Hampshire
County Council

**NOTICE OF MEETING**

**Meeting**          Cabinet

**Date and Time**    Monday, 17th September, 2018 at 10.30 am

**Place**            Wellington Room, EII Court, The Castle, Winchester

**Enquiries to**     members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

**FILMING AND BROADCAST NOTIFICATION**
This meeting may be recorded and broadcast live on the County Council's website.
The meeting may also be recorded and broadcast by the press and members of the
public – please see the Filming Protocol available on the County Council's website.

**AGENDA**

1.     **APOLOGIES FOR ABSENCE**

       To receive any apologies for absence.

2.     **DECLARATIONS OF INTEREST**

       All Members who believe they have a Disclosable Pecuniary Interest in
       any matter to be considered at the meeting must declare that interest
       and, having regard to Part 3 Paragraph 1.5 of the County Council's
       Members' Code of Conduct, leave the meeting while the matter is
       discussed, save for exercising any right to speak in accordance with
       Paragraph 1.6 of the Code.  Furthermore all Members with a Personal
       Interest in a matter being considered at the meeting should consider,
       having regard to Part 5, Paragraph 4 of the Code, whether such interest
       should be declared, and having regard to Part 5, Paragraph 5 of the
       Code, consider whether it is appropriate to leave the meeting while the
       matter is discussed, save for exercising any right to speak in accordance
       with the Code.

3.     **MINUTES OF PREVIOUS MEETING**  (Pages 5 - 18)

       To confirm the minutes of the previous meeting

4.     **DEPUTATIONS**

       To receive any deputations notified under Standing Order 12.

5.   **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

6.   **TRANSFORMATION TO 2019: REPORT NO. 4**  (Pages 19 - 36)

To consider a report of the Chief Executive regarding the Transformation to 2019 programme.

7.   **DIGITAL UPDATE**  (Pages 37 - 70)

To consider a report of the Director of Corporate Resources regarding the progress made on the Digital Portfolio to support departments with their T17 and T19 transformation.

8.   **CQC HAMPSHIRE LOCAL SYSTEM REVIEW**  (Pages 71 - 116)

To consider a report of the Director of Adults' Health and Care regarding the CQC Hampshire Local System Review

**Exclusion of the Press and Public**

Recommendation:

To resolve that the public be excluded from the meeting during the following item of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report.

A notice setting out the intention for part of this Cabinet meeting to be held in private was published on 14 August 2018 and no representations have been received in relation to this.

9.   **CREATION OF A JOINT VENTURE LOCAL AUTHORITY TRADING COMPANY**  (Pages 117 - 134)

To consider a report of the Director of Corporate Resources regarding the creation of a Joint Venture Local Authority Trading Company

**ABOUT THIS AGENDA:**

**On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.**

**ABOUT THIS MEETING:**

**The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.**

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

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AT A MEETING of the Cabinet of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Monday, 18th June, 2018

Chairman:
* Councillor Roy Perry

| | |
|---|---|
| * Councillor Keith Mans | * Councillor Mel Kendal |
| * Councillor Liz Fairhurst | * Councillor Stephen Reid |
| * Councillor Edward Heron | * Councillor Patricia Stallard |
| * Councillor Rob Humby | * Councillor Seán Woodward |
| * Councillor Andrew Joy | |

**Co-opted members**

Also present with the agreement of the Chairman:

58. **APOLOGIES FOR ABSENCE**

   All Members were present and no apologies were noted

59. **DECLARATIONS OF INTEREST**

   Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

60. **MINUTES OF PREVIOUS MEETING**

   The minutes of the previous meeting were reviewed and agreed

61. **DEPUTATIONS**

   No requests to make a deputation had been received.

62. **CHAIRMAN'S ANNOUNCEMENTS**

   The Chairman welcomed Councillor Woodward who had been re-appointed to Cabinet and Councillor Heron who had been newly appointed to Cabinet. It was noted that the Education portfolio had been added to Councillor Reid's responsibilities and the Chairman paid tribute to the work of Councillors Edgar and Gibson who had stepped down from their Cabinet roles.

An announcement by the Government of increased spending on healthcare was highlighted by the Chairman, who reflected on the experience of increasing costs in Hampshire. He noted that work had begun on the extra-care facility at Nightingale Lodge and praised the ability of the County Council to meet financial pressures by looking at the long term position.

The Chairman reported on a peace and reconciliation event he had attended at Winchester Cathedral. He also reminded Members of the forthcoming County Service and of a youth orchestra event in Romsey Abbey in November to mark the end of the First World War.

63.   **END OF YEAR FINANCIAL REPORT 2017/18**

Cabinet received a report of the Director of Corporate Resources setting out the end of year financial position 2017/18.

The report was introduced with particular reference to the key points set out in the executive summary, including the departmental position, the levels of contingency and resources for winter maintenance.

The report was welcomed, especially the additional £7 million available for social care. Road maintenance was also highlighted and the benefits of "Dragon Patcher" machines explained. Cabinet expressed their commitment to Hampshire roads being in the best possible condition in particular in light of the damage caused by severe winter weather. It was noted that £3 million was being made available from the Government for highway repairs following winter weather damage and that the report proposed adding £2 million to this. It was proposed and agreed that a further £1 million be added in order to match Government funding and make a total of £6 million available to purchase two Dragon Patcher machines and fund their operation. Cabinet heard that this was in addition to around £10 million being spent on highways through Operation Resilience and the general maintenance budget.

With an amendment to reflect the additional money for highway maintenance, the recommendations in the report were proposed and agreed. The decision record is attached.

64.   **MEDIUM TERM FINANCIAL STRATEGY**

Cabinet received a report of the Director of Corporate Resources regarding the Medium Term Financial Strategy.

The report was introduced and it was explained that its focus was on looking ahead to plan for meeting service delivery requirements. Uncertainties around funding from Government grant, Business Rates and any specific funding for Adults or Children's Social Care were highlighted and it was noted that the report was prepared according to the best available information. The reserves position was set out and Cabinet heard that compared with the national average of 25 days contingency, Hampshire had sufficient (non-allocated) reserves for 27 days of service delivery. The significance of the net contribution of £19.5 million in generated income was also highlighted. In order to demonstrate the anticipated funding gap, Cabinet's attention was drawn to the diagram at 6.15 of the report.

Cabinet welcomed the report and the diagram and recognised the scale of the budget involved, in light of which any possible income from Business Rates would be relatively small. The factors influencing the inflationary pressure of £76 million were discussed and it was acknowledged that substantial increases in funding from Government were unlikely. The long term economic and social benefits of investment, such as at Farnborough airport were noted and Members welcomed ongoing investment in facilities to benefit communities.

The recommendations in the report were proposed and agreed. The decision record is attached.

65. **SERVING HAMPSHIRE - 2017/18 PERFORMANCE REPORT**

Cabinet received a report of the Chief Executive and Head of Law and Governance regarding the County Council's performance for 2017/18.

The performance highlights and risks as set out in the report were introduced, as was a summary of the small number of complaints made to the Local Government ombudsman.

Cabinet was supportive of the report, noting in particular performance success in the areas of school places and attainment as well as the re-ablement service at the Firs.

[With regard to the Firs, Councillor Reid declared a personal interest by virtue of being the County Council's representative on Hampshire Hospitals Foundation Trust.]

The recommendations in the report were proposed and agreed. The decision record is attached.

66. **THE DIRECTOR OF CULTURE, COMMUNITIES AND BUSINESS SERVICES**

Cabinet received a report of the Chief Executive seeking Cabinet approval for the recruitment of a new Director of Culture, Communities and Business Services.

Tribute was paid to Karen Murray, who was due to retire later in the year and Members recognised her progression from joining the Council aged 16 as an example of the opportunities available within the organisation.

The proposal to recruit to the post to secure and sustain success in the department was set out and it was noted that there was sufficient time for a full external recruitment process.

The recommendations in the report were proposed and agreed. The decision record is attached.

67. **CHANGES IN RESPONSIBILITIES FOR EXECUTIVE FUNCTIONS**

Cabinet received a report of the Chief Executive regarding responsibilities for Executive functions following recent revisions by the Leader of the Council.

The recommendations in the report were proposed and agreed. The decision record is attached.

