



## Central & East Berks Branch

UNISON Office  
Reading Civic Offices  
Bridge Street  
Reading  
RG1 2LU

E-mail: [unison@wokingham.gov.uk](mailto:unison@wokingham.gov.uk)

Date: 28<sup>th</sup> June 2017

## Annex B

### Wokingham Borough Council

### Overview and Scrutiny Management Committee – 11 July 2017

### Submission by UNISON

### 21<sup>st</sup> Century Council

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#### 1. Introduction

UNISON welcomes the opportunity to address the Overview and Scrutiny Management Committee on the Council's 21<sup>st</sup> Century Council change programme. We recognise the severe financial challenges facing the Council and accept that significant change is inevitable with one consequence being job losses. Having said that we would hope that any change programme would aim to protect jobs, as far as possible, and would also aim to minimise negative impacts on the most vulnerable members of local communities.

As elected Members are aware, the Ignite consultants have sold their operating model to a number of local authorities, including Colchester, Eastbourne, Eastleigh, East Suffolk, South Somerset, West Devon and South Hams (who went into a shared management arrangement at the same time). It is worth noting that all these Councils are single tier authorities. Wokingham BC is the first unitary Council to adopt the Ignite model, i.e. the first Council with children's and adult social care and education services.

UNISON has spoken to colleagues in the authorities that have adopted the Ignite model. The local UNISON section has also monitored the implementation of Phase 1 of the Ignite model at Wokingham BC. The experiences of Wokingham BC staff involved in Phase 1 and feedback from staff at the authorities listed above have been used to inform this submission. UNISON would like to submit evidence in relation to the following aspects of the 21<sup>st</sup> Century Council programme:

- Option Appraisal
- Consultation
- Equality Impact
- Ignite Future Model
- 21<sup>st</sup> Century Council Phase 1
- Conclusions

## **2. Option Appraisal**

As Members will be aware, Councils up and down the country have developed a range of solutions to meet the challenge of delivering key services with substantially reduced budgets, including:

- Mergers between local authorities;
- Mergers of back office functions;
- Outsourcing and shared services;
- Developing arm's length delivery models;
- Setting up Council owned companies;
- Increased focus on statutory services;
- Increased commercialisation and asset sales.

In 2016 the LGA Peer Review Team recommended that the Council should consider reviewing its Vision and Priorities to develop a shared Vision with its partners to address the major challenges facing public sector organisations across the Borough. The rapidly deteriorating financial position, growth of academies, pressures on social care, implementation of the Strategic Development Locations and demographic changes mean that the Council's priorities may well have changed. This piece of work could have provided a framework and context for changes to the Council's operating model and could also have highlighted potential synergies between the Council and its partners.

UNISON is not aware of any progress in relation to this suggestion. Indeed, the 21<sup>st</sup> Century Council briefings confirm that the existing Vision and Values have not changed and that the next four years will see a refocussing of the Council's priorities. It appears that the Council's priorities will be reshaped to reflect the new operating model rather than visa-versa.

UNISON would suggest that Members may wish to scrutinise the strategic thinking which took place before adopting the Ignite model and the options presented to Members, including Overview and Scrutiny, as part of the decision-making process.

## **3. Consultation**

Wokingham BC's Constitution contains a clear commitment to consult with residents and service users about major new policies or service changes. The Constitution states: "Local authorities have an obligation to consult on a range of specific issues of local and national interest.....WBC is keen to exceed its statutory obligations and consult effectively with local residents, businesses and other stakeholders on issues which affect them, to ensure they are involved in the planning, implementing and monitoring of the services offered by the Council".

UNISON's view is that the 21<sup>st</sup> Century Council programme will have a major impact on service delivery, customer service and the ways in which the Council interacts with residents and local communities. As such it surely falls within the range of issues upon which the Council should be carrying out a robust consultation exercise. As an example, Eastbourne, the first Council to use the Ignite model, carried out a major stakeholder consultation exercise

in order to understand how residents, customers, businesses and staff perceived the Council, its processes and policies.

As far as UNISON is aware there has been no meaningful public consultation on the 21<sup>st</sup> Century Council programme. The report to the Council's Executive on 24 September 2016 included a section entitled "Public Engagement with the 21<sup>st</sup> Century Council Programme". This stated that the Council's Budget Engagement events (October/November 2016) would provide a "forum to discuss the programme and canvas views and experiences of the public about accessing Council services and how we might make sure improvements are woven into the implementation".

The Council subsequently published a document on its website which gave details of the outputs from the Budget Engagement sessions. This document makes no reference at all to any feedback on the 21<sup>st</sup> Century Council programme.

