunities for local people.

24. ***Housing stock options / HRA Funding***

The sustainability of the Housing Revenue Account is linked to options for the future of the Council's housing stock and is a key priority. We have, so far, focused on identifying savings of £5.7m over the next two years. The next steps are around achieving the target as well as reviewing sheltered support services (17/18) and exploring further opportunities for investment. The project will develop a strategy to identify investment required to match housing need for tenants and future tenants for future shape of housing provision within the HRA (or as part of future delivery model). The Government is re-formulating the new stock transfer manual which is necessary to inform any options we might develop. Further work will also take place on alternate investment options.

25. Benefits to be achieved through this project are:

- Maintain HRA financial sustainability through a five year Business Plan that will ensure the continued appropriate investment in Gateshead homes.
- Reduction in costs through: more efficient supervision and management of housing stock including approach to repairs and maintenance
- Increased investment in Council Housing to improve housing and estates and implement the housing asset strategy.

26. ***Leisure and Culture***

The project is aiming to establish a sustainable self financing Culture and Leisure offer by 2020 that fulfils a range of Council priorities contributing to quality of life, high achievement as well as health and well-being. Stage two is nearing completion following the report from consultants on options for the service, which have been analysed and recommendations being formed for a Cabinet decision on the future delivery model. Stage three will consider an Integrated Culture and Leisure offer by June 2016 and will be followed by a review of role and structures etc. by April 2017 with a new delivery model in place by April 2018.

27. Benefits include:

- A customer focused Leisure & Culture Business offer
- A workforce which is fit for purpose
- Financially self-sufficient services.
- Improved leisure stock provision to increase income and competitiveness
- Increase number of residents accessing health & wellbeing opportunities

- Increase participation and access to sport & physical activity
Establishment of a Council and community library network fit for the 21st century supporting children's love of reading; helps to develop digital inclusion opportunities; access to health information and that supports the development of resilient communities.

28. ***Clean, Safe, Attractive Environment***

The focus is to deliver Council responsibilities to meet aspirations. Work will involve reducing costs, engaging communities more to take more responsibility for their local area and finding new ways of delivering. Priority services relating to the environment will be identified by June, 2016. A new Behavioural Change Team is being deployed to help to educate and inform changes amongst communities using a targeted approach. . Other activities through this workstream include an educational programme for schools and link to visitor and education centre (Developing resilience and capacity with volunteers and communities; We will consider other delivery models for maintaining parks and new developments Implement an environmental management plan that will reduce regular maintenance, enhance wildlife, encourage community support and reduce revenue budgets and reduce costs through a more strategic approach to use of football pitches and bowling greens.

29. The benefits that this approach would achieve over a five year period are:

- Improve how local people feel and act in their area including that they are less likely to expect the Council to step in, with the area being cleaner, safer and attractive
- Enabling access to support local people to bring about change.
- More people volunteering and taking responsibility to maintain/ improve their local environment
- Reduced cost to the Council and local people for keeping the environment clean, safe and attractive
- Potential to make use of enforcement powers to reinforce principles of Clean, Safe Attractive Environment with any income generated used within the local area for improvements

Ways of Working Workstream

30. The ways of working workstream brings together a range of projects that underpin the way the Council operates or will need to operate in the next decade and as such are enabling projects or programmes of work.

- The development of the draft Digital Gateshead work programme has been informed by the Digital Gateshead Strategy 2015 – 2020, which is one of the supporting strategies for the Council Plan. Meetings have been held with all Strategic and Service Directors to learn about their priorities for digital transformation and an assessment prepared and reported back on the identified opportunities. The draft Digital Gateshead work programme is built around 8 *Shaping* workstreams, which the Digital Programme will lead, 9 *Following* workstreams, which will deliver digital solutions in response to

the work being led and progressed by the other Change Programme workstreams and 15 *Task and Finish* projects.