_____
Chairman,

**HAMPSHIRE COUNTY COUNCIL**

**Executive Decision Record**

| | |
|---|---|
| **Decision Maker:** | Cabinet |
| **Date:** | 18 June 2018 |
| **Title:** | 2017/18 – End of Year Financial Report |
| **Report From:** | Director of Corporate Resources – Corporate Services |

**Contact name:**     Rob Carr, Head of Finance

**Tel:**     01962 847508          **Email:**     Rob.Carr@hants.gov.uk

## 1.   The decision:

**That Cabinet:**

1.1. Approves the outturn position set out in Section 3.

1.2. Approves the transfer of £6.25m to the Insurance Reserve to increase the reserve in line with most recent actuarial review.

1.3. Approves the transfer of £0.5m to the Investment Risk Reserve.

1.4. Approves the allocation of £1.4m of the net corporate savings to enable the County Council to provide funding to undertake vital remedial work to the county's road network following the prolonged cold and wet period.

1.5. Approves an additional one off cash limit increase to the Economy, Transport and Environment Department of £1m in 2018/19 to add to the extra funding already identified as part of a sustained pot hole busting campaign, to be funded from a draw from the Corporate Policy Reserve making a £6m additional commitment to tackling pot holes

1.6. Approves the transfer of the balance of the net corporate savings of approaching £17m to the Grant Equalisation Reserve (GER).

1.7. Approves the increase of service capital programme cash limits for 2018/19 to reflect the carry forward of capital programme schemes and shares of capital receipts, as set out in Appendix 3.

Recommends to County Council that:

1.8. The report on the County Council's treasury management activities and prudential indicators set out in Appendix 2 be approved.

**2. Reason(s) for the decision:**

2.1. The report and recommendations form part of the statutory annual statement of accounts process and the specific decisions are needed to produce the final end of year accounts

**3. Other options considered and rejected:**

3.1. None

**4. Conflicts of interest:**

4.1. Conflicts of interest declared by the decision-maker:

4.2. Conflicts of interest declared by other Executive Members consulted:

**5. Dispensation granted by the Conduct Advisory Panel: none.**

**6. Reason(s) for the matter being dealt with if urgent: not applicable.**

**7. Statement from the Decision Maker:**

| Approved by: | Date: |
|---|---|
| ------------------------------------------------- | 18 June 2018 |
| **Chairman of Cabinet** <br> **Councillor Roy Perry** | |

**HAMPSHIRE COUNTY COUNCIL**

**Executive Decision Record**

| | |
|---|---|
| **Decision Maker:** | Cabinet |
| **Date:** | 18 June 2018 |
| **Title:** | Looking Ahead - Medium Term Financial Strategy |
| **Report From:** | Director of Corporate Resources – Corporate Services |

**Contact name:**    Carolyn Williamson, Director of Corporate Resources

**Tel:**    01962 847400          **Email:**    Carolyn.Williamson@hants.gov.uk


**1.    The decision:**

**That Cabinet:**

1.1 Notes and agrees the potential for formal decision making on the next transformation programme to take the County Council to 2021 being made during the autumn 2019.

1.2 Notes and agrees to proceed on the basis of a forecast financial gap for the two year period to 2021/22 of £80m.

1.3 Approves the provisional departmental targets outlined in paragraph 7.7.

1.4 Approves the timetable for the Transformation to 2021 Programme as detailed in paragraph 7.13

**Recommends to County Council that:**
1.5 The allocation of recurring funding totalling £19.7m from 2019/20 onwards to be met from a further round of corporate efficiencies, achieved from a review of treasury management activity, inflation allowances, contingencies and reserves, is approved to provide for the following:
- £5m for the revenue consequences of the Digital Programme and the expanding use of technology that underpins the delivery of transformation.
- £1.2m to re-align the Strategic Procurement income allowing corporate prioritisation of this resource to take place.
- £13.5m for the forecast growth in Children Looked After numbers.

1.6 An initial allocation of £200m is added to the capital programme for Adults' Services Bed Based Programme to be funded from prudential borrowing.

1.7 A sum of £1.8m is added to the capital programme in 2018/19 and £0.5m in 2019/20 to be funded from departmental reserves to proceed with the next

phase of the Country Parks Transformation Programme and specific proposals for the Empire Room at Royal Victoria Country Park, the farm attractions at Staunton and Manor Farm and for Queen Elizabeth Country Park.

1.8 £4m is added to the capital programme to fund the replacement of the current social care IT system to be met from existing funding set aside for this purpose.

1.9 A sum of £9.53m is added to the capital programme to progress the completion of phase 1 of the Eclipse Busway from Fareham to Gosport and that funding of up to £2.5m is approved to underwrite the scheme in the event that further grant funding cannot be secured.

**2.    Reason(s) for the decision:**

2.1. To set out the medium term prospects for the County Council's finances to 2021/22 and the budget development process for 2019/20.

**3.    Other options considered and rejected:**

3.1. None

**4.    Conflicts of interest:**

4.1. Conflicts of interest declared by the decision-maker:


4.2. Conflicts of interest declared by other Executive Members consulted:

**5.    Dispensation granted by the Conduct Advisory Panel: none.**

**6.    Reason(s) for the matter being dealt with if urgent: not applicable.**

**7.    Statement from the Decision Maker:**

| Approved by: | Date: |
|---|---|
| -------------------------------------------------- | 18 June 2018 |
| **Chairman of Cabinet**<br>**Councillor Roy Perry** | |

**HAMPSHIRE COUNTY COUNCIL**

**Executive Decision Record**

| Decision Maker: | Cabinet |
|---|---|
| Date: | 18 June 2018 |
| Title: | *Serving Hampshire* – 2017/18 Performance Report |
| Report From: | Chief Executive and Head of Law and Governance |

**Contact name:**    Antonia Perkins, Interim Head of Insight and Engagement

**Tel:**    01962 835 308          **Email:**    antonia.perkins@hants.gov.uk


**1.    The decision:**

1.1. That Cabinet notes the County Council's performance for 2017/18.

**2.    Reason(s) for the decision:**

2.1. To provide strategic oversight of the County Council's performance against the Serving Hampshire Strategic Plan for 2017-21 (Serving Hampshire)

**3.    Other options considered and rejected:**

3.1. None

**4.    Conflicts of interest:**

4.1. Conflicts of interest declared by the decision-maker:


4.2. Conflicts of interest declared by other Executive Members consulted:


**5.    Dispensation granted by the Conduct Advisory Panel: none.**


**6.    Reason(s) for the matter being dealt with if urgent: not applicable.**


**7.    Statement from the Decision Maker:**

| Approved by: | Date: |
|---|---|
| --------------------------------------------------- | 18 June 2018 |
| **Chairman of Cabinet**<br>**Councillor Roy Perry** | |

# HAMPSHIRE COUNTY COUNCIL

## Executive Decision Record

| Decision Maker: | Cabinet |
|---|---|
| Date: | 18 June 2018 |
| Title: | The Director of Culture, Communities and Business Services |
| Report From: | Chief Executive |

**Contact name:**    John Coughlan

**Tel:**    01962 845252          **Email:**    john.coughlan@hants.gov.uk


## 1.    The decision:

**That Cabinet**

1.1. Gives approval for the recruitment of a new Director of Culture, Communities and Business Services;

1.2. Notes that, further to this exercise, future steps may be taken, subject to Cabinet approval as required, for the re-configuration of certain key services within the Corporate Management Team.


## 2.    Reason(s) for the decision:

2.1. To give Cabinet approval for the recruitment of a new Director of Culture, Communities and Business Services (CCBS) in light of the impending retirement of the current post holder.


## 3.    Other options considered and rejected:

3.1. None


## 4.    Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker:


4.2. Conflicts of interest declared by other Executive Members consulted:


## 5.    Dispensation granted by the Conduct Advisory Panel: none.

6.   **Reason(s) for the matter being dealt with if urgent: not applicable.**

7.   **Statement from the Decision Maker:**

| | |
|---|---|
| **Approved by:** | **Date:** |
| | |
| ------------------------------------------------- | 18 June 2018 |
| | |
| **Chairman of Cabinet** **Councillor Roy Perry** | |

**HAMPSHIRE COUNTY COUNCIL**

**Executive Decision Record**

| Decision Maker: | Cabinet |
|---|---|
| Date: | 18 June 2018 |
| Title: | Responsibilities for Executive Functions |
| Report From: | Chief Executive |

**Contact name:**     Barbara Beardwell

**Tel:**     01962 845157          **Email:**     barbara.beardwell@hants.gov.uk


## 1.    The decision:

1.1. That the allocation of responsibility for Executive Functions at Appendix One of this Report is noted by Cabinet, and reported to the County Council at the County Council meeting on 19 July 2018.

