

LUTON TOGETHER Phase 2



The council's transformation strategy
2013-2016



Introduction

Our transformation strategy *Luton Together* has been in place for two years. With the council facing major budget cuts, it has guided us on a journey that has already resulted, by April 2013, in savings totalling £54 million. This journey has been challenging but transformation has enabled significant achievements, not only in delivering our savings targets but also in managing to protect frontline services.

However, the demand to deliver more with less – driven by further budget reductions from Whitehall, combined with additional pressures placed upon us by *Welfare Reform* and demographic change – has meant the game has changed yet again.

We have considered our response and the council's prospectus sets out the core priorities for the next three years: economic development, learning & skills and safeguarding the most vulnerable. The transformation strategy underpins the prospectus and provides additional information on how we intend to deliver its vision.

Over the next three years, Luton Council must:

- lead the borough to financial security and set it on course for future prosperity
- deliver essential services that residents rely on
- manage on much less central government funding than in the previous three years.

Thus, from here on in, it is all about change. Change is rarely easy or comfortable but, one way or another, it will affect everyone in the organisation. In balancing the budget, councillors face increasingly difficult choices and officers face an uncertain future.

There is but one constant: the town and the people who live here. Serving them is the council's purpose and the sole reason it exists. It is the crucial factor that unites everyone in the organisation.

Luton is a working town. Its rich and vibrant cultural diversity is well known, as are its challenges. Less remarked upon perhaps is Luton's historic ability to reinvent itself. Yet this is its quintessential character: an innate ability to embrace change and survive. Now more than ever, we need to reflect that character.

But our transformation needs to pick up speed. The austere financial climate prevailing nationally is likely to last until 2018, perhaps even longer. The £54 million spending reduction we made between 2011/12 and 2013/14 is just the beginning. By 2015/16, we estimate a further £32 million - at least - will be taken out of the council's budget, with a further cut of £27 million likely by 2017/18.

Reducing our dependency on Whitehall grants is an imperative. Increasing our income by selling services and trading will lessen the cuts we will otherwise have to make. We have increased our trading income by 28 per cent over the last two years but we need to work harder in this area over the next three.

Introduction continued

Savings targets for the next five years have been agreed, enabling an indicative five year budget to 17/18. Total savings between 2010 and 2018 could amount to as much as £112 million.

Current targets for 2013-18

13/14	14/15	15/16	16/17	17/18	Total
£18m	£18m	£14m	£14m	£13m	£77m

Like its previous versions, *Luton Together: phase 2* is a roadmap for direction and clarity in managing this unprecedented financial reduction. It is a living document and the only way that damage to essential services might be minimised.

We must continue to look closely at what really matters and what is less essential. We need to define 'value' accurately and continue to strip out any process or function that does not add it. Throughout the authority, at every level, individually and collectively, we need to ask: *'Why must it be done this way? Is this adding real value? And, if it is, how can it be done better?'*

We must explore other means of service delivery, including selling services, partnership working, sharing back office services with other bodies, or even outsourcing.

For LBC, transformation is about matching a deep, long-held commitment to quality public service with a real commitment to continuous improvement, raised productivity and value for money. Key to this will be to recognise and acknowledge what is good, yet challenge constructively where it could be better. And then authorise employees to achieve the step-change for themselves.

Ultimately, it is not organisations that change, it is the people within them. We need to rapidly build capacity, enhance capability and reinforce the new culture. Put simply, this means empowering good staff to provide good, cost-effective services and enabling them to adapt effectively to new environments.

The method of delivery may change but the need for a skilled, committed workforce will not. The council's organisational development strategy will, therefore, be a key element and driver of its transformation.

The consequences of a failure to change have already been seen in other parts of the country but we have changed significantly since 2010 and coped exceptionally well with the unprecedented scale of budget cuts we have been forced to make. Over the next three years all of us in the organisation - councillors, unions, management and employees alike - must now seize the opportunity to drive our own destiny.



The journey: putting the strategy in context

The council embarked upon a major transformation programme, *Luton Excellence*, in 2008. The programme was rescoped and refocused in June 2010 and further re-energised with the publication of *Luton Together* in August 2011. This document builds on the successful delivery of the rescoped programme in 2011/12 and details the strategy for the period 2013 to 2016.

Luton has some areas of exceptionally high performance, which are increasingly being recognised at national level, including:

- 2013 LGC Awards: five shortlisted submissions
- 2012 MJ Awards: community investor of the year and highly commended in public protection
- 2012 Training Journal Awards: best transformation programme
- 2012 O2 Futures Fund: winner
- 2012 SOPO Awards: partnership & collaboration
- 2012 National Youth Worker of the Year
- 2012 Admedia Creative Awards: highly commended
- 2012 Five more Green Flags
- 2012 IRRV benefit team of the year: shortlisted
- 2012 LGC Awards: efficiency category - highly commended

We have sharpened our focus on income generation and now trade a range of services to neighbouring authorities and public sector organisations, including support services for 20 schools in Central Bedfordshire and fleet transport services to Bedfordshire Police. Recently, we won Bedfordshire Fire and Rescue's contract for legal services.

Luton Council has always wanted to deliver value for money, so looking to find better, more efficient ways to deliver quality services is not new. However, the challenge to do this whilst removing over 40 per cent of our budget is bigger than anything we have faced before. Here are just a few examples of what we have achieved so far:

£54 million saved to 2013/14 sickness absence cut by over 30 per cent senior management costs cut by £500k pa only 15 per cent of budget reductions so far have impacted on frontline services spending on consultants down 45 per cent big savings in office space: over £600k saved overtime spend down by 35 per cent (over £1m saved) external supplies contracts: over £2m saved to date 280 projects delivered in 30 months new competency and assessment systems driving up personal performance customer contact centre: 90 per cent cut in queue times & call answer rate improved by 92 per cent benefit processing cut from 31 to 10 days; 48 hrs for fast track claims bulky refuse collection achieved targets up to 98 per cent council tax collection rates (96.5 per cent) best in 20 years and still improving 170 projects in development, will deliver £40m over next three years cost of central finance reduced by £659k a year review of engineering and highways services: £600k a year saved remodelling of integrated services for children: £650k a year saved early intervention review: £600k saved joint work with NHS: £400k saved day care modernisation and transport efficiencies: £350k a year saved 98 per cent drop in manual invoices

In addition, the responsibility for public health transferred to the council this April; we have worked hard to ensure this transition was both seamless and strategic.

Nevertheless, improvement is a constant challenge. There are still areas where we need to improve our performance. For example, while sickness rates have fallen considerably in the last ten months - from 13.6 days per person to 9.5 days per person - they are still above our target of less than eight days per person.

We need to improve individual, team and organisation performance, wellness and productivity. Culturally, we need to eradicate cynicism, low aspiration and low ambition, over-zealous bureaucracy, silo thinking, a focus on process rather than delivery, and a lack of focus on our customers. To deliver excellent outcomes, we need to increase energy, enthusiasm, empowerment, passion and pride.