- A detailed Workforce Strategy and Plan have been developed and implemented that address the issues of skills and behaviours; recruitment and retention; pay, reward and recognition; wellbeing and engagement; and performance and change. The Workforce Strategy will continue to be reviewed in the light of the impact of other workstreams on our workforce.
- Working differently is a key set of policy directions within the Council Plan and this is a common theme across all of the projects. Ensuring a positive culture is reinforced within the Workforce Strategy and Plan.
- The Council's culture and behaviours are shaped by the values agreed within the Council Plan. The values are a set of deeply held principles which define how we work as a Council and help to inform important decisions and choices.
- Communication is used to promote engagement, change culture and behaviour and generate income. Our approach will ensure the whole organisation is effectively and efficiently engaging with councillors, residents, businesses, partners, employees and trade unions.
- Our approach to reinforce our performance management framework with partners will ensure that we target our resources where they are most needed. We will be better equipped to tackle underperformance swiftly and proportionately; and continue to be a best value council with everyone taking personal responsibility and being held to account for effectiveness and efficiency.
- The review of our support services will enable us to plan for some potentially huge changes in the delivery of support services that may result from the implementation of the Change Programme as a whole.

31. **NECA/Devolution**

On 22 March 2016 Cabinet resolved as follows:

“That Gateshead Council supports genuine devolution for the North East of England. Gateshead Council believes that the current offer to the North East Combined Authority (the “Proposed Agreement”) does not represent genuine devolution, poses a threat to local democracy and proposes governance that lacks accountability. Gateshead Council does not consent to being part of a Mayoral Combined Authority. Gateshead Council will continue to work with neighbouring local authorities to our mutual benefit and seek to deliver the best possible public services to the people of Gateshead and the North East of England.”

32. On 24 March 2016 the North East Combined Authority (“NECA”) Board confirmed continued support in principle for the devolution proposals but identified a number of issues that require clarification and commitment by Government. A further NECA Board meeting will be held week commencing 9 May 2016 to consider next steps. Some authorities will also hold further Cabinet meetings to decide whether to finally commit to the devolution deal. If the proposals are progressed without Gateshead, Cabinet did resolve to continue to work with neighbouring authorities who places an increased onus and focus on finding innovative ways of working with those authorities and other potential partners, within the legal framework provided. Further detail will be known following 13 May 2016 which will inform the future of this project.
33. **One Public Service**
This project was established to understand how, by working with other public sector partners, we could maximise the benefit of investment of public resources in the borough and talk to other organisations about what can be done in collaboration in order to deliver greater efficiencies and economies of scale. One key area where progress has been made is the development of the North of Tyne One Public Estate. This comprises a partnership of Newcastle Council, North Tyneside Council, Northumberland County Council, Gateshead Council and other public sector organisations who operate within the four local authority boundaries. Newcastle Council submitted a speculative bid to the One Public Estate Funding Round 3 (an initiative of the Cabinet office’s Government Property Unit delivered by the LGA). The bid was successful as a result of which a sum of £130,000 has been secured, subject to meeting specific funding conditions. An element of this funding has been used to support the Partnership in meeting the funding requirements to include identifying future projects. A workshop took place on 24th March 2016 with representatives from across the Partnership to explore the issues, challenges and opportunities.
34. **Digital**
The purpose of Digital Gateshead is defined from the point of view of the customer, namely: *“Make it easy to access, benefit from and deliver good services”*. The Digital Gateshead Strategy, agreed by Council in November 2015, has now been developed into a Digital Gateshead Programme. The aim is to start delivering this from May 2016. The programme will take four to five years to complete.
35. New capabilities and digital solutions will be implemented across the organisation for the full period of the Digital Gateshead strategy. Individual project and implementation plans will be developed for each workstream and task and finish activity and these will identify how and when the work will benefit particular teams and services. Measures will focus on service; cost; revenue; efficiency and morale. Benefits will be achieved within teams and services as digital solutions deliver efficiencies; improved flow; economies of scale and scope; shared responsibilities and improved engagement. A programme of action has been drafted during early 2016 by carrying out research and consultation. Once consultation has been completed and any changes made, the work can start on this ambitious digital transformation programme.
36. There are three proposed phases in the Digital Gateshead Programme:

Phase 1 – *Building Capacity* (from May 2016) – to continue to solve those problems that more obviously lend themselves to digital solutions (such as online booking, reporting and payment) whilst further developing the technology we need.