1.2. That the revised allocation of responsibilities for Scrutiny Functions contained at Appendix Two of this Report is recommended by Cabinet for approval by the County Council.

1.3. That composition of the Cabinet Advisory Sub-Committee for Economic Development also include the Executive Member for Education and Skills, Human Resources and Performance.


## 2.    Reason(s) for the decision:

2.1. To report upon the allocation of responsibility for Executive Functions decided by the Leader in accordance with Part 1, Chapter 17, Paragraph 1.3 of the County Council's Constitution


## 3.    Other options considered and rejected:

3.1. None


## 4.    Conflicts of interest:

4.1. Conflicts of interest declared by the decision-maker:


4.2. Conflicts of interest declared by other Executive Members consulted:

5.   **Dispensation granted by the Conduct Advisory Panel: none.**

6.   **Reason(s) for the matter being dealt with if urgent: not applicable.**

7.   **Statement from the Decision Maker:**

| | |
|---|---|
| **Approved by:** | **Date:** |
| ------------------------------------------------ <br><br> **Chairman of Cabinet** <br> **Councillor Roy Perry** | 18 June 2018 |

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

| | |
|---|---|
| **Decision Maker:** | Cabinet |
| **Date:** | 17 September 2018 |
| **Title:** | Transformation to 2019: Report No. 4 |
| **Report From:** | Chief Executive |

**Contact name:**   John Coughlan

**Tel:**      01962 846400          **Email:**     john.coughlan@hants.gov.uk

## 1.    Recommendations

1.1   It is recommended that Cabinet:

a)   Notes the latest Tt2019 programme risk assessment, including the early securing of £50m of savings - section 5 (End of July position).

b)   Notes that six service specific Tt2019 public consultations are planned to take place before the end of 2018, with five of these having been completed and the one remaining due to commence at the start of October - section 5.

c)   Notes the positive progress being made in relation to the on-boarding of the three London Boroughs to the Council's shared services platform and to the development of an alternative business structure (subject to a business case) for Legal Services to enable it to continue to provide sold services to a range of external partners – section 5.

d)   Notes the progress and strong contributions being made by the three enabling projects to the programme; Digital, Productivity and Procurement – section 6.

e)   Notes that programme progress will continue to be monitored closely and that a further update will be provided to Cabinet before the end of 2018 – section 7.

f)   Agrees to continue to lobby Government in respect of new charging powers aimed specifically at raising income that will be used to protect important universal services into the future e.g. Household Waste Recycling Centres, or to enable other specific savings proposals not to be implemented or for their impact to be mitigated.
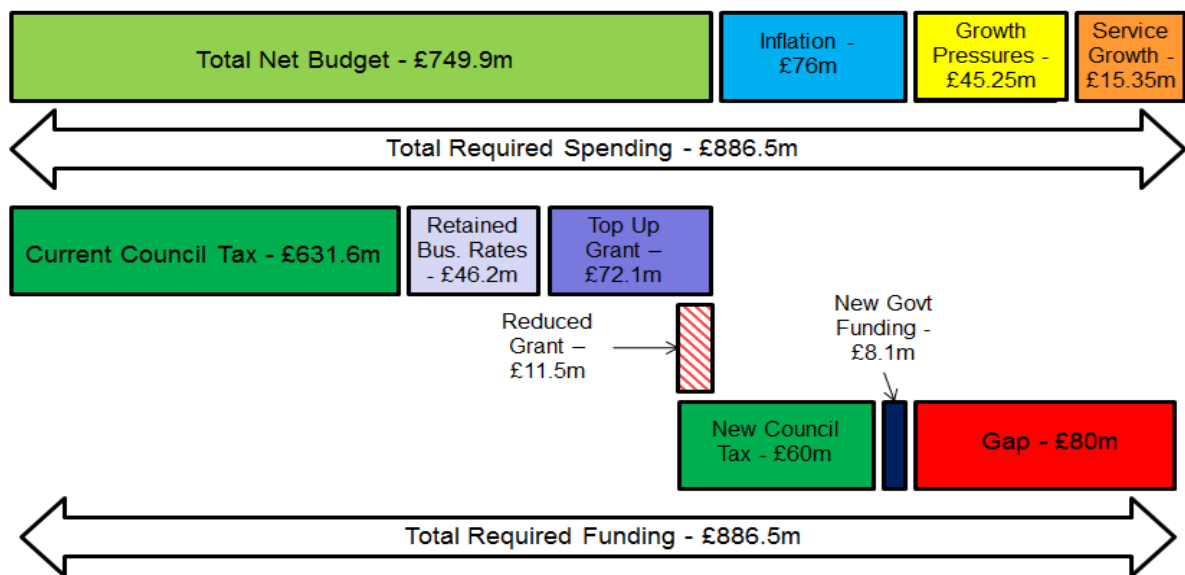
## 2. Executive Summary

2.1 This is the fourth dedicated Transformation to 2019 (Tt2019) report to Cabinet setting out the latest programme position. In November 2017 Full Council approved a set of savings proposals put forward to enable a predicted budget gap of £140m by April 2019 to be closed against a current overall cash limited budget provision (excluding schools) of approaching £767m.

2.2 Full Council approval of the savings proposals and the budget envelope for 2019 followed a summer 2017 public consultation exercise that provided an opportunity for residents and stakeholders to express their views on how best the County Council should go about the challenge of balancing a forecast £140m future budget gap. Further to the public consultation process and informed by it, Departments took their specific savings proposals to Select Committee meetings and Executive Member Decision Days in September 2017, and in the October, Cabinet approved a Medium Term Financial Strategy and Transformation to 2019 Savings Proposals report which included the outcome of the public consultation exercise.

2.3 The October 2017 Cabinet report referenced clearly the challenges associated with the Tt2019 programme and made clear that delivery would extend beyond two years but that this would be supported financially by cost of change reserves held by Departments with the exception of Children's Services. The report confirmed that due to the scale of the overall challenge and the increased risk to the timely delivery of the savings, CMT would be carrying out a peer review over the early autumn of the higher risk elements of the programme and would advise accordingly on any changes to the financial support requirements for Tt2019.

2.4 The peer review exercise was duly completed and as reported in December 2017, it was estimated that further one-off cash flow support would be required to enable the safe delivery of the Adults element of the programme. This brought the overall Tt2019 cash flow requirement to £40m to support the savings programmes in Adults and Children's which, subject to the careful management of some key risks, are forecast to take four years to deliver. The continued strong financial performance in Adults, including delivery in full of its legacy Tt2017 savings ahead of schedule, provide increasing confidence that some of the estimated £40m will not be called upon in the coming years.

2.5 That said, the on-going challenges in Children's and the relatively early stage of the Tt2019 programme mean it would be unwise to forecast a lower overall call on the estimated cash-flow requirement for the programme at this point in time, particularly given the continued pressure within this sector both nationally and locally. Members will be aware of the current focus, nationally and locally, on Children's social care pressures in a similar way to that experienced within Adults previously. Similarly upper tier authorities are having to re-calibrate their budgets with the resultant negative impact upon other services of the County Council to meet the increasing demand. This is in advance of any potential national funding coming forward to ease some of

the pressure (as it eventually did with adult social care). Delivery in the other Departments is set to be contained to two years or, where it will stretch beyond, the individual Departments will manage the later savings achievement through their own cost of change reserves.

2.6 In December 2017 Cabinet were updated on work requested of officers to continue to explore all viable options to revise or refine the October proposals with particular regard to service continuity in areas such as school crossing patrols, community transport, bus subsidies and household waste and recycling centres. These savings options accounted for some £5.3m of the overall programme proposals. The culmination of this work and the development of £2.1m of alternative savings proposals combined with Government allowing local authorities to increase Council Tax by a further 1% (valued at £5.7m of which £3.2m is being used to allow the universal service savings to be withdrawn in full) were reported to Cabinet in early February and paved the way for Full Council to approve changes to the Tt2019 programme at their meeting later in the same month.