To repeat one of the key tenets from the introduction on pages 2 and 3, effective organisational learning and development will play a vital role in building capacity, enhancing capability and reinforcing a positive culture.

All local authorities are affected by Whitehall-imposed budget cuts but the proportion of the reductions required vary. Luton is more dependent on central government grant than many authorities. The low council tax value of many properties in the town means it cannot raise as much council tax as, for example, neighbouring Central Bedfordshire. Central Beds Council can raise £118 million from council tax. Luton Council can only raise £53 million from this source.

The government's estimated reduction in revenue support grant for Luton in 2014/15 is 17.7 per cent, which equates to £11.3 million. Yet the same percentage reduction for Central Bedfordshire would result in a grant loss of only £7.5 million - even though their budget is 18 per cent bigger than Luton's.

Thus it is clear that Luton has a larger mountain to climb than others and, because of the challenging local context, a far more difficult ascent.

Luton Together: phase 2 details a strategy that outlines how we, as a team, will transform the authority so it can navigate successfully through extraordinarily challenging times, while maintaining the services that are of most importance to our residents.

In addition, the council's *Prospectus* sets out an indicative budget and topline service plan for the next three years, including a layout of savings proposals up to and including 2015/16.



Mission and vision statements

The programme will help to deliver the draft *Luton Together* corporate mission statement:

“ The needs of Luton’s people will be first in everything we do

... and a vision of what we want to deliver in the future:

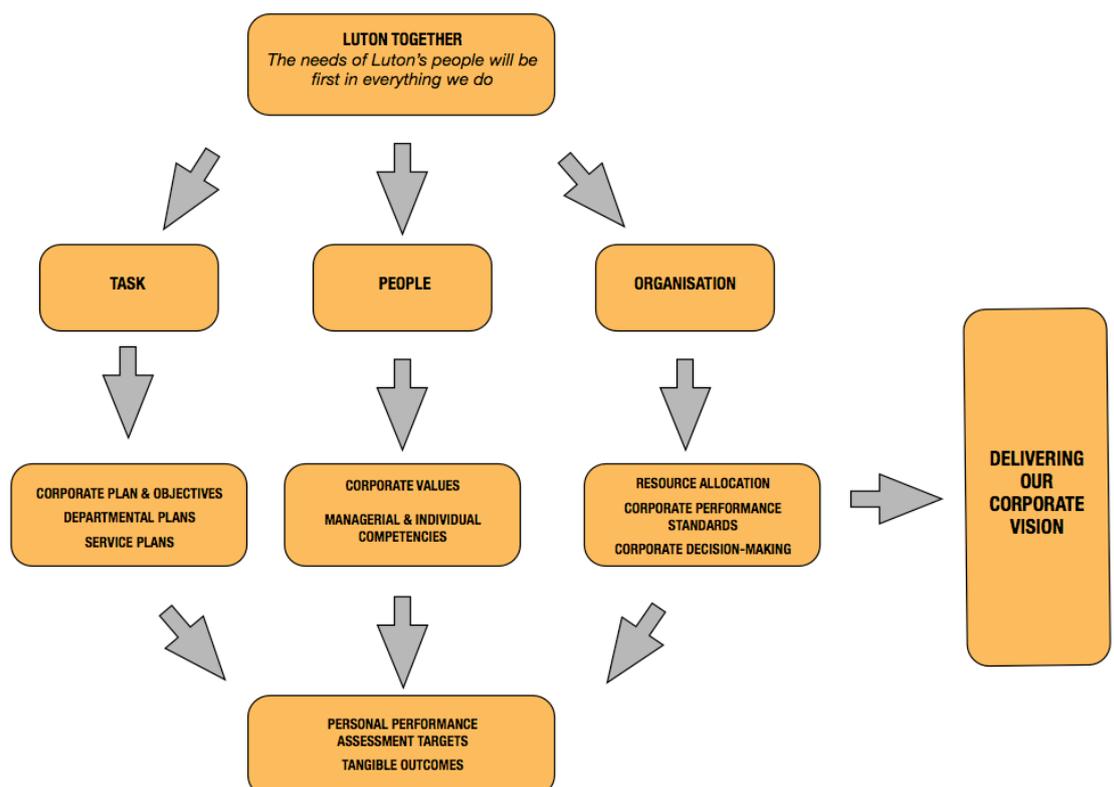
**“ Luton Borough Council will be
a high performing, financially viable authority,
delivering high-quality services
that improve health and opportunity for local people
and protect and enable the most vulnerable.**

**Together with our partners, we will help make Luton
a place where everyone can learn and thrive
and where business can grow and prosper.**

**Celebrating and building on Luton's rich history
and its vibrant, cultural mix,
we will develop safe, strong, sustainable communities.**

**We will be responsive, accountable and innovative
- a leader in what we do and a voice for our town.**

We have consulted employees, unions and citizens on this, including focus groups and surveys. Comments and qualitative statements gathered from the focus groups and other response capturing mechanisms have been used to amend and further shape this document. This is how mission and vision statements fit with the organisation:





Objectives

Placing Luton's people at the heart of everything we do...

- we will make sure we deliver the services that most matter to our customers - to a standard and in a way that is acceptable to them
- we will use the feedback from the *Luton: Your Say* campaign to inform difficult choices around our savings and efficiency plans and we will continue to develop an open, honest and transparent dialogue with our communities

Balancing budgets...

- we will implement the savings set out in the 2013-14 budget
- we will deliver further savings of £49 million between 2013/14 and 2015/16
- we will drive commercial thinking that maximises income generation in order to support essential, frontline services
- we will honour the commitments made in the *Prospectus*, clearly outlining our budget and service programme to provide clarity, transparency and stability

Raising productivity and performance...

- we will increase productivity at every level - personal, team and across the organisation - while maintaining performance and staff morale
- we will seek out opportunities to work with partners to improve efficiency, pool budgets and deliver high quality, value for money priority services



Programme design principles & desired outcomes

LBC has long been an ambitious organisation, driven and focused by a strong desire to deliver high quality services for citizens. The need to respond effectively to drastic cuts in revenue grants has added further impetus to this and much has been achieved since the comprehensive spending review in 2010.

We have re-modelled a number of our services, carried out wide reaching restructures, re-profiled budgets to focus on service delivery, reduced the corporate centre and made significant improvements in performance and customer satisfaction - all against a backdrop of budget savings of £54 million (2010/11 - 2013/14).

However, we recognise that the demands for future budget reductions can no longer be met by efficiency alone. We need to plan for significant changes to our business models and delivery strategy. This means we must be clear about our core business – and what we and our customers expect it to deliver. We have to be clear with staff about the competencies, skills and behaviours required to remain productive and effective. We must plan strategically to achieve this.