Phase 2 – *Increasing Corporate Capability* (from Sept 2016) – learning how to digitally solve more complex problems that require judgement rather than being solely transactional (such as getting a planning or benefits decision or engaging with social care)

Phase 3 – *Complex and Fundamental Change* (from April 2017) – totally rethinking how we operate and using technology to help do that well (such as consulting with people and partners, waste management and community development)

37. In all, 17 major strands of work have been identified that, if completed, will deliver the Digital Strategy. Eight of those will be led by the Digital Programme and will bring services and partners with them to make new things happen. These are called *Shaping Workstreams*. Examples include payments, consultation and portability/mobile working.

38. Additionally, there are nine further areas of work where digital could make a significant contribution across the change programme. How and when these areas of work are progressed will reflect decisions made in other parts of the overall Change Programme. Examples include using technology to better manage waste and sharing data to help redesign and integrate social care and health. Details of these 17 workstreams are available and will form the basis of specific consultation with members in the very near future. The efficacy of the Digital Programme will be monitored using measures to be reported upon regularly. Broadly, these will be look at changes in:

Demand – will fall with more things done right first time and with good automation

Cost – falling demand, better designs and cheaper transactions should see costs fall

Satisfaction – better design and more speed means fewer errors and complaints

Morale – fewer complaints and improved services plus better roles should result

39. ***Workforce Plan***

This project will ensure that the Council has the right people with the right skills in the right place at the right time. Skills and behaviours will be improved through a number of activities including:

- Providing coaching opportunities to support leadership development
- Targeted project work to develop skills
- Developing a talent management and succession planning framework
- Producing a learning and development framework to support the development of Management and other employees across the Council.

40. Having the right workforce will be dependent on providing the appropriate reward packages that recognise the difficult financial climate and ensure fairness across the workforce and work is ongoing to review our approach to pay, reward and recognition and to ensure that employees understand the totality of their employment package. Work has already been undertaken to incorporate a grading structure from 1 April 2016 that will implement the National Living Wage.

41. A review of the Council's terms and conditions is underway with the aim of ensuring that our terms and conditions are modern, fair and appropriate. The review will look at changes to pay protection, the working week and removal essential car user allowances by July 2016 and to remove or reduce all premium payments and other allowances by 1 April 2017. We are undertaking further work to expand the employee benefits available including the introduction of a new employee benefits scheme. A review of recruitment and retention policies and procedures will ensure the shape and size of the organisation is fit for purpose, sustainable and flexible.
42. A number of activities have been implemented or are planned to improve wellbeing and engagement with the workforce including:
- Rolling out a Corporate Health and Safety training programme annually
 - Developing and implementing a Stress Toolkit and delivering stress training
 - Continuing with the annual employee survey
 - Developing a Council Wide Employee Forum
 - Regular blog from the Chief Executive
 - Online employee suggestion scheme
43. It is also important that our employees understand what is expected of them and also how they might be affected by the Change Programme, and how they can get involved. A revised achievement and development process which may include a performance rating element and stronger links to a revised Competency Framework is currently being consulted on. The workforce plan will continue to be reviewed and aligned to the needs of the organisation taking into account the impacts of the overall Change Programme on the Council's workforce. We will continue to review all terms and conditions in order to identify savings which will minimise compulsory redundancies and reductions in service levels. In addition work will continue to expand the employee benefits that are available including the consideration of further salary sacrifice schemes and other non-financial rewards.
44. ***Culture and Behavioural Change***
This project supports the delivery of the whole of the Council Plan including the Workforce Strategy and Plan.. Following an initial project scoping session there was a consensus that in order to successfully deliver the Council Plan employees, councillors, residents and communities will need to work together towards a positive culture and an agreed set of behaviours.
45. The first stage of this project is about engaging those four groups and identifying the positive culture and behaviour that we need to keep in Gateshead and build on for the future, and also recognising the gaps that will need to be addressed. In order to do that a series of engagement activities are being delivered in stage one including the employee survey, team talk live events and online viewpoint panels for residents. Following the consultation and engagement period an agreed set of priorities will be agreed and activity undertaken accordingly.
46. ***Communication and Engagement***
This project supports the delivery of Council Plan and cuts across all work streams of Change Programme. The project will create more commitment to deliver change as people are more informed and aware of what is expected. This will improve motivation and morale across the whole organisation. The reputation of the Council will be enhanced and protected and resources will be allocated effectively and efficiently in order to improve services and outcomes.