2.7 The programme focus is now very much orientated to implementation and delivery. Where appropriate, this will include further service specific public consultations where proposals and options for service change will be debated with service users and key stakeholders. Presently, out of the six public consultations planned in 2018, five have been completed. A consultation in respect of Learning Disabilities Respite Services is planned to be launched in October. Early implementation progress has been positive with some £50m of the £140m target secured by the end of July. This includes the full achievement of the £23m of investment and borrowing savings (and a small element of additional council tax income) alongside £27m of early delivery across the different Department programmes.

2.8 Resources for the programme are in place and are focused on any number of the more significant programmes of work. This includes deployment of the in-house Transformation team to support Adults and Children's projects as well as specialist I.T input to drive forward the business critical Digital 2 work, which, as previously reported, is a key enabler for Tt2019. Strong progress is also being made with other important enabling projects including 'Enabling Productivity' and 'Strategic Procurement'. These important contributors to Tt2019 are covered later in this paper. A more detailed report on Enabling Productivity and Digital is also included on today's agenda.

2.9 In line with previous major cost reduction exercises, Tt2019 progress is being closely monitored and is subject to monthly review by CMT. This ensures that issues, concerns and risks are dynamically responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its later cash flow support demands, is ever more important. Further, it is almost certain that there will be further service demand pressures, particularly in the Social Care Departments into the next decade. This puts an added premium on Tt2019 being delivered in full, and in the most timely manner to put the Council in the best position possible at the commencement of the successor Tt2021programme that, subject to Full Council approval this month of the latest MTFS, will be planned for over the next year.
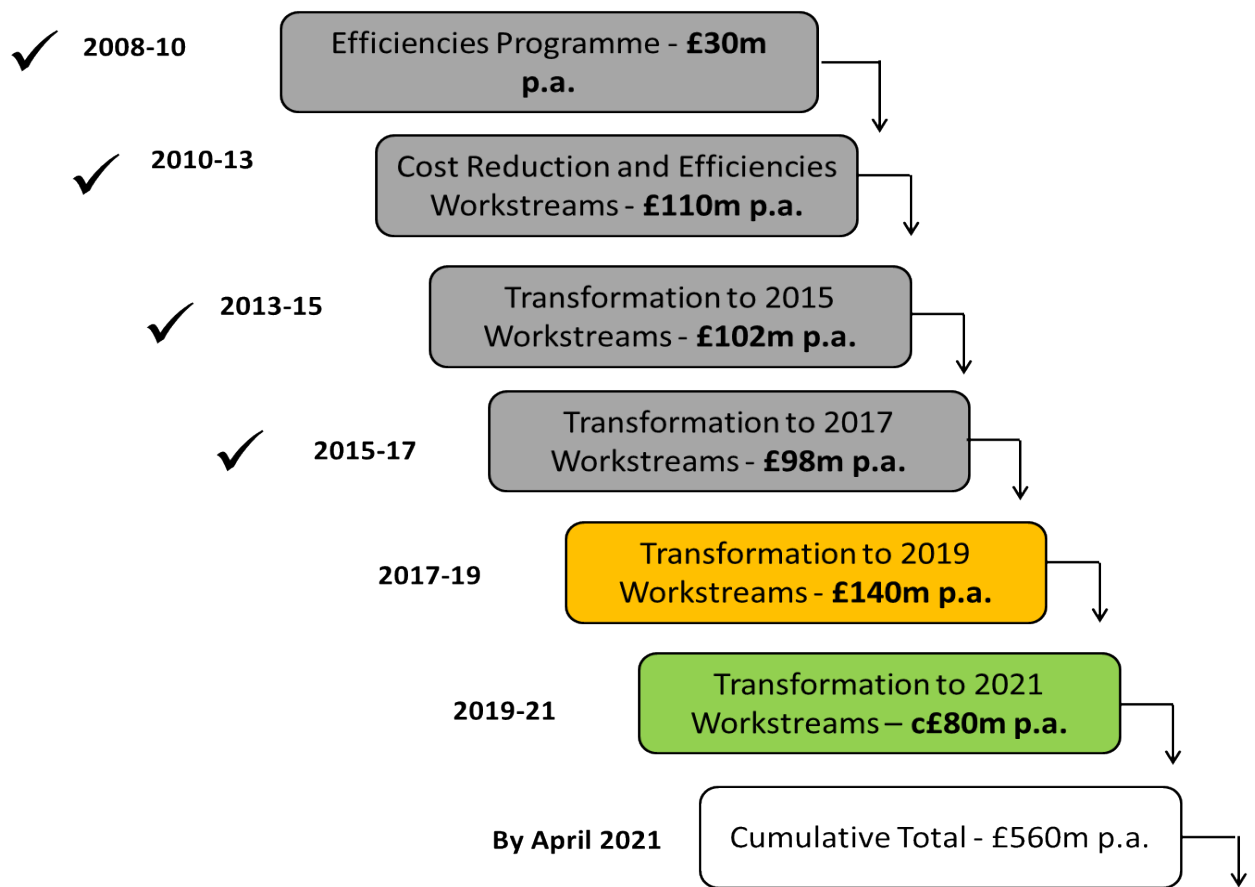
## 3. Financial Context

3.1 Cabinet has previously noted that each successive programme of 'transformation' in itself is harder than the previous one as the scope for early and easier removal of spending lessens each time. To this end, Tt2019 will test the Council like no other programme has to this point.

3.2 Throughout the period since 2010 the Council's financial performance has been very strong. This has been evidenced in each and every annual performance report and independently by the external auditor through the annual best value judgement on the Council's financial resilience. At their June meeting, Cabinet were updated on the end of year position for 2017/18. The report demonstrated continuing strong financial stewardship across the Council.

3.3 The achievement of Tt2017 including the confirmed delivery of the Adults programme that was reported to Cabinet in February, mean that some £340m has been removed from budgets since 2010 across the consecutive cost reduction programmes. The achievement of early savings, the careful use of one-off monies and additional recurring provisions to support Social Care demand and complexity have allowed for some targeted re-investment back into services over the same period. This has helped Departments to manage their resources, provide further for one off investment to support the on-going transformation challenge and at the same time maintain and even improve service outcomes and performance.

3.4 The allocation of recurring provisions for growth alongside resources provided to Departments for the cost of pay and price inflation has been a key feature of the County Council's financial planning for many years. On top of this the County Council has also received less grant funding from the Government, to the point that Revenue Support Grant is reduced to nothing by 2019/20. The MTFS approved by Cabinet last month highlighted a further two year budget gap by 2021 of some £80m. Whilst grant reductions represent only a small proportion of this overall gap in resources, the County Council must still find ways of meeting cost pressures in the form of inflation (on gross spend of c£1bn – averaging 3.6% p.a.), growth and new initiatives, which hitherto were also supported by increases in government grant.

3.5 Whilst some money is therefore added into Departmental budgets before the gap is met, this still requires a total reduction in net spend of £80m that must be delivered either by reducing activity, reducing the cost of the activity that is provided or generating additional income. This can be represented diagrammatically as follows for the two year period 2020/21 to 2021/22:

Total Net Budget - £749.9m | Inflation - £76m | Growth Pressures - £45.25m | Service Growth - £15.35m

Total Required Spending - £886.5m

Current Council Tax - £631.6m | Retained Bus. Rates - £46.2m | Top Up Grant - £72.1m

Reduced Grant - £11.5m

New Govt Funding - £8.1m

New Council Tax - £60m | Gap - £80m

Total Required Funding - £886.5m

**Note: Blocks are not to scale**

3.6 Whilst performance has been sustained to date, the cumulative impact of numerous savings programmes together with sustained pressure on all Departments, but in particular social care spending, show a different picture beginning to emerge. As we look forward, Children's Services are unlikely to remain within their cash limited expenditure position and thus additional recurring provision has been allowed for in the recently reported Medium Term Financial Strategy that Cabinet considered in June. Both Children's and Adults are set to exhaust their cost of change reserves in the next two to three years.

3.7 Notwithstanding that the latest MTFS update has signalled that a successor programme to Tt2019 will need to be planned for over the next year or so, the Council needs to stay focused on fully closing the existing budget gap of £140m by April 2019 from a cash limited overall budget (excluding schools) of some £767m, even after allowing for planned Council Tax rises. The inclusion of the Tt2021 Programme of £80m within successive savings programmes since 2008, takes the total requirement to £560m as outlined in Figure 1 over the page:

**Figure 1. Cost Reduction Exercises including the Tt2021 Programme Requirement**

✓ 2008-10 — Efficiencies Programme - **£30m p.a.**

✓ 2010-13 — Cost Reduction and Efficiencies Workstreams - **£110m p.a.**

✓ 2013-15 — Transformation to 2015 Workstreams - **£102m p.a.**

✓ 2015-17 — Transformation to 2017 Workstreams - **£98m p.a.**

2017-19 — Transformation to 2019 Workstreams - **£140m p.a.**

2019-21 — Transformation to 2021 Workstreams – **c£80m p.a.**

By April 2021 — Cumulative Total - £560m p.a.