UNISON would suggest that Members may wish to scrutinise the apparent lack of public consultation on the 21<sup>st</sup> Century Council programme.

#### **4. Equality Impact**

The Council, as a public body has statutory duties under the Equality Act 2010. These include having "due regard" to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct which is prohibited by the Act;
- Advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (including age, disability and race) and those who do not.

Having due regard to the need to advance equality of opportunity is defined further in the Equality Act as having due regard to the need to:

- Remove or minimise disadvantages;
- Take steps to meet different needs;
- Encourage participation where it is disproportionately low.

At its meeting on 30 March 2017 the Council's Executive agreed Equality Objectives for the year ahead. These included a continued commitment to develop Equality Impact Assessments for service changes, customer contact improvements and new ways of working. Equality Impact Assessments, though not mandatory for every change issue, are important as they focus on fairness, access and inclusion and enable organisations to assess how service changes may affect different groups of residents and service users. This is part of the legal duty. Assessments should be carried out before final decisions are made and should inform the decision-making process.

UNISON is not aware of any evidence which demonstrates that the Council has complied with its statutory duty in relation to assessing the impact of the 21<sup>st</sup> Century Council changes on

residents who may be affected negatively, for example older residents, people with disabilities/learning difficulties and residents with limited English language skills.

UNISON would suggest that Members scrutinise how the Council has complied with its statutory duties and its own equality commitments in relation to the development of the 21<sup>st</sup> Century Council programme.

## **5. Ignite Future Model**

Ignite is a market leading consultancy used by a number of Councils to implement its “Future Model”. Ignite claims that implementation of its model helps to:

- Meet financial challenges head on with a 20-25% saving in costs;
- Increase customer service and experience;
- Liberate staff – increase the flexibility of the workforce, job satisfaction and opportunities;
- Rationalise the use of buildings;
- Allow for quicker decision making and increased control;
- Create capacity for strategic planning and development.

Ignite claims that its operating model delivers “A Council at the heart of the community, delivering great outcomes, with great customer service, on a lower cost base.”

This is an impressive sales pitch. However, feedback from other Councils adopting the Ignite model raises a number of issues which Members may wish to investigate:

- Implementation of the Ignite model involves a significant up front cost which means that the financial benefits will not be delivered for a number of years (2020/21 for Wokingham BC, although the programme appears to be slipping). Consequently, it has proved difficult to confirm the exact level of savings and other claimed benefits. Members may wish to review the Officer Financial Appraisal of the Ignite Blueprint. The financial appraisal document was highlighted but was not included in the report submitted to the Executive in September 2016.
- The single tier Councils involved to date report a number of problems which result in reduced levels of customer service such as failing IT systems and a significant loss of experienced staff. (It is worth noting that Wokingham BC already has one of the lowest staffing levels of any unitary Council in the country and now intends a reduction in the number of posts between 10-15%).
- The Ignite model has resulted in general confusion for Officers and Members about who is responsible for what as a result of the introduction of confusing job titles such as Category Manager, Relationship Manager, Specialist and Case Owner. UNISON raised concerns about this issue during the implementation of Phase 1 of the 21<sup>st</sup> Century Council programme. This resulted in some changes which helped to clarify job titles. However, it is apparent that this will be an ongoing issue as Phase 2 of the programme is rolled out.
- The introduction of new job categories has caused significant recruitment problems in other Councils using the Ignite model, as potential applicants do not recognise the new job titles and, as a result, do not apply.

- New and “improved” processes are not always effective as they were developed quickly in workshops without follow-up checks with teams affected by the changes. The fact that the workshops are badged as “Sprint Workshops” indicates that speed rather than accuracy is the main driver for this work.

The 21<sup>st</sup> Century Council model introduces much greater levels of self-service and the use of “generalist” case owners. It is easy to assume that there will be a smooth transition from website/contact centre to case owner to specialist. However, examples from other sectors such as the NHS and banking demonstrate that referrals can take weeks and the added complexity can either drive people away or result in them being trapped in the system. This is especially concerning in relation to social care and education cases. The Council’s failure to consult and analyse the needs of its most vulnerable residents increases the level of concern further. A key question for Members to consider is: why does it appear that, to date, no other unitary Councils have adopted the Ignite model?

Members may wish to interview representatives from Ignite to identify any evidence they can provide about the success of their model in other authorities and discussions they have held with other unitary Councils. Such evidence to include examples of improved customer service and the management of risk in addition to financial savings.