Our vision and approach for the next three years is set out in the council's prospectus. We have agreed some basic design principles to help us to deliver on this:

Engagement; we will use community* engagement and insight data to inform the design and delivery of services and monitor performance and outcomes.

Access: we will rationalise access to council services channels and encourage and support a rapid switch to those that are more effective, efficient and convenient. This will include self service. Our model for service delivery is predicated on a shift towards more accessible and affordable channels, as shown in Figure 2 overleaf.

Commercial awareness: we will adopt a strategic commissioning approach, needs-driven, evidence-led and underpinned by commercial knowledge and skills to ensure the effective use of assets. We will ensure that cost reduction and income generation are optimised within an operational environment that prioritises meeting the needs of Luton's people.

Business models: we will consider all possible options and business models to ensure value for money, agreed priority service outcomes and the fulfillment of corporate and strategic

objectives. We will actively seek to engage in partnership working and joint commissioning or procurement with other public, private and voluntary sector organisations.

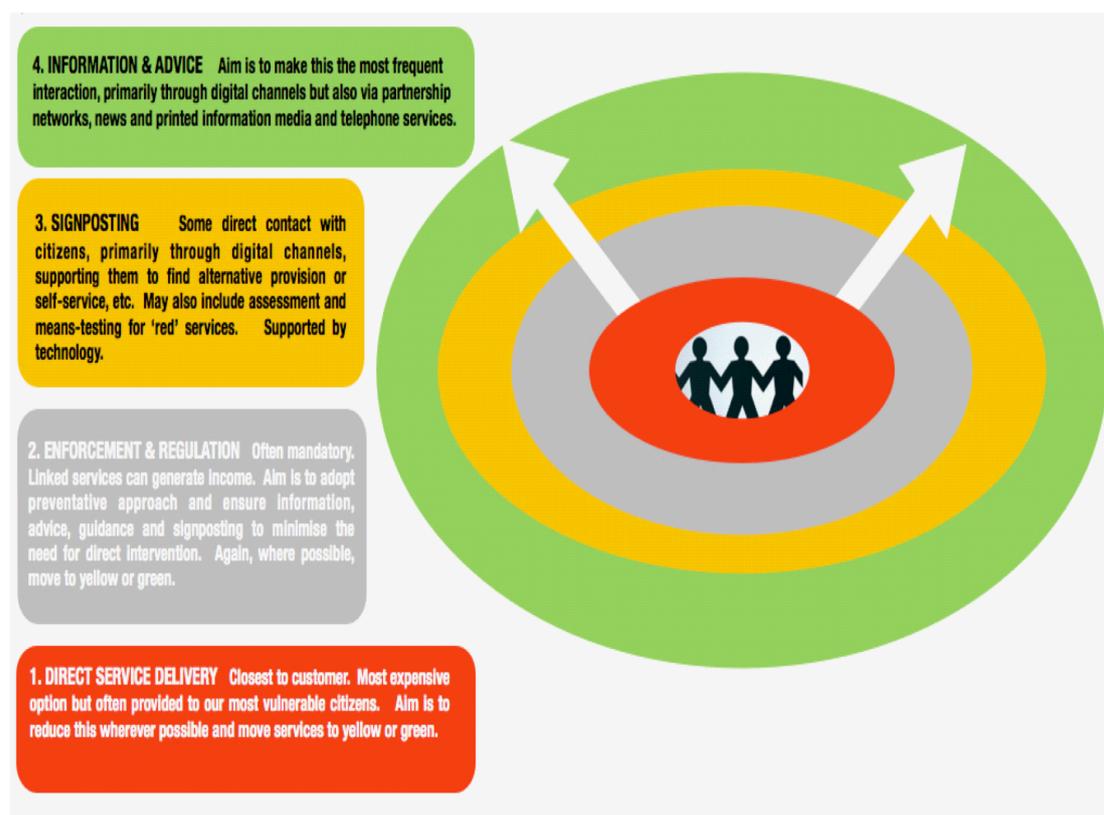
Operational design: we will continue to reshape the organisation, identifying and removing duplication and waste and making processes simpler, consistent, more efficient and user-friendly. We will promote innovative, efficient and responsive work practices, including agile working.

Culture: our organisational values will be clearly defined and applied consistently to foster an organisational culture focussed on pride, empowerment and accountability. We will ensure that behaviour and actions are modelled accordingly.

Performance: management of performance and productivity will be proactive and robust to ensure that service outcomes and costs at least meet, and wherever possible exceed, agreed standards. We will seek to improve service delivery as well as achieve savings targets and efficiencies.

Note: the term 'community' is intended to be inclusive, covering all those with whom Luton Borough Council interacts, be they citizens, customers (external and internal), business, schools, other public sector organisations, the voluntary sector, or other stakeholders.

The planned shift in service delivery





Commercial focus

Income generation has increased by 28 per cent over the past three years and we have started to develop centres of excellence and expertise for traded services and business development. However, we recognise there is still significant work to be done to achieve a truly commercial focus and maximise opportunities to add value and increase capacity.

Generating external income streams via traded services will support frontline services and help us meet our priority outcomes for Luton. We need to develop our business to trade and generate income wherever possible.

We must ensure our managers really understand the underlying cost base, cash flows and cost drivers of their business and maintain a strong financial grip on its operations.

Our organisational development strategy will continue to provide training and support for managers to increase their commercial expertise and we will reflect this key purpose in the organisational design.

Our design principles now direct us clearly to business models that deliver value for money. We will focus relentlessly on the organisation's core business and take opportunities to stop doing or secure alternative sources of provision for non-core activities.





Plan for 13/14 to 15/16: how we will deliver the objectives

Transformation of this kind is complex and difficult, especially at a time when spending needs to be cut by 40 per cent. Our focus on culture change will continue, driven by our vision and values. Culture needs to change, as do our people and attitudes and approach. Relentless momentum, energy and drive and clarity from the leadership team will be key.

To achieve the transformation we need we must:

Ensure we can make difficult decisions We will need to reduce services. To achieve this, we must have an evidenced-based approach that ensures we deliver services that matter most to our customers, in a way and to a standard that is acceptable to them.

Ensure members have the capacity for this challenging period With public health now added to the remit of the authority, the need to become more commercial and the need to deliver challenging budgets, there will be an increasing need for greater strategic depth, focus and organisational leadership to cope with this more complex environment. This strategic focus will enable councillors to concentrate on areas where their efforts deliver best results for citizens. To do this, members will need to be 'leaders of place' rather than managers of the operation.

Focus on prevention, early intervention and reducing dependency The impending transfer of public health responsibilities from the PCT provides an opportunity to change our approach and integrate different delivery streams that focus on prevention and early integration of services. This refocusing will help ensure issues and problems are dealt with before they become crises, ensuring citizens receive a better service and that high dependency costs are minimised. We will also deliver services designed to reduce dependency.