**Note: The cumulative figure is made up of inflation, demand and reduced grant**

## 4    Tt2019 – Targets and Timeframe

4.1    Cabinet approved the overall programme target of £140m and the breakdown of the programme, including Department targets when considering the medium term financial strategy report of the Director of Corporate Resources in June 2016.

4.2    It was agreed that £120m of the overall programme should be met by Departments, equating to a further cash limit reduction of some 19% against an overall Department budget provision approaching £767m. The cumulative Tt2019 challenge for the Departments being one third again, the size of what was asked of them for Tt2017. Per the approval of Full Council to remove savings proposals in respect of universal services, the £120m reduction has subsequently been reduced to £117m.

4.3    The remaining £23m will be secured from increased investment and council tax income and reduced borrowing costs. In the main this will result from a revision to the accounting practice in respect of the minimum revenue provisions (MRP) for depreciation, but this will also cover management of

debt and reserves and also includes part of the extra 1% increase for Council Tax in 2018/19. Positively, these savings have been delivered in full this financial year providing a very solid start to the programme overall. The programme breakdown and individual Department targets, updated to take account of the recent changes approved by Full Council are shown in Appendix 1.

4.4 At their June 2016 meeting, Cabinet also approved the headline programme timetable including an earlier budget setting process that commenced in early Autumn 2017. This has allowed the maximum possible time to plan, work on and implement the range of service changes required to enable the programme to be delivered. As outlined in paragraph 2.4, it is predicted that the entire programme will take up to four years for it to be delivered safely and with minimum disruption and impact to service users and communities.
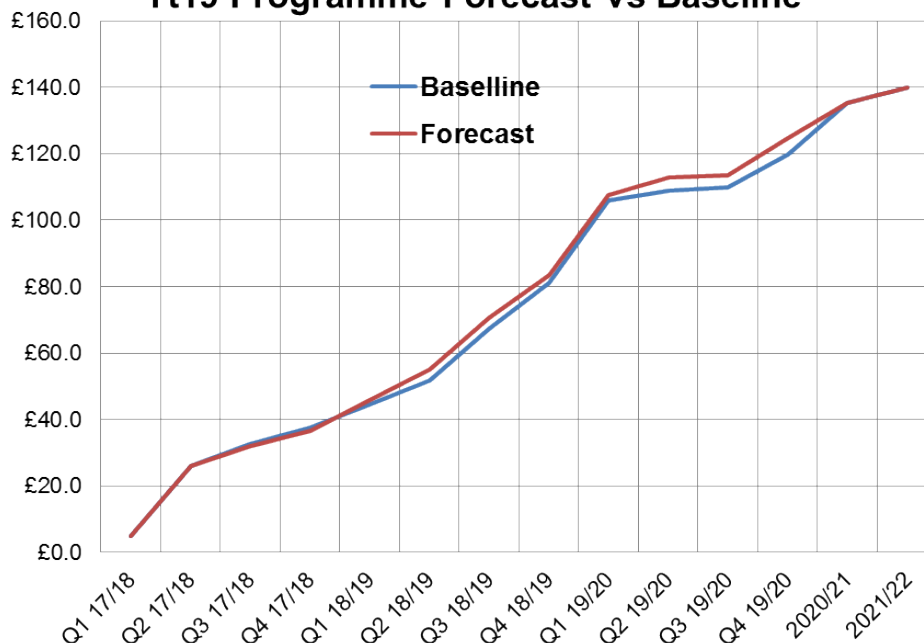
## 5. Tt2019 Programme Overview and Early Progress

5.1 Departments continue to work hard to ensure that their various projects and overall programmes are robustly planned and resourced in order to provide the right conditions for the continued transformation of services and realisation of savings. This work has included a full risk assessment for each project that builds on what has been done previously but has been added to in order to appropriately reflect the greater scale and complexity of the Tt2019 programme.

5.2 Further, CMT completed in early November 2017 (paragraph 2.4) a peer review of the higher risk projects and scrutinised the savings delivery profiles for each Department so that the corporate cash flow requirements for the programme overall could be updated and planned for. The latest programme (risk apportionment) position is summarised in the table below and briefly described in the following paragraphs.

| | |
|---|---|
| Blue | £ 50m |
| Green | £ 26m |
| Amber | £ 31m |
| Red | £ 33m |
| **Total** | **£140m** |

5.3 Pleasingly, the Blue and Green classifications already account for a healthy £76m, or 54% of the overall programme requirement. The £50m that is Blue (secured) includes the full £23m of the investment and borrowing component being secured with the remaining £27m covering the early delivery of projects in each of the different Departments with savings ranging from £8.3m in Adults to £2.4m in CCBS. The secured savings figure continues to track to the forecast savings profile developed by each of the Departments at the outset of the programme as demonstrated in the graph (see next page). The Green £26m figure includes the inclusion of the previously announced £18.9m additional 'Better Care Fund' to support Adult Social Care from the beginning of 2019/2020.

## Tt19 Programme Forecast vs Baseline



5.4  Unsurprisingly for this (still) early stage of what is a very challenging programme, a significant proportion (46%) of the overall savings to be achieved sits in the Amber and Red classifications. Given the complexity of any number of the savings areas, the reported position is not an unexpected one. Just under £53m of the cumulative Red and Amber totals relate to Adults and Children's. This equates to 61% of their combined programmes. Proportionately, the challenges for ETE, despite the programme changes approved by Full Council in February, remain almost as challenging with £7.6m classified as Amber or Red against an adjusted overall savings requirement of £16m. This represents 47% of the total ETE programme.

5.5  The risks for each of the aforementioned Departments are well rehearsed but numerous. The two Social Care Departments continue to experience growth in demand. Transforming these key front line services is notoriously difficult and requires extra time for the changes to be safely implemented without significant disruption to service users and their families. For Adults the demand challenges is in different forms including higher numbers of younger adults with complex care needs, an increasing amount of people experiencing mental health problems and an ageing population that is set to result in an increase of 10.5k in the 85 year plus population from 43.9k in 2017 to 54.5k in 2024. An added dimension of complexity, impacting on social isolation levels and service delivery, is the sheer scale and rurality of a County such as Hampshire which is one of the largest in the Country with an urban/rural split in the order 20:80. Alongside the demand and service challenges, the Department is working jointly with Health in response to the CQC led whole system review that focussed on hospital discharge performance. The review outputs were presented and debated at a summit meeting held in June. A joint programme of work is now underway. This will result in improved client outcomes, improved system performance and reduced costs both for the Council and the NHS. Other integration work with

the NHS is also in train in the Learning Disabilities and Mental Health service areas.

5.6     For Children's Services, corporate financial support has already been factored in, both in-year and continuing into 2018/19, to accommodate existing cost pressures in terms of Home to School Transport and Children Looked After. Focused further work has been undertaken to better understand the current rate of increase in Children Looked After and the higher unit costs being experienced, which is a national issue affecting all upper tier authorities. The overall rate of increase in CLA numbers is running at 8% per annum compared to the 5% allowed for in the budget, but worryingly many of these placements are at the more expensive end of provision, because of the current state of the external market where demand is far out-stripping supply, and the price increase over 2016/17 levels are over 15% in some areas.

5.7     The key factors that are driving the increased number of placements were reported previously to Cabinet in detail as part of the Medium Term Financial Strategy. They centre around:

- A much better awareness and identification of child abuse and neglect from a range of partners.
- The better application of consistent thresholds to receive help as a result of government statutory guidance ('Working Together to Safeguard Children').
- A growing professional aversion to risk from partners driven by national child care scandals.
- Some evidence of the impact of recession and austerity on families.
- The discovery of 'new' forms of abuse such as child sexual exploitation, child criminal exploitation and online abuse.
- The creation of a number of new policy initiatives such as 'staying put' which allow teenagers to stay in their foster care placements.
- Children remanded to custody being treated by law as children in care.
- A range of new legal processes such as the 'public law outline' which drive local authorities to put far more case decisions before the family courts.
- A drive by the courts for all application cases to conclude within 26 weeks.
- Policy drivers such as the national redistribution of Unaccompanied Asylum Seeking Children (UASC) arriving from France.