## **6. 21<sup>st</sup> Century Council - Phase 1**

Phase 1 of Wokingham BC’s 21<sup>st</sup> Century Council programme is now complete, involving around 244 full time equivalent posts. Phase 1 was due to go live on 3 July 2017. UNISON met with the 21<sup>st</sup> Century Council programme team throughout Phase 1 and identified a number of issues:

- Posts in Phase 1 of the programme were evaluated under a new Job Evaluation scheme without discussion or agreement with UNISON or any other accredited staff representatives.
- Staff were informed that the new structure would result in a significant reduction in senior management posts, from 23 to 15. Information provided to UNISON by the 21<sup>st</sup> Century Council team indicates that the structure has moved from four Directors and 23 senior managers to three Directors and 22 senior managers – hardly a significant reduction in senior management. Issues like this have an impact on staff morale as they undermine the credibility of management in delivering change.
- The structure includes a number of interim managers. UNISON has raised the issue of interim managers, consultants and agency staff previously. One example was given of an interim manager employed for three years at a cost of £700 per day. This postholder left the Council, to be replaced by another interim manager. Employing these staff at rates of up to £900 per day results in a serious drain on the Council’s resources and impacts on staff morale and organisational resilience. Members may wish to scrutinise the reasons for the high level of interim/consultancy/agency roles and understand the measures being taken to address this issue.
- Individual staff consultations in Phase 1 were carried out by Wokingham BC managers supported by HR consultants. Staff involved expressed concern about the accuracy and timeliness of information provided during these consultation meetings. Staff recognised the implications of the new structure and the potential job losses involved. However,

they felt that they did not receive adequate information and support in order to work through the process.

- As highlighted above, the use of Sprint Workshops to identify “streamlined” processes caused concern as a result of the lack of clarity about the outputs from the workshops and the lack of follow up discussions.
- Again, as highlighted above, the introduction of new job titles has caused confusion and concerns about the ability of the Council to recruit to new posts in the future.

The new structure is built upon much greater levels of self service for residents and Officers. UNISON is unclear as to the changing role of Members within the new operating model. Will Members be trained and equipped to self-serve? What are the implications for Members as a result of the development of the new ways of working? What are the implications for Members as a result of the proposed development of community based teams? What are the cost and service implications of setting up community-based teams?

## **7. Conclusions**

As stated above, UNISON recognises that the Council faces difficult choices in order to reshape the organisation to meet a dwindling resource position. UNISON also recognises that the principles of the 21<sup>st</sup> Century Council model – diverting demand through self-service, focussing on dealing with resident/customer enquiries more effectively and freeing up specialist time – can lead to a more efficient and effective organisation.

The Council’s Executive received an update report on the 21<sup>st</sup> Century Council programme at its meeting on 25 May 2017. The update contained a number of issues which Members may wish to scrutinise:

- Implementation of the programme appears slipped with Phase 1 going live in July 2017 rather than May 2017. Phase 2 was originally scheduled to begin in April/May 2017. It now appears that Phase 2 will commence in the autumn of 2017. What are the financial and service implications if further slippage occurs?
- The report highlighted the key programme risks and stated that there were no current issues or concerns to report:
  - Loss of key people and organisational knowledge;
  - Less capacity available post implementation;
  - Reduced performance in key service areas;
  - Non-realisation of savings;
  - Increased programme costs and slippage in IT implementation.
- In relation to the roll-out of Phase 2 (which involves three times as much activity and people as Phase 1) the report stated that “some reduction in service delivery levels may need to be agreed”.
- In relation to the financial benefits from the programme, the report stated:

“Financial benefits for Phase 1 were set out in the business plan to be £2.250m of which £2.094m is currently on track for delivery through staffing savings. Forecast 2016/17 expenditure is within budget (£710k revenue, £2.752m capital). However capital spend has proved hard to predict accurately at the start of the project and an underspend of £1.1m has occurred in 2016/17. This is required to progress Phase 2

(transition, contingency, increased implementation resource) and has been requested as a carry forward.

The total programme will deliver a cost reduction of £4.5m per annum. After the required investment this predicts a break even position in 2019/20 and an ongoing reduction each year after”.

In light of developments such as the apparent slippage of the programme, loss of organisational knowledge following Phase 1, imminent departure of the Chief Executive and changes to the Executive, Members may wish to scrutinise the timeframe for implementing the 21<sup>st</sup> Century Council programme and the current status of the key risks. Members may also wish to seek clarification on the statement that a reduction in service delivery levels may be needed.