Generate new savings ideas Published within the council's prospectus is a list of savings and efficiency projects. This list is replicated at Appendix 2. These are ideas which LBC will progress in detail. The projects in these lists may not generate all the savings required, so new, innovative ideas will be needed. Across the organisation, a number of programmes have been put in place to encourage and nurture innovation and budget challenge.

Increase commercialisation The council currently gets 65 per cent of its income from Whitehall. While this proportion continues to be so high, the organisation will continue to be dependent on government grants - and highly susceptible to reductions. The more additional income we generate from commercial activities, the greater our ability to protect the services that citizens prioritise for continued subsidy.

All profits generated from commercial activities are channelled into the council's general fund. We have been working over the past two years to adopt a new culture of innovation and an open attitude towards mitigated and managed risk in order to provide a strong focus on deriving additional income from commercial activity.

We will continue to build upon the council's existing commercial work and develop new commercial activity that focuses on existing strengths in terms of capacity, infrastructure and asset base. We will also continue to exploit opportunities afforded by new legislation and policies (such as government offices relocating from Whitehall and the anticipated power of general competence).

A systematic approach to all our services and their attendant commercial opportunities will become part of the assessment of projects coming into the transformation programme and will review:

- existing services/assets which can and should be run profitably (ie sold externally)
- additional services/powers that can be used to generate profits

The appropriate business model will be adopted or adapted from existing business operations, with a view to coherent amalgamation of services into commercial groupings. Success will rely upon higher commercial skills within the council: eg business planning, commissioning, understanding the profit motive, focus on results, customer care, opportunity identification, branding and marketing.

Driving performance up and sickness down in order to increase productivity

Maintaining the same level of service with reduced resources demands a rise in productivity

Reducing waste The council has adopted lean thinking as its methodology and will continue to focus on efficiency and the minimisation of waste within our business process and operational activities.

Improve our systems To use our resources effectively and deliver high quality and accessible services and outcomes, we must continue to improve the systems provided to the organisation. We must ensure they fundamentally support change - addressing people, process, information and technology - and are delivered right across the entire organisation.

Change behaviours We have instigated a new competency framework throughout the organisation, which, linked to personal performance assessment (PPA), has begun to promote the personal behaviour we need to deliver to succeed.

Enable our staff to be more effective We will endeavour to maximise the capacity and capabilities of the many high quality people we have.

Wide scale engagement and consultation. This will continue to be done in the greatest possible depth to understand the thoughts and needs of our customers, stakeholders and those affected and impacted by change.

Maintain staff morale Transformation is challenging at the best of times. The pace of change forced by external factors makes it additionally difficult. We will endeavour to maintain morale through strong and effective communications, positive and empowered management and a culture which seek to engage and energise all staff

Utilise the bundle concept One of the most important elements of the programme-and a differentiator against similar programmes - is the concept of the bundles. These help us think laterally about the organisation rather than simply in terms of departmental silos. This approach, coupled with a corporate drive, has delivered significant savings which would otherwise not have been achieved.

Reduce the environmental impact of our operations We have a civic leadership role to play in helping to save our planet. Going green can also save money.

Remove silo based thinking Silo based thinking delivers silo based services, which do not deliver the most efficient effective service to our customers.

A detailed action plan appears at Appendix 1.



Governance and resourcing

The transformation programme will be led and driven by the council's corporate leadership and management team (CLMT), with corporate governance and decision-making by the council's executive. The programme will be subject to scrutiny from the finance review group to ensure open management and democratic accountability.

The programme will be managed on a daily basis by the Luton Excellence (LEx) programme director.

Programme bundle sponsors and leads will continue to be responsible for progress in their respective projects.

The LEx team has been set a return on investment target of eight times its cost. LEX delivered this ROI in 2010/11 and 2011/1. It is on target to deliver it in 2012/13.

The Luton Excellence forward plan will be agreed with CLMT and will set out the work programme to support the transformation strategy for 2013-16.





Transformation programme timeline/cycle

The high level programme for the delivery of the transformation strategy fits with the authority's corporate planning and budget cycle:

Initial strategy to Executive in March.

Staff consultations April and May.

Financial analysis of the new options for savings proposals during April and May.

Revised strategy backed by outline plans to Executive in June.

Monthly reporting on progress of strategy and savings programme: finance review group (members) and senior management leadership group.

Budget consultation proposals to Scrutiny finance group in July.

Budget consultations with citizens September - January.

New projects for the 14/15 budget agreed by members in August, September

Draft list for 14/15 agreed by members in August, September.

Staff consultations on specific project proposals start September.

Decisions made and implemented November - January.

Decisions take effect at the start of March.

Cycle repeats for 2015/16.

LUTON TOGETHER Phase 2



Appendices

- Appendix 1 Action plan
- Appendix 2 Luton's transformation journey
- Appendix 3 Learning log
- Appendix 4 savings proposals (from prospectus)
- Appendix 5 Bundle visions, targets and descriptions



Appendix 1

Action plan

Bottom up actions we will take:

Continued engagement of staff through channels such as *Change Exchange*, *Ask the Chief* and *Challenge Everything*.

Appropriate messaging through communications such as *Changing Times*.

Investment and training such as commercial training, lean courses, *Middle Management Challenge*, *Challenge Luton* and *Form of the Council* workshops.

We will involve staff from all levels of the organisation in the delivery of projects.

'Grass roots activism': we will consult on how best to achieve this from the bottom up.

Application of a customer value assessment approach (*see below*).

Community consultation will also have an important role to play.

Top down actions we will take:

Continue to set bundle targets that encourage senior ownership of the need to generate innovation.

Action plan for *Luton Together- phase 2*:

Ensure we can make difficult decisions Regular consultation with our staff via annual staff surveys. Each survey will be analysed and provide feedback via the You said, we did process.

Regular consultation with residents, building on the neighbourhood governance survey and the *Luton: Your Say* community debate.

Continued focus on the importance of integrated impact assessments (IIA) IIAs are a crucial part of the transformation process. They help shape transformation in a way that maximises positive opportunities and reduces the risk of specific citizens groups being significantly disadvantaged by any change.

The underlying principles of both the sustainable community strategy and corporate plan are equality, cohesion and inclusion. It is essential we retain a clear citizen focus in all we do. The new IIA, introduced in 2012, includes health, community, environmental and equality impacts, providing in one assessment a more coherent view of effect on citizens and communities.

Action plan continued

Ensure members have the capacity for the challenges ahead: Members' training will be planned in line with the member development charter and built upon the skills audit undertaken in 2011.

A review of all areas of member decision-making and officer scheme of delegation will be undertaken every two years to ensure the development programme remains fit for purpose.

Leadership events will continue to be planned and delivered for political and managerial leaders of the council.

Focus on prevention and early intervention:

The public health team moved from the NHS PCT and into council premises in 2012. At the same time, work got underway that ensured the successful and seamless integration of public health in early 2013.