5.8     The increasing number and complexity of children needing to be placed in care is having an impact on the market for placements. Once capacity within in-house placements is full there is no choice but to look to independent fostering agencies and non-county placements, which are higher cost in any event and the increased national demand is forcing up prices even further.

5.9   Projecting the increase in numbers and costs forward based on the growth between 2016/17 and 2017/18, it is predicted that a further ongoing base budget increase of £13.5m on top of the £9.7m that had already been allowed for in the forward forecasts will be required and this will be followed by further annual increases of £8.6m in 2020/21 and £10.3m in 2021/22. This additional corporate support for future years was included in the latest MTFS update that was agreed by Cabinet in June, but still represents the highest risk area in the budget at the current time. It is also inescapable that this necessary and planned strategy limits the scope for additional support to other areas of County Council services, such as highway maintenance, which are also statutory responsibilities but where the risks to the vulnerable are less immediate and severe.

5.10  For Home to School Transport, an eight week public consultation exercise finished in March around proposed service changes. The consultation results were subsequently analysed and reported to the Executive Member in May. The Executive Member agreed to a number of policy changes that will be introduced in full over the next 18 months and will deliver some £1.5m of savings per annum for the Department.

5.11  Containing and then reducing demand and thus cost in these two key areas is especially difficult and whilst work programmes have been robustly planned, a number of risks will need to be relentlessly managed. These include attracting and maintaining higher number of Social Workers with an overall resource increase of 120 on target to be achieved over the next 2-3 years. Nationally, there is growing recognition that Children's Services are facing financial difficulties that now go beyond the very challenging environment in which Adult Services have been and are operating in. Safely removing £30m from the service, even over an extended four year programme period is the biggest test for the overall Council cost reduction exercise.

5.12  Alongside demand challenges, the Department will also need to manage or work with partners through a range of other key risks including Continuing Health Care funding with the NHS, the increasing budget challenges being faced by Schools', the transition to a new I.T Care Management system, the extended leadership responsibilities in Torbay and Buckinghamshire and Ofsted inspections in the New Year that will cover both Hampshire and the Isle of Wight. For Children with Disabilities, changes to Short Breaks service provision resulting from the early summer public consultation were approved by the Executive Member in July.

5.13  For ETE, the Tt2019 programme changes approved by Cabinet and Full Council in February saw the removal of some £5.3m of savings proposals relating to universal services including school crossing patrols, community transport, bus subsidies and household waste recycling centres.   After allowing for some substitute proposals, the Department is now working to a revised programme target of £15.8m and within this has some £8m still classified as Amber or Red. Proposed changes to Street Lighting operations and to some specific bus subsidy areas have been out to a public consultation exercise that was launched in early June and concluded on 5 August. The Executive Member for Environment and Transport will be

considering proposals resulting from the consultation later this month. Options for waste related savings are also being reviewed with collection authority partners aimed at improving recycling performance across the Hampshire waste partnership. This work is complicated and is subject to external factors and considerations, especially around how best to capture and recycle plastics, which has been the subject of significant Government, media and public interest of late.

5.14 The risks and issues associated with CCBS and Corporate Services are less significant from a direct service perspective although there are a range of challenges to overcome and work through including timing. Introducing greater levels of self-service, implementing further digital technology initiatives and reducing (and at the same time modernising) the corporate office estate will all combine to improve the Council's overall efficiency and reduce its business operating costs. The different projects themselves will not be straightforward to deliver, especially at a time when so much other service change is also happening.

5.15 Positively, the on-boarding of the three London Boroughs (Westminster, Hammersmith and Fulham, and Kensington and Chelsea) to the high performing shared service arrangements that the Council has successfully implemented and built upon over the past 5 years, continues to progress to plan. Recruitment and changes in accommodation in anticipation of the new wider working arrangement being implemented in the early autumn has progressed to plan. As reported last time, this expansion, which is line with a deliberate strategy to grow the shared services platform in a carefully managed way, will bring further resilience to our shared Corporate Services arrangements with partners and welcome recurring income to the Council.

5.16 Continuing the theme of carefully managed expansion and building resilience in the Council's back office professional functions, Legal Services has, over the past decade provided a range of services to an increasing number of external clients. This produces an important revenue stream (£1.5m in 2017/18) that reduces costs to the Council whilst increasing the ability to maintain a highly performing professional team. Building on this way of operating is central to Legal Services meeting its Tt2019 savings requirement, but is potentially under threat due to possible changes to the regulatory regime for solicitors, which will mean that the Council's in-house operation could be prevented from acting for external clients. To avoid such a scenario, consideration, subject to a business case, is being given to the establishment of an Alternative Business Structure (ABS). Warwickshire County Council has recently set up such a structure to protect their business interests in respect of legal services. The ABS will be wholly owned by the County Council. It will not involve any transfer of staff to it and it will not affect the service provided to internal Departments or the County Council more generally. It is simply a 'vehicle' for providing services to external clients.

5.17 Over the coming months, progress will continue to be closely monitored alongside further preparation for planned 2018 service specific consultations. This work includes a completed cumulative impact assessment that has considered the savings proposals from a geographical

and protected characteristics perspective based on the detail of the changes that is known to date. The exercise will be repeated again as the programme progresses by which time there will be improved clarity regarding certain of the proposals. In total, six separate Tt2019 service specific consultations have been planned, of which five have been completed, including the two most recent; a combined public consultation in respect of Bus Subsidies and Street Lighting and the other in respect of Homelessness Support Services. Older Persons Day Services, Home to School Transport and Short Breaks Activities for Children with Disabilities have been evaluated and changes approved by the respective Executive Members. One last consultation in respect of Learning Disabilities Respite Care Services is scheduled to commence at the start of October. The six service specific consultations account for savings proposals of some £9m of the overall £140m programme value.

## 6.    Tt2019 Enabling Projects

6.1    Key to the success of previous cost reduction programmes, and Tt2019 is no different, is the contribution that is made from cross cutting enabling projects. The Council's achievements in terms of introducing and exploiting Digital technology is well trailed and the previous Tt2017 programme significantly benefited from the multi-layered, multi-faceted Digital programme that ran alongside and has resulted in the Council, its staff and residents working from and accessing modern business platforms.

6.2    Three cross-cutting enabling projects are, and will, continue to make a telling contribution to the success of Tt2019. These include a successor (and bigger) Digital programme of work known as Digital 2, an 'Enabling' Productivity' project which is focused on creating the optimum conditions for all staff, managers and the front line, to improve individual productivity levels and lastly a Council wide Strategic Procurement programme of work that is set to enable Departments to maintain and/or improve service outcomes whilst reducing the overall external spend which currently exceeds £600m.

6.3    As the Tt2019 programme develops, Cabinet and Council Members will be updated on the progress and achievements of the individual work programmes in these different areas. At the end of June, Members took part in a very successful Digital2 seminar type event and on today's agenda, a fuller report is included dedicated to the strong progress that continues to be made with the Enabling Productivity and Digital work programmes. Each of the three main cross-cutting work areas have the propensity to significantly contribute to the successful delivery of Tt2019 and together will ensure the Council's modernisation agenda towards high class, efficient back office functions and high quality, customer-orientated front line services continues successfully and at pace.

6.4    In the past 4-5 months, further progress has been made within the Digital 2 programme in terms of Robotics Processing Automation (RPA) that Cabinet were updated on in the previous Tt2019 update report in March. In addition, projects have either been completed or are progressing to plan in any number of other areas including analytics, HR case management, supplier self-service and in terms of our sold service work, Hampshire Constabulary

Recruitment. Further, the Web Programme is currently supporting 44 of the Tt2019 IT Projects; including HR, Libraries, Partners in Practice and the Social Care Manual. Good progress is also being made in moving the Council's document management system to SharePoint. All of the above areas of work will result in more effective and more modern and efficient business processes.

6.5 In the Enabling Productivity programme, the deployment of some 6,000 mobile devices has largely been completed with staff from different parts of the business now benefitting from the latest technology that is enabling them to work more productively (smarter not harder). Feedback from the early roll-out of the new devices is consistent with and builds nicely on the initial deployment of mobile devices to Social workers and associated staff in Children's Services that continues to deliver a number of business benefits and improved outcomes and user experiences for clients.