In addition, UNISON has identified a number of questions which Members may find useful in scrutinising the development and implementation of the 21<sup>st</sup> Century Council programme to date:

- What other options were considered before the Ignite model was adopted? Were Overview and Scrutiny Members consulted about the proposals?
- What consultation was carried out with residents and community groups to identify resident/customer needs and gain feedback about the proposed new operating model?
- How did the Council comply with its statutory duty to analyse the specific needs of vulnerable residents and identify measures to mitigate any negative impacts? Was an Equality Impact Assessment carried out in line with the Council’s policy?
- What evidence is there that the Ignite model has worked in other authorities – in terms of financial savings, improved customer service, improved job satisfaction for Council employees and the development of 21<sup>st</sup> Century Councillors? The one case study highlighted by Ignite refers to the achievement of 20% savings at Eastbourne Borough Council. Members may be aware that Eastbourne Borough Council is now undergoing a further major upheaval through a joint Transformation Programme with Lewes District Council.
- How will the 21<sup>st</sup> Century Council programme be monitored and evaluated to assure Members that:
  - Measures of success are identified for all aspects of the programme;
  - Projected savings are delivered on time;
  - Any additional costs are reported accurately;
  - Residents/customers are receiving improved services;
  - Vulnerable residents are not disadvantaged by the implementation of the new operating model;
  - The Council is able to recruit and retain staff with the appropriate level of skills and experience.
- What performance indicators will be used to measure and report progress of the 21<sup>st</sup> Century Council programme? Will Members be involved in setting targets for the indicators?
- How does the Council intend to address the existing culture of employing interim/consultant/agency staff at huge cost, in order to improve organisational resilience and meet savings targets?

- There are many examples of expensive new IT systems which fail in terms of cost, effectiveness and timescale. How can Members be confident that the 21<sup>st</sup> Century Council IT solution is fit for purpose and will be delivered on time/budget?
- What lessons were learnt from the implementation of Phase 1 of the 21<sup>st</sup> Century Council programme and what improvements will be implemented as Phase 2 of the programme is rolled out?
- The new operating model is one element of the overall 21<sup>st</sup> Century Council programme. What progress is being made in delivering the other elements of the programme (see Appendix)? What indicators and targets are attached to these issues in order to enable monitoring by the Executive and Overview and Scrutiny?

This paper contains a number of criticisms of the development and implementation of the 21<sup>st</sup> Century Council programme at Wokingham BC. The criticisms are intended to be constructive. UNISON members and other Council staff have demonstrated high levels of skill and dedication over many years. Staff live in the Borough, pay Council Tax and use the Council's services. They want the Council to succeed in delivering high quality services whilst protecting the most vulnerable residents. They also want the Council to be an enjoyable place to work with opportunities for career development.

The issues raised in the paper seek assurance that 21<sup>st</sup> Century Council is not only about achieving financial savings. It should also be about developing a modern Council with a clear direction of travel, a clear understanding of the needs of all its residents and a highly skilled, motivated workforce. Hopefully, the issues and questions raised will assist Members in scrutinising progress to date and the future direction of the programme.

Hilary Rothery  
Wokingham Section Convenor  
**Central and East Berkshire UNISON Branch**

## Other Elements of the Wokingham BC 21<sup>st</sup> Century Council Programme

1. Core Priorities: Being clear about what we will be able to deliver in the future, to what standard, and being clear about where we may need to reduce or stop services if alternative funding sources cannot be found.
2. Income Generation: maximising revenue income to mitigate savings targets: town centre assets; the council's wholly-owned companies, charging.
3. Contract Review: achieving further value for money from our major contracts, beginning with our Highways and Transport contracts.
4. Children's Services: reshaping to reflect the emerging legislation regarding academies, and responding to the residual statutory accountabilities the Council will hold, with significantly reduced central government funding to deliver them.
5. Waste: reviewing arrangements for collection and disposal to manage costs and to achieve the required recycling targets to avoid fines.
6. Health and Social Care Integration: working with the NHS to deliver better-connected care at home, promoting independence and avoiding unnecessary hospital admissions. The Council has to respond to growing demand that is not matched by funding increases.
7. Housing Stock: considering how we can continue to provide effective service to our tenants while rents reduce and new legislation is enacted.
8. Smart Working: the Council already works smart, and has saved significant sums through reducing its office footprint. Officers and Members will explore what else is possible, and consider the potential future use of Shute End.
9. Shared Services: the Council already shares many services with other authorities, and will continue to explore opportunities where they will deliver better value and greater resilience.
10. Libraries: the Council has maintained all of its libraries, extended opening hours and made savings. It now needs to further explore opportunities for further savings through different operating models and delivery patterns.

11. Assets: The Council owns substantial assets in the Borough and is working to ensure these are put to best use, and where possible delivering revenue or capital receipts. Linked to this the Council is leading a programme with all public sector partners across Berkshire including police, health and the fire service, to make best possible use of publicly-owned assets and buildings to save public money.