Continue to ensure we realign strategies and structures, particularly around the Health and Wellbeing Board and Children's Trust, to ensure they are more coherent.

Reprioritise resources to meet the refocused strategies and to continue to redesign services to focus on early intervention and prevention.

Ensure that the management structure supports this reprioritisation of resources.

Generate new savings ideas and increase commercialisation

Continue to identify land and property assets that have potential for new or increased existing profitability and develop business cases to enter these into the transformation programme.

Develop commercial skills through training attached to the new commissioning strategy and introduce commercial ability as a core competency for senior managers.

Clarify the return on investment required for, and the approach to, internal *Invest to Save* funding and investment in commercial opportunities.

Following the successful roll out of early adopter projects that demonstrate the advantages of this commercial approach, develop an infrastructure to enhance and support our traded services to deliver increased income and maximise opportunities for revenue creation.

Driving performance and productivity and reducing sickness absence

Implement a new IT strategy that aims to maximise individuals' efficiency and productivity.

HR will continue to work with public health to enhance our health and wellbeing strategy.

The chief executive will continue to focus unrelentingly on these areas through quarterly performance and accountability clinics with each head of service.

Action plan continued

Personal performance indicators will be used to focus managers on productivity via the PPA process.

Continue to communicate progress - and also the need for further progress in order to change the culture.

Ensure that the council's sickness policy is understood and consistently applied.

HR will increase their support for departments to ensure attendance improvement.

Continue to support and deliver a more robust use of personal performance assessment (PPA) and personal improvement plans, which will be monitored corporately.

Ensure we continue to maintain a high performance culture, reinforced by the competency framework.

Work to ensure that 100 per cent of staff are appraised annually.

Develop options for a 360 degree appraisal mechanism to enhance PPAs.

Introduce a new framework for reward and recognition.

Reducing waste

Empowering staff to make incremental improvements at a service level, focused on delivering established customer values

Develop a culture where staff continually ask: *'does the customer value the output of this action?'*

Ensure performance indicators reflect customer value from services.

Create service plans that improve service delivery year on year.

Deploy service plans into individual PPA targets so people can see how their efforts affect council performance -focussed on service KPIs and tracked with appropriate action plans.

Continue to train staff in practical problem-solving so issues are fixed as quickly, and as close to the source, as possible - supported by a council-wide standardised tool for resolving problems, with an appropriate corporate review mechanism.

Use standardised ways of working to develop internal benchmarks for service delivery that can then be improved.

Action plan continued

Develop staff across our businesses to help further advocate and deploy lean into the organisation.

Develop services so they can sense and respond to changing customer demands.

Improve our systems

Implement our web transformation strategy to ensure we deliver a website that provides effective 'transactional' services, such as enabling a broader range of payment and service-ordering facilities, and not just focused on delivering information. The website will enable citizens and customers to have simple, convenient ways to access services and to pay us.

Continue to roll-out and deliver the 'channel shift' strategy, developing new and cost-effective ways for customers to access services, particularly the web.

Follow these technical principles:

- introduce citizen accounts: all contact information, from all channels, goes into a customer relations management (CRM system) and creates a record
- enforce standard entry processes and eliminate multiple entry of data, with end-to-end automation and web form processing where possible
- information from all systems goes into a 'business warehouse' to create end-to-end visibility of contact and accessible management information
- continue to deliver a more agile and flexible approach to working, supported by the kit, equipment and systems to enable it.

Change behaviours

Competencies to be adopted at all levels.

Competencies adopted into the performance management framework to identify training and development needs.

All new job descriptions rewritten to reflect new competencies.

Recruitment to continue to be focused on the new competencies.

Organisational development strategy to deliver a learning and development programme in line with the framework.

The organisation needs to continue its journey to move from being an authorising environment to one that is authorised. This will take time to achieve but the delivery of this is embedded within the new management competencies.

Launch phase 3 of *Challenge Luton*, the council's team-building programme.

Action plan continued

Enable staff to be more effective

Continue to deliver a focused modular learning and development (L&D) programme for employees, managers, leaders and specialists.

Link development plans and competency assessments to L&D planning and roll out team skills matrixes into corporate training programmes (demand/needs-based training).

Conduct a skills audit and then utilise i-Trent (the council's HR database) to manage on an on-going basis .

Develop an evaluation strategy to ensure return on investment of all L&D.

Reinvent the *Ladders to Success* staff development programme to enable talent management and succession planning.

Wide scale engagement and consultation

Continue to follow the *Luton Together* communications and engagement strategy.

Continue to develop and disseminate this strategy clearly.

Continue to engage union representatives on a twice monthly basis.

Maintain staff morale

Continuing to value our most precious resource - our staff.

Continue to invest in training and development.

Ensuring staff feel they can input to the transformation process.

Listening to staff.

Implementing the *Shape the Change* employee survey recommendations.

Encouraging directors, service heads and managers to be highly visible to the workforce.

More career development and internal progression.

Develop practical application of employee engagement projects .

Utilise the bundle concept

Continued use of this approach, with bundles given revised savings targets on an annual basis to ensure our transformation and savings programme is realistic, manageable and in line with corporate priorities.

Ensure bundle visions are refreshed. Current visions appear within the prospectus and can be found as Appendix 5 of this document.

Action plan continued

Reduce the environmental impact of our operations

Enable staff who have to visit customers or partners to work from anywhere, through the use of mobile technology, systems and a change in managerial philosophy. This will make them more efficient and cut down on car journeys.

Through 'carrot and stick' measures, persuade office based staff to use their cars less.

Reduce the council's building footprint and ensure that the remainder is upgraded to increase environmental performance.

Introduce solar panels in our housing stock and council buildings to produce energy