6.6 In both our Digital2 and EPP work, an even more slicker and commercial approach to procurement has been an important enabler in the progress that has been made. This more robust procurement approach is extending to all parts of the Council business and to our partnership work with Hampshire Constabulary and the Hampshire Fire and Rescue Service. Increasingly the work is resulting in stronger tender processes and improved service outcomes combining both quality and cost. The recently awarded Adults Care at Home contract is testament to this.

## 7 Conclusion

7.1 Following impressively strong and consistent financial performance over many years and further to last year's finance settlement for Local Government, the County Council is now deep into the process of closing a budget gap of some £140m by 2019/20. This is after safely removing £340m of savings over the past seven years and within that, delivering in full on the latest Tt2017 programme.

7.2 Following a public consultation exercise that sought views from the public and key stakeholders on a range of different options for closing the budget gap, Full Council approved a full set of savings proposals in November 2017 further to Select Committees and Executive Members consideration in September and a consolidated report to Cabinet in October.

7.3 Notwithstanding the decisions made, the savings proposals, as developed, did contain a number of specific challenging service changes particularly in terms of universal services covering School Crossing Patrols, Community Transport, Bus Subsidies and Household Waste Recycling Centres. To this end, at their October meeting, Cabinet requested officers to continue to explore all viable options to revise or refine these proposals wherever possible which proved to be a successful exercise.

7.4 In December 2017 Cabinet were updated on this work, the culmination of which has subsequently resulted in the development of £2.1m of alternative savings proposals. Taken together with Government allowing local authorities to increase Council Tax by a further 1% (valued at £5.7m of which £3.2m is being used to withdraw savings) February Cabinet agreed to

recommend to Full Council the removal of £5.3m of universal savings in respect of the service areas referred to in paragraph 7.3, recommending also that Full Council agree to raise Council Tax in 2018/19 by the extra 1%. Full Council duly approved the Cabinet recommendations at their February meeting.

7.5     Alongside the formal budget setting stages, Departments have been working hard to ensure robust plans are in place for each of their Tt2019 projects and that the right capacity and capability is aligned to the different transformation activity so that the associated savings can be delivered in a timely manner. This work has included a detailed risk assessment exercise and a review of the savings profile by project (and overall) to ensure that the corporate cash flow support requirements to support later delivery are clear and able to be planned for. As reported previously, the estimated cash-flow support requirement for the programme is £40m.

7.6     The continued strong financial performance in Adults, including delivery in full of its legacy Tt2017 savings ahead of schedule, provide increasing confidence that some of the estimated £40m will not be called upon in the coming years. That said, the on-going challenges in Children's and the (still) relatively early stage of the Tt2019 programme mean it would be unwise to forecast a lower overall call on the estimated cash-flow requirement at this point in time.

7.7     Tt2019 progress is being closely monitored and is subject to monthly review by CMT. This ensures that issues, concerns and risks are dynamically responded to and dealt with and also means that benefits realisation and the timely delivery of savings is consistently in focus, which for this programme, given its cash-flow support demands, is ever more important. Further, it is almost certain that there will be continuing service demand pressures, particularly in the Social Care Departments into the next decade. The latest MTFS report to Cabinet in June provided further recurring funding support for both Adults and Children's into the next decade. The continuing demand challenges puts an added premium on Tt2019 being delivered in full and in the most timely manner to put the Council in the best position possible at the commencement of the successor £80m Tt2021 programme.

7.8     Programme progress continues to track to plan and is encouraging with £50m of savings already secured to the end of July. £23m of this figure relates to the full achievement of investment and borrowing savings, together with an element of increased council tax income. The remaining £27m flows from early delivery in the different Departments. Pleasingly, the three Tt2019 enabling programmes; Digital 2, Enabling Productivity and Strategic Procurement are all progressing well and the contributions from these will continue to evolve and be more influential as the programme develops. CMT are monitoring the programme on a monthly basis and a further progress report will be presented to Cabinet before the end of 2018.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

| | |
|---|---|
| **Hampshire safer and more secure for all:** | No |
| Corporate Improvement plan link number (if appropriate): | |
| **Maximising well-being:** | No |
| Corporate Improvement plan link number (if appropriate): | |
| **Enhancing our quality of place:** | No |
| Corporate Improvement plan link number (if appropriate): | |

**Other Significant Links**

| Links to previous Member decisions: | |
|---|---|
| Title | Date |
| Transformation to 2019 – Report No. 1 | 27 October 2014 |
| Medium Term Financial Strategy Update and Transformation to 2019 Proposals | 16 October 2017 |
| Budget Setting and Provisional Cash Limits 2018/19 | 11 December 2017 |
| Transformation to 2019 – Report No 2 | 11 December 2017 |
| Revenue Budget and Precepts 2018/19 | 5 February 2018 |
| Transformation to 2019 – Report No 3 | 16 April 2019 |
| Medium Term Financial Strategy | 18 June 2018 |

| Direct links to specific legislation or Government Directives | |
|---|---|
| Title | Date |

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

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

| Document | Location |
|---|---|
| None | |

**IMPACT ASSESSMENTS:**

**1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

It is to be expected that each theme/workstream will have an impact on staff and communities. To ensure that the Council meets its statutory equality duties, each theme/workstream will be asked to consider potential differential impacts on people and communities. Detailed Equality Impact Assessments will be carried out on the implementation plans as appropriate.

**2. Impact on Crime and Disorder:**

2.1.

**3. Climate Change:**

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

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

**T19 – Latest Programme Financial Targets Updated to Reflect Changes Approved (Feb 2018) By Cabinet and Full Council**

**Table 1 - Programme Financial Targets**

| Department | £m's |
|---|---|
| Adults | 55.9 |
| Children's | 30.1 |
| ETE | 15.8 |
| CCBS | 6.3 |
| Corporate Services | 7.9 |
| P&R Other | 0.8 |
| **Programme Sub Total** | **116.8** |
| Investment and Borrowing | 23.2 |
| **T19 Overall Programme Total** | **140.0** |

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**HAMPSHIRE COUNTY COUNCIL**

**Report**

| Committee/Panel: | Cabinet |
|---|---|
| Date: | 17th September 2018 |
| Title: | Digital Update |
| Report From: | Director of Corporate Resources |

**Contact name:**   Carolyn Williamson

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## 1.   Recommendation

1.1.  Note this report and the excellent progress made on the Digital Portfolio to support departments with their T17 and T19 transformation.

## 2.   Summary

2.1. The purpose of this paper is to update Cabinet on the 2017 – 2019 Digital Portfolio of IT Enabling Projects. The Digital Portfolio is currently in delivery and delivering new technology to Hampshire County Council departments to support their T17 and T19 Transformation activity.

2.2. This paper does not refer to the individual departmental IT projects.

2.3. The Digital Portfolio includes a wide range of projects such as SharePoint Online, Robotics, a new web platform and Enabling Productivity – the project delivering new devices and mobile working.

2.4. These projects have been underway since 2016 to support T17 and T19 and are part of the Digital Strategy. The strategy was designed to provide quality services which meet the needs and expectations of residents, at an appropriate level of cost efficiency and productivity for Hampshire. This is achieved by being digital by default where possible at Hampshire County Council.

2.5. The Digital Portfolio continues to make excellent progress with departmental leads in all areas engaged. Projects are either in delivery or successfully completed. Projects in delivery are now moving at pace to completion.

2.6. There is robust financial and delivery monitoring in place of the entire Digital Portfolio by the IT Portfolio Management Office and the IT Programme Managers.  Original estimates of costs have remained stable and all resources are in place to fulfil delivery.

2.7. A focus on delivery, monitoring of risk and strict scope management is now a high priority to ensure successful delivery for all projects within the programme.

2.8. This paper is for information only. However, if Cabinet require a more detailed briefing or to offer comment that would be welcomed.

## 3.  Contextual information

3.1. The Digital Portfolio for 2017-2019 consists of large corporate wide technology initiatives delivering digital change for the entire organisation.  The table below shows the programmes and the key projects within each.