47. Progress so far includes:
- Engagement with employees and research and analysis to help develop a single communications plan by June 2016. The plan will include milestones for the development and delivery of effective communications and engagement up to 2020.
 - Work to scope a fundamental review of internal communications and engagement
48. **Performance Management**
- The aim of this project is to ensure the performance management framework turns theory into practice and delivers the improved outcomes. Following agreement of a new Council Plan 2015-2020, evaluation has taken place identifying the need to revisit and amend the corporate Performance Management Framework, to support decision making and ensure the Council continues to be effective, fit for purpose and sustainable.
49. To deliver this the Council must ensure that it:-
- targets resources where they are most needed;
 - tackles underperformance swiftly and proportionately; and
 - continues to be a best value council with everyone taking personal responsibility and being held to account for effectiveness and efficiency.
50. Engagement around performance is essential in driving forward a revised Performance Management Framework with a range of activities already taken place including: several workshops with employees around performance and business planning;
- benchmarking best practice;
 - assessment of IT;
 - Individual discussions relating to draft strategic indicators with service managers and chairs of overview and scrutiny committees.
51. The anticipated benefits for the customer should include improved council performance reporting in terms of service provision, contextual information, engagement, and satisfaction. For the Council and employees, the anticipated benefits are increased and improved employee performance with a better understanding of their individual role in delivering the Council Plan to 2020.
52. Initially the review has progressed proposals to:
- continue to report to both overview and scrutiny committees and Cabinet every 6 months on progress (with appropriate additional performance data included).
 - agree a new suite of strategic indicators to help manage delivery of the outcomes within the Council Plan. This includes the replacement of five year rolling targets with "Tracker" or "Target" indicators.
 - review and present a revised set of corporate equality objective indicators in line with statutory requirements. These proposals are subject a separate report on the Cabinet agenda.

Trading and Commercialisation Workstream

53. The ambition for the Trading and Commercialisation Workstream is to generate income to support priority activities and delivery of Vision 2030, This is to be achieved through supporting key trading projects that will increase traded income to the Council by improving how the Council trades in order to maximise its potential. Each project itself contributes not only to the generation of income, but to broader Council priorities such as employment opportunities, contributing to the housing offer and improving customer choice.
54. The approach being adopted is based upon:
- A new Income Generation Strategy
 - Delivery projects (existing service but to expand)
 - Development projects (new opportunity)
 - Task and Finish approach to specific time limited areas of work
55. ***Income Generation Strategy***
- The Income Generation Strategy will set a coherent approach to income generation across a longer timeframe. It will focus on key income generation activity and will set the levels of income required to improve the Council's financial position, contributing to the budget. The aim is for this to be agreed by end of July 2016 and for this to inform the Council budget for 17/18.
56. ***Delivery Project - Facilities Management***
- The vision for the Facilities Management Service is: Integrated, professional facilities services, tailored to the customer's needs, delivered with passion and integrity. The main focus of the Service in the immediate term will be to maintain trading current performance whilst preparing to increase trading surplus in the medium term. Work already undertaken to develop the project includes launching the Supporting Independence Service in April, which is supported by a marketing package to increase awareness of the offer, as well as development work around the service planning what is needed between now and 2020 to enable the service to be a more competitive position to generate income.
57. Benefits to be achieved are:
- Increased trading activities to move activities closer to a cost neutral position over the shorter term to develop a sustainable and more competitive service by 2020 that will generate additional income to the Council
 - Employment opportunities for local people living in all wards in Gateshead which can support the local economy
 - Procurement practices that will benefit local supply chains supporting the local Economy.
 - Delivery of services such as cleaning, school meals, the Supporting Independence Service and facilities support will bring a range of direct and indirect benefits creating a healthier, more inclusive and nurturing place for all.
58. Key milestones have been mapped out and include: the reconfiguration of Bewicks by March 2017 to ensure the financial performance is improved by £100k; The Supporting Independence Service will be financially self-sustaining by 1 April 2018. A review of trading performance including indenting improvements by June 2018

and be well placed for opportunities within the market arising from the National Living Wage by 2020.