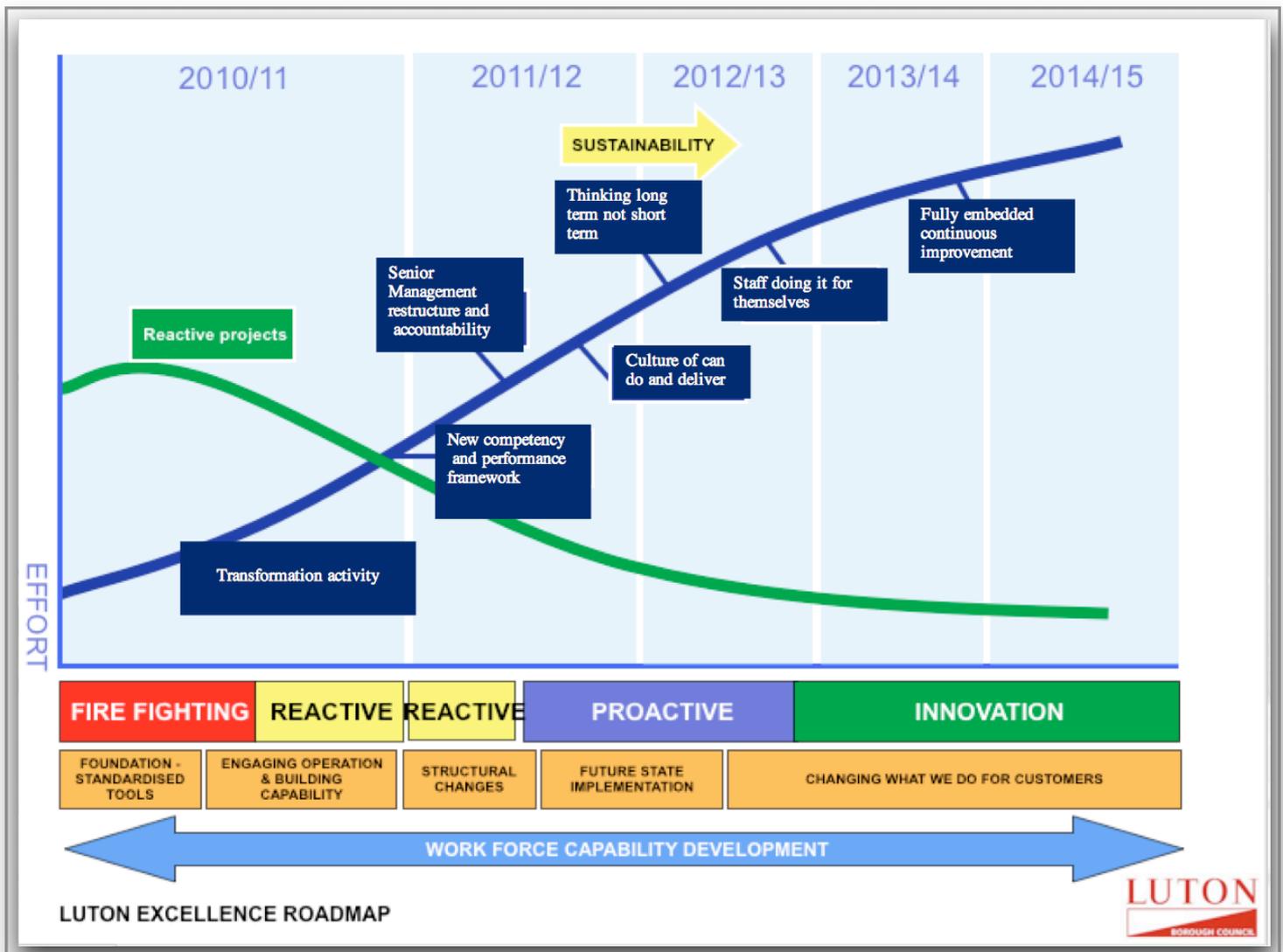
Remove silo thinking

Silo based thinking delivers silo based services, which do not deliver the most efficient effective service to our customers. In order to combat this we will:

- continue to support the senior management restructure to ensure all senior managers embody corporate values and competencies
- provide leadership throughout the organisation to drive out silo thinking
- through a training and development plan, support heads of service to work in a more collaborative way
- introduce a programme of secondments across teams



Appendix 2: Luton's transformation journey



Learning	Actions/ How achieved	Measure of success
<p>More evidence needed on which to base bundle and project targets.</p>	<p>Projects will not be able to move to the initiation phase of the tracker until they have resources attached, an indicative budget code identified and a finance lead allocated. This way, there will be greater assurance of target deliverability, allowing challenging and creative governance.</p>	<p>100% projects in the transformation programme have resources allocated to them (sponsors, project managers and technical investment).</p> <p>100% of transformation projects have a justifiable savings target allocated to them.</p>
<p>Need to get staff more involved in key decisions and the process of delivering projects.</p>	<p>Staff involved in projects have been able undertake project management training, with supporting materials available on the LEx intranet pages. An internal communications and culture change programme has been introduced, to further involvement and understanding. The <i>Middle Management Challenge</i> reached over 800 managers in 2011; this has been supported by the development of bespoke 'project by project' communications with all those affected to explain the scope and likely outcomes and invite involvement in this.</p>	<p>Consultation and general involvement of staff results in higher quality and more transformational solutions – transformation programme begins to be driven from the 'bottom up'. Last year's (second) <i>Shape the Change</i> survey evidenced increased workforce awareness and sense of involvement.</p>
<p>Improve early focus on coding savings, clarify project and bundle interdependencies and reduce duplication. Transparent and effective allocation of resources to priorities.</p>	<p>Finance to allocate a named accountant to every project before it can move to the 'live' phase of the tracker; this person to be involved from the outset. LEx communicate regularly with bundle leads and have seconded a finance lead from the corporate finance team to work with finance managers and bundle leads to pick up potential duplication and resolve problems quickly.</p>	<p>Ongoing resolution of potential coding and duplication problems, so less draw on resources to resolve problems.</p> <p>Fewer 'failed savings'.</p>
<p>Effective, transparent allocation of resources to priorities.</p>	<p>The new competency framework and a closer relationship between the LEx team and bundle sponsors will be key to ensuring the organisation has the resources to deliver the transformation programme. The LEx team's programme management, support and the delivery of prioritised projects within it is also key. CLMT will continue to govern resource allocation at a monthly programme performance review.</p>	<p>Substantial numbers of new project managers allocated to tracker projects.</p> <p>All priority projects fully resourced.</p>
<p>Greater clarity required on strategic priorities and vision.</p>	<p>This strategy and its related internal communications programme.</p>	<p><i>Shape the Change</i> staff survey will continue to track understanding of transformation strategy and how it supports the implementation of the organisational vision.</p>
<p>Closer working between LEx/Fin/HR/IM to drive efficiency</p>	<p>Regular contact and progress checks between the teams in order to drive the programme and allocate resources appropriately.</p>	<p>One tracker to include all finance and IM information, linked to the HR consultation tracker.</p>



Appendix 4: savings proposals

To meet the indicative budget gap 2013 to 2016

The savings proposals in this section are based upon proposals published in the council's prospectus for 2013-16, which was agreed by members in December 2012. A copy can be downloaded from the council's website: http://www.luton.gov.uk/Council_government_and_democracy/Consultation/lutonyoursay/Pages/The-prospectus-2013-2016.aspx

The prospectus is a 'living document' and throughout these times of change it will need to be reviewed frequently. There have already been some changes since its publication and these are reflected here.

All proposals are subject to discussion, consultation and agreement by members as part of the authority's democratic process. As a matter of course, consultation with staff and recognised trades unions is taking place where appropriate. In addition to these public-facing proposals, the council will also be considering how it can make further savings in all of its 'back office' support functions.

Environment and regeneration

Street services

Luton will provide a front-line service at minimum statutory levels in many areas working closely with local communities to meet local priorities. The council will do things differently where that helps to maintain standards or minimise decline as well as making the necessary budget savings. Bus passes (concessionary travel) will continue for off peak journeys only and Dial-a-Ride and community transport users will need to contribute towards the cost of travel. There may also be reductions in evening and weekend local bus services, but this will be the subject of consultation. Total estimated savings £330k.

A proposal to reduce street cleansing in the town centre from seven days a week to five was considered but it was decided to maintain the service at its current level this year. However, fly tipping response and graffiti removal target times will be reduced from 24 hours to within two working days. Nevertheless, offensive graffiti on public buildings will continue to be removed inside 24 hours. Total estimated savings £415k.

Planned repair of footpaths will reduce. There will also be reductions in road safety publicity campaigns, bus shelters, street nameplates, road markings, real-time passenger information, cycle training and general maintenance. Total estimated savings £658k.

Waste collection and disposal

In November 12, the council received £10.885m from the government's 'weekly collection support scheme'. Around £3.7m will be invested over five years to maintain weekly collections

Appendix 4: savings proposals continued

of household waste, while investigating the feasibility of 'alternate bin collections'. Fortnightly kerbside recycling collections will remain. The funding also enables garden waste collections to continue, along with a new collection & recycling service for disposable nappies as well as improvements to recycling facilities in flats. This additional funding is a short term measure. The underlying need for significant cost savings remains, which means that eventually moving to more sustainable fortnightly collections will be inevitable.

Parks, crematoriums and cemeteries

The parks service will deliver ground maintenance only to statutory minimum levels. This essentially means maintenance intervals will be extended. Litter collection will be reduced; trees will be inspected and cared for only on a risk based approach; shrubs will be pruned on safety grounds only and otherwise will be left; grass cutting will be reduced to six, seven or eight cuts per year from the current 15 cuts; and there will no longer be floral displays.

Parks sports will be reduced to the minimum number required to meet demand and special events organisers will be charged the full cost of booking and staging of the event.

Crematoriums and cemeteries will continue to operate as at present with the aim of maximising income.

Planning and development

Development management will be delivered at a very basic level with increasing charges for both pre-application advice and for dealing with applications. Strategic planning will offer a minimal forward planning function. This will be sufficient to deliver and update the main planning documents to a basic level but insufficient to support projects for environmental improvement, protection and enhancement of green space (unless other sources of funding are found) which will negatively impact on environmental quality and investment within the town. There will also be no capacity to help bring forward neighbourhood plans. Total estimated savings £552k.

Work on transport strategy, sustainability and flood management will be restricted to the basic statutory minimum. Work on research and management of geographical information will be focussed on minimising the council's liability regarding data standards etc. Total estimated savings £436k.

Greatly reduced capability on sustainable transport measures risks a knock-on effect of increased road congestion, which could lead to less business investment in the area. We will continue to deliver current major capital projects (such as the busway, junction 10a and the town centre transport scheme). In addition, if ever the opportunity arises, bids will be made for additional government funding for further improvements. Total estimated savings £75k.

Building control fee earning work will continue to be delivered on a cost neutral basis.

Appendix 4: savings proposals continuer

Business and consumer services

Trading standards and environmental health services will be reduced and priority given to high risk cases which have been the subject of multiple complaints or notifications from other relevant agencies. Noise complaints will be prioritised to those where there have been numerous complaints or a risk assessment has shown that there is a link to anti-social behaviour and/or a vulnerable individual. Total estimated savings £480k

The registration service, dealing with births, deaths, marriages and civil ceremonies, will be reduced and non-statutory charges for services such as postage will be increased. Additional services such as citizenship will only be provided where there is a sound business case for the continuation of the service.

In 2013/14 the number of posts dealing with abandoned vehicles and stray dogs will be reduced whilst making changes to the operation of the service including a closer alignment with the anti-social behaviour team.

The council will explore opportunities for the dog warden service to generate additional income. No savings are proposed in 2014/15 to allow time for new operating models, income generation and partnership to be fully developed.

Savings for 2015/16 will be achieved through greater generation of income and a review of enforcement activity across the council. Total estimated savings by 2015/16 £204k.

Community safety and civil protection reduced to statutory minimum except where posts are funded externally and operation of the Community Safety Partnership would cease if this no longer remains a local authority responsibility. Work in this area would be dependent on continued support from Bedfordshire Police where strong partnership working has been established and recognised as best practise. Total estimated savings £241k.

Parking charges will increase. Parking enforcement will continue to operate but with greater use of CCTV monitoring activity. Total estimated income £150k.

The licensing service will be self funding. A fundamental review has taken place and recommended the streamlining of decision-making and the delegation of powers to officers with regard to licensing private hire vehicles and hackney carriages. This came into force April 1st, 2013. Total estimated savings £100k.

The economic development service will be kept under review to ensure that it contributes to growth in business rates and Information; total estimated savings £250k.

Total expected savings £11.8m

Appendix 4: savings proposals continued

Housing and community living

Commissioned services

The council will review and prioritise all the discretionary and statutory support services it commissions and procures for vulnerable adults, ensuring good value for money and produce good outcomes for people. The council will work with key partners through the Health and Well-Being Board to seek efficient services and will utilise where ever possible charities and resource pooling with other partners. This will ultimately result in a saving of £2.22m per annum.

Day care services for older people and people with physical disabilities

The council will remodel day care services for older people and those with physical disabilities, and will consider transferring provision to the voluntary sector. This has been successful in other local authority areas. The service is not a statutory obligation, but we recognise that day services provide valuable respite to carers and allow people to remain independent. Discussions will take place with appropriate charities. Ultimately, it could reduce the council's revenue budget by £1.1 million a year. It might also be possible to develop day care opportunities for a wider variety of people.

Prevention & early intervention in adult social care

The council's past investments in helping people get back on their feet after a stay in hospital, helping people to stay healthy and fitter for longer and helping people to stay independent in their own homes will enable it to reduce the expected growth in resources needed to provide care for the growing older population, by £2.6m over the next three budget years.

Older people's meals service

The council will develop an efficient sustainable model for the provision of a meals services for older and vulnerable people, which is a non statutory duty. The council will seek the views on options and develop ideas with the community in order that a range of services will be available for people to choose themselves. People will be signposted to the service that best suits their needs. This will save the council £250k per annum.

Services for people with learning disabilities

The council will remodel services for people with learning disabilities to ensure that they are sustainable and more efficient. This will involve re-modelling the buildings current utilised to give an efficient asset base that is suitable for the expected increase in the numbers requiring service. Ultimately this re-organisation could reduce the council's revenue budget by £1.6m per annum.

Appendix 4: savings proposals continued

Housing services (general fund)

The council will review the way in which housing services are delivered, particularly developing self service opportunities and partnership approaches to the delivery of some services. The council will also invest in the business capacity of its housing repairs traded service. This will deliver £1.1m per annum.

Community centres

The council will seek to transfer the management and operation of its community centres to a suitable charitable partner (or partners) who will then develop an efficient and sustainable funding model for the future. This could improve accessibility and utilisation and, ultimately, reduce the council's budget by £1.5m per annum.