59. ***Delivery Project - Services to Schools***

This project aims to increase trading with schools in line with the Council Plan and Medium Term Financial Strategy. Part of the strategy is to retain current levels of business as well as then increasing this across broader geographies. The work supports the Council Plan outcomes and policy direction to maximise trading opportunities from marketable and competitive services. Current progress has included identifying customer service issues and ways to improve. During 2016, milestones include a review of all 39 traded Services to Schools;

60. Realisable benefits include:

- Improved customer satisfaction
- More efficient services delivered at a lower cost
- Increased market share of schools
- Increase income from traded services by 2018

61. ***Development Project - Adult Social Care Provider Services***

This project aims to identify the trading potential of adult social care provider services. At present the work being taken forward to remodel Adult Social Care means that the opportunities for trading cannot be determined, though this will be reviewed when the wider work has sufficiently progressed and opportunities can be explored.

62. ***Development Project Bereavement***

The aim is to provide a new bereavement service that is customer focused, efficient and that enhances the current service provision. The proposal would also support the Council's Medium Term Financial Strategy through improved efficiency, making better use of capacity and resources as well as increasing the trading of marketable and competitive services. Recent progress has focused on developing the Business Case which will inform recommendations to Cabinet in the summer, with a view to implementing changes from April 2017. Benefits would include improved customer service and customer satisfaction as well as a more cost efficient affordable service that will recover costs including initial investment.

63. ***Development Project- Energy***

Energy has multiple objectives that are closely aligned to Council Plan outcomes, These are taken forward through the objectives of the project including achieving benefits such as: Reducing energy consumption and carbon emissions, improve energy performance of Gateshead homes and to grow and deliver energy services provision in and beyond Gateshead generating income, as well as improving levels of fuel poverty which has both economic and health outcomes for local people. Key areas of recent progress include establishing the Energy Services Company and exploring opportunities for District Energy Scheme town centre extension.

64. The nature of the schemes means that there is a longer payback period of investment, though the outcomes are not purely financial. On principle schemes should be at least self financing. While Gateshead Council is in a strong place in terms of the current market, capacity could limit the ability to expand. Key milestones include a 20% reduction in carbon emissions by 2020; additional income

of £500k by 2020; all homes will be rated as energy efficient by 2030 and income levels will reach £1.5m p.a by 2035.

65. ***Development Project - Housebuilding***

This aims for the Council to act as a direct housing developer, including the design and build of new housing for private, social or affordable (sale or rent). Progress includes, potential sites identified for further investigation for housebuilding as well as detailed housing designs have been developed in preparation for sites and in line with housing need. Next steps are to develop a pipeline of sites and business cases for a programme up to 20/21.

66. This would be brought to Cabinet for approval and then to Gateshead Trading Company. Realisable benefits include:

- To deliver surplus income to the Council
- Increase population - Additional Council Tax income
- Additional new homes bonus
- Creation of employment opportunities

67. ***Delivery Project - School Improvement Services***

The project is exploring a new sustainable delivery model for school improvement and is set within the context of changing Government policy towards the involvement of local authorities in schools and the move to require all schools to convert to academy status. The work contributes to Vision 2030 and the Big Idea for Creative Gateshead which has a focus on nurturing a borough of high achievers. This is greatly influenced by educational experience

68. A Business Case is being developed for consideration over the next few months with a view to decisions being taken for 2017/18. Realisable benefits are:

- Reduced cost to the Council in providing the (current) statutory responsibilities it carries in regard to ensuring all schools provide a good education for Gateshead children and young people. Measured through Cost of service against level of schools rated 'good or 'excellent'
- Potential new school improvement body, closely linked to the Council, which can provide support and stability for Gateshead schools at a time when Government policy is removing the role of Councils within school improvement.