Cultural services

The trust that runs the majority of Luton's cultural services and events is currently considering how it can provide a more localised library service, prioritised to the needs of communities yet sustainable within funding levels likely to be available in the future. It is also reviewing its other cultural activities to achieve a similar outcome.

Leisure services

Active Luton will develop a service model that encourages Luton residents to participate in healthy activity - in line with likely levels of available funding in the future.

Organisational restructure

There will be further restructure of management, the integration of certain functions and the introduction of new ways of working. This will save the Council £0.7m per annum.

Total expected savings £13.47m*

* This includes all 'other' savings and efficiencies.

Children and learning

Young people

Implementation of a targeted and integrated youth service for those young people most at risk of disengagement, alongside some commissioned 'open access' youth activities for young people across the spectrum. This will be aimed at raising young people's aspirations, building their resilience and helping vulnerable young people to engage in education or training – and thereby reducing risky behaviours such as substance misuse, involvement in crime and anti-social behaviour, and teenage pregnancy. There will also be a review of the youth offending service. Estimated savings £700,000.

Appendix 4: savings proposals continued

Prevention and early intervention

There will be a reduction in funding available from central government for early intervention services and this is reflected in the money available through the council's general fund for services including targeted early years and children's centres for vulnerable children. Resources for Luton's community and voluntary sector to reach those most in need may also reduce. However, the council remains committed to early intervention and prevention and is seeking to substitute funding in this area through other sources where possible. This work also covers the commissioning of some public health (teenage pregnancy) provision and targeted child & adolescent mental health services in schools.

The *Stronger Families* programme, Luton's version of the national *Troubled Families* initiative, is included in this service area, as is YOS and youth provision, and short breaks for disabled children. Estimated savings £3.679m, although it is intended to offset these savings through securing other funding where possible. Additionally from internal service remodelling there will be £312k savings.

Schools support

Services provided to schools (such as administrative support, e.g. finance and HR, specialist school support and e-learning) will increasingly be on a traded basis and over the next three years the council will look to increase the range of services on offer and the number of schools that buy these important services. Estimated savings £ 400k. Additionally from internal service remodelling and extra income, £1.066m

Looked-after children

LBC will conduct a fundamental review of fostering services, including considering partnering with other local authorities and a focus on increasing use of in house fostering. The council will seek to secure efficiency savings in commissioning services for looked after children.

Estimated savings £450k

Total expected savings £9.816m*

* This includes all 'other' savings, such as increased administrative efficiencies.

Council-wide services: customer services

Access Luton

Access Luton will include all of customer services and financial assessments, working in partnership with other advice agencies in Luton, notably the Luton Advice Network to improve customer service and service effectiveness, making a cost efficient use of existing partnership resources.

In addition to the above savings proposals that will go to public consultation, the council will be considering significant efficiency savings proposals in its corporate centre, including support services, to meet the overall savings target.

RESHAPE REMODEL RENEW



**Introduction to the revised
transformation ‘bundles’
2013 - 2016...**



A brief overview...

The council's savings and transformation programme has already delivered 190 projects since 2010, with 98 per cent of the financial benefits realised. £36 million has been saved in the past two years from a revenue budget of £170 million but with only a six per cent impact on frontline services. This was achieved via ten 'project bundles'.

Now, Whitehall is insisting upon a further budget reduction of £48 million by 2016.

For 13-14, savings of £18 million have been included in the budget. An indicative three year budget to 2016 has also been agreed.

To achieve this, 170 projects are in progress or in development. All will be delivered via six bundles.

All projects will be carefully co-ordinated, with progress checked constantly, by a detailed monitoring system.

Overall programme co-ordination comes from the Luton Excellence transformation team.

Each bundle has its own sponsor and lead, as do the individual projects. Throughout, the objectives are clear: ensure that savings targets can be met, as far as possible, from efficiencies and better ways of working. And, of course, avoid the risk of failing services during a time of austerity.

Of equal importance is to make sure the council rapidly transforms itself into an organisation that can successfully handle the challenges that lie ahead over the next four years or so.

Many projects are looking to deliver similar levels of service but in a different way. Some could result in the introduction of charges. Income maximisation, including increased sponsorship, is being looked at closely in every bundle, as is reducing the cost of the council's contracts with external suppliers.

The programme is both complex and subject to constant change. Inevitably, some of the proposals are highly sensitive as they first need to be discussed with councillors. With all proposals, members are the ultimate decision-makers; the key is to ensure that they have the best possible data so they can make fully-informed decisions.

The six bundles...

This summary is a brief overview of the six 'project bundles' (covering over 170 live projects) that are focused on helping the authority achieve its challenging budget savings targets for the next three years.

All projects are at various stages of investigation, assessment and development. The objective is to actively target and maximise available resources, achieve savings, promote early intervention and develop new models of working, including further development of traded services.

Each will be subject to consultation and the council's democratic decision-making process.

Children & learning

Targets: £4.87m 2013-14, £2.9m 2014-15, £2.04m 2015-16

Vision: To design, deliver and commission services for Luton's children and young people which will further raise levels of educational attainment, protect the vulnerable and improve life chances.

Projects include reviews of a wide range of services:

- discretionary uniform grant
- denominational transport
- youth
- educational welfare
- educational psychological service
- youth offending
- looked-after children

Commercial and transformational services

Targets: £4.26m 2013-14, £3.8m 2014-15, £2.80m 2015-16

Vision: To transform business support, commissioning, procurement and category management, deliver significant cost reductions and income streams and promote high standards of management practice.

Projects include reviews of a wide range of services:

- building design & maintenance
- restructure of chief executive's department
- voluntary sector grant programme
- insurance
- fraud
- treasury management
- HR

Environment & regeneration

Targets: £4.43m 2013-14, £5.14m 2014-15, £2.26m 2015-16

Vision: To continue to make a visible difference by delivering key front line services to an acceptable standard and at optimal cost.

Projects include reviews of a wide range of services:

- refuse collection
- street cleansing
- cycle training
- subsidies for local bus services
- concessionary fares
- meals on wheels
- community safety
- food health & safety

Housing & community living

Targets: £6.73m 2013-14, £3.82m 2014-15, £2.80m 2015-16

Vision: To protect vulnerable people whilst maximising prevention opportunities in order to minimise growth in demand for support services.

Projects include reviews of a wide range of services:

- building and technical
- sheltered housing
- support for cultural events
- meals at home
- community development
- library service
- carers' support
- private sector housing

Customer connect

Targets: These are 'enabling' projects, with savings identified in other bundles.

Vision: To increase the shift towards more convenient, cost-effective access channel alternatives for customers and citizens. This will increasingly involve self-service.

Estate rationalisation

Targets: These are 'enabling' projects, with savings identified in other bundles.

Vision: To reduce significantly the council's footprint (both space and carbon) and increase agile working.