69. ***Development Project - Sponsorship***

Maximising growth, through jobs, investment and income generation is fundamental to the success of the Council Plan up to 2020. This project will unlock the potential to generate income through the sponsorship of Council assets. Stage one of the strategy is to develop a comprehensive understanding of the income potential from sponsorship of Council assets and services. Phar Partnerships who have extensive experience in the sponsorship market will be working with the Council during stage one to develop the best possible long-term approach. Stage one is underway and will be completed with a sponsorship strategy for the Council based on an assessment of assets. It will be important for the strategy to set out principles for the type of sponsor that the council would want to be associated with. Stage two will follow, though will depend upon the results of Stage One. Realisable benefits could include: a new income stream to support the sustainable delivery of future services. and the intrinsic link between sponsorship, social value and corporate

social responsibility, which has the potential to see wider benefits to communities across Gateshead.

70. This Workstream will also have a focus on some key task and finish activities that will enable the Council improve how it trades and the infrastructure and capacity around trading. It will also optimise the potential to generate income and other benefits. These include the recharge framework which is being reviewed and budgets realigned during the 2016/17 budget setting process. Developing a Pricing Framework for traded services by August 2016 following a pilot exercise. Financial schedules to support trading to enable services and the Council understand the financial contribution that trading is making / can make to the Council by October 2016. Identification of new income streams for trading including the potential to use assets for income generation as well considering alternative investment models that could provide an opportunity for capital appreciation and improved revenue stream when compared with bank/financial institutions savings rates Options analysis and business case for expansion of Trade Waste services. Some investment would be required and this would be set out in a business plan in autumn 2017. Other activities to be taken forward through a Task and Finish approach are: Training and skills development; creating a commercial culture; creating a trading friendly environment, Improving customer focus and considering the optimum delivery models for trading.

Shape of the Programme

71. Attached at Appendix A is the revised Programme to take account of the revised projects within the People workstream. Also attached at Appendix B is the 'roadmap' which captures key activities as currently identified in the period up to 2020/21

Consultation

72. The Leader of the Council has been consulted in his portfolio role.
73. Cabinet members have been consulted on specific areas relating to their portfolios. Further to this, each of the Workstream Leads has presented an overview to Corporate Resources Advisory Group as follows:
- People Workstream, 28th January
 - Place Workstream, 1st March
 - Ways of Working Workstream, 8th March
 - Trading and Commercialisation, 14th March
74. Trade Unions are also engaged through regular meetings to discuss Change Programme development and progress, both in respect of the programme in general as well as in relation to specific themes and projects.

Implications

75. Resources

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that the Strategic Change Reserve of £2.5 million is being used to enable financial interventions on a time limited basis underpinned by business cases that will identify benefits to be realised. The overall approach to change is being taken forward on a Council-wide basis supported by an

Invest to Save programme so that every effort is made to ensure there is a return on investment. In addition the Medium Term Financial Strategy will be revised by July 2016 and this will align with the next quarterly update of the change programme. The change programme will be essential in generating options to assist in the closure of the revised funding gap over the next 4 years that will be presented within the MTFS.

- b) **Human Resource Implications** – capacity to support the Change Programme is largely being achieved through some secondments from across the Council after internal recruitment exercises. A small number of specialist experts are also being bought in for a short period to help ensure the plans are robust and can deliver on time e.g. Project managers to deliver the redesign of Care, Wellbeing and Learning and the Housing Repairs Contract by 1st April 2017. External support is only being sought once there is clarity that the expertise is not available from the existing workforce and where there is a clear value because of what needs to be done quickly e.g. the programme around bringing Housing Repairs contract back in house is huge in its own right and needs to be well managed and delivered on time to secure the savings/ additional income to the Council.
- c) **Property Implications** – there are no property implications arising directly from this report.

- 76. **Risk Management Implications** – the Change Programme framework will be supported by a comprehensive register of risk that will be actively managed to ensure and support effective decision making.
- 77. **Equality and Diversity Implications** – An equality impact framework will be developed as appropriate to support decision making.
- 78. **Crime and Disorder Implications** – Nil.
- 79. **Health Implications** – Nil.
- 80. **Sustainability Implications** – The Change Programme is an essential element of the Council's planned approach to ensure a sustainable financial position over the medium term.
- 81. **Human Rights Implications** – Nil
- 82. **Area and Ward Implications** – all areas of the Borough are covered by the Council-wide approach outlined within the Change Programme.