3.2. See **Appendix 1** for Glossary of Terms – terms marked as bold in this Briefing Note are referenced in the Glossary.

| The Digital Portfolio | |
|---|---|
| Digital 1 Programme | 20 new digital services including **Customer Relationship Management** system (**C4C Service**), Sales and Marketing, **Cyber Security**, new web platform (**Sitecore**), Customer Survey technology, **Identity and Access Management** and **Integration** tools |
| Digital 2 Programme | **Robotics**, **Analytics**, **CRM Sales** for Sold Services, **C4C Service** for Human Resources, **Hybris** for Marketing implementation |
| Enabling Productivity Programme | **Skype, Exchange Online, Office 365**, Windows 10, **Server 16**, rollout of mobile devices to enhance   productivity and replacement of fixed devices across the estate for staff. |
| SharePoint Online Programme | Providing the ability to easily search, share and collaborate internally and with partners. Includes the roll out of **O365** and **Exchange Online** |
| Web Programme | Exploitation and full migration to the new web platform (**Sitecore**) introduced in Digital 1 allowing personalisation and authentication. |
| HPSN (Hampshire Public Services Network) 2.1 | Providing HCC with significantly increased network capacity to underpin the Digital Portfolio. |

3.3. This Briefing Note provides a brief overview on each of these programmes providing technical summaries of the project scope. This Briefing Note is supported by Departmental Case Studies in **Appendix 2.**

## 4. Digital 1

4.1. The Digital 1 Programme commenced in 2016 and introduced over 20 new digital services to Hampshire County Council. This programme was the first step on HCC's journey to digital transformation. This journey continues on a strong path today and is a key enabler for department transformation to T17 and beyond.

4.2. Digital 1 was designed to build the foundations for Digital by Default, through the introduction of new technologies to manage customer information, **identity and access**, **Cyber Security**, and provision of a new web platform with mobile capability and **Web Chat**. Examples of these new technologies are provided below.

4.3. **SAP Cloud for Customer (C4C)** and **SAP Hybris** were implemented to provide a high quality and consistent level of service delivery across a broad spectrum of customers including the public, employees, suppliers and partners.

4.4. **C4C** is a customer service system which simplifies HCC's ability to offer different communication options and therefore improve customer service. This supports HCC transformation through enabling self service.

4.5. With the introduction of **C4C** there can now be greater consistency in service by handling all communication and customer interaction centrally, with information provided to provide insight into customer behaviour and trends providing invaluable information to allow the council to constantly adapt and improve their service offering

4.6. **Hybris** provides HCC with improved marketing and provides accurate data for decision making. Combined with **Amazon Web Services** (a simple marketing email function provided by Amazon) this provides the ability to target communications via email. See CES Case Study for more details of how **Hybris** is being implemented.

4.7. **Web Chat** (online exchange of messages in real time) was also implemented and is making a real difference to customers. See the Corporate Resources Case Study for examples of how this is improving the customer journey.

4.8. **Cyber Security** was considered essential as HCC embarked on a Digital journey.  A new **Cyber Security** service was delivered as part of Digital 1 in response to the growing threat of cyber attack and the County Council's growth of digital services.

4.9. Combined with the new **Identity** and **Access** solution (**ForgeRock)** and safe modern **Integration** of systems via **Dell Boomi Integration** tool, HCC addressed any potential security issues of embarking on a digital transformation journey.

4.10.  **Cyber Security** includes monitoring and alerting – it automatically checks hundreds of millions of HCC computer logs every day and reports on severity.

## 5.    Digital 2

5.1. The Digital 2 programme builds upon and enhances the digital tools introduced as part of Digital 1. The scope was designed to allow HCC to continue the Digital Transformation journey at pace. **C4C Cloud for Customer (Customer Relationship Management System)** was further rolled out within Human Resource Operations team, and an ongoing programme of **C4C** developments put in place. The next release in September 2018 will support the London Boroughs On-boarding. **C4C** has proven highly successful in transforming HCC interaction with customers. See the Corporate Resources Case Study for more details.

5.2. As well as enhancing Digital 1, Digital 2 introduced the new functionality of **PowerBI** and **Robotics**.

5.3. **PowerBI Analytics** is a tool for transforming data into meaningful information. It is a powerful tool enabling HCC teams to create graphical reports and **Dashboards** opening up new and exciting view of their departmental data to help with key decision making.

5.4. Training in the use of **PowerBI** was provided to over 80 members of HCC staff, across all departments. This training helped to give staff the skills and knowledge necessary to produce and update **dashboards** with minimal reliance upon Corporate IT staff.

5.5. Departments have started to develop valuable content in **PowerBI** and the uptake is positive. A Community of Experts (CoE) has been established to bring together **PowerBI** users from across HCC to encourage knowledge sharing, define best practise and promote the effective use of our corporate analytic tools.

5.6. The Children's Services Department Case Study provides insight into how **PowerBI** will provide the opportunity to move to a self service model of data information, allowing staff at different levels from managers to front line social workers, to have direct access to **real time dashboards** that are easy to analyse.

5.7. **Robotics Process Automation (RPA)** is a digital technology that can assist HCC staff in carrying out their day-to-day work and enables them to focus on the tasks that require their skills and experience.  Using **robotics** can remove effort on data entry, form filling and other repetitive tasks. This helps create a more manageable workload for staff.

*5.8.* Leslie Willcocks, Professor of Technology, Work and Globalisation at the London School of Economics' suggests: "***RPA*** *takes the robot out of the human. The average worker employed on a back-office process has a lot of repetitive, routine tasks that are dreary and uninteresting.* ***RPA*** *is a type of software that mimics the activity of a human being in carrying out a task …..can do repetitive stuff more quickly, accurately, and tirelessly than humans, freeing them to do other tasks requiring human strengths such as emotional intelligence, reasoning, judgment, and interaction with the customer."*

5.9. **RPA** is cutting edge and HCC is leading the way in the public sector. HCC departments have been fast to embrace the possibilities that **RPA** offers and have identified a large number of potential automations that are being progressed. Each department has a named **RPA** lead and champion who are actively engaged to exploit automation possibilities for their departmental procedures.

5.10.  ETE, CCBS and Children's Services Department Case Studies provide an insight into how **RPA** will provide future opportunities for further transformation


## 6.  Enabling Productivity (EP)

6.1. EP is providing new, high performance computer devices to all staff. **Hybrid** tablets, laptops, **Docking stations** and desktop computers are allocated according to user need, together with secure **Smartphones** that enable staff to work flexibly across HCC, or away from their offices and directly with their clients and customers. During 2018 more than 14,500 devices in total will be provided to staff.

6.2. The deployment of **hybrids** and laptops took place between May and August, with users participating in training sessions to understand the capabilities and benefits of the new devices.  Staff have been quick to find ways to use the devices to improve the quality of the service they provide while also making their working life more productive. The ETE case study demonstrates how devices are also driving out printing costs.

6.3. Desktop computers and **Docking stations** are being deployed between September and December 2018 across all HCC sites, responding to the new flexible accommodation requirements.  Users of desktop devices will experience better performance and a larger clearer display.  Users of **Hybrid** and laptop devices will be able to dock their device at any **docking station** on any site, and make use of the same large screen and full-size keyboard.

6.4. See the CCBS – Smarter Working Case Study for examples of how EPP has enabled staff on the front lines to transform their ways of working

6.5. The Children's Services Case Study also provides examples of how devices have made a difference to Occupational Therapists on a day to day basis.

6.6. The EP programme is also installing new technology in 140 HCC meeting rooms with new **Interactive display screens** and speakers to enable staff to present, collaborate and share work directly from their new devices.  This technology will also enable multi-site video-conferencing and collaborative working with partners.

6.7. In parallel, a new booking system for meeting rooms is planned for 2019, to make it easier for staff to find and book rooms efficiently.

6.8. EP will replace the dated **Avaya Service** (installed 2007) with **Skype** for Business phone service.  **Skype** is a leading communication service that integrates with **SharePoint**, **Exchange Online** and **Office 365**. **Skype** provides online messaging, audio, video collaboration, calling and

conferencing, to support the County Council's modern, flexible and increasingly mobile workforce.

## 7. SharePoint and O365

7.1. At initial rollout **SharePoint** will be the replacement for Hantsfile as the Council's Electronic Document and Record Management System but this is only the beginning. Once the project has transferred millions of HCC documents to **SharePoint**, the system will allow HCC to manage information with both internal staff and partners in a more modern and accessible way.

7.2. Staff will be able to read and work on documents via mobile devices whilst in the field, as well as be able to securely share documents directly with colleagues in organisations outside of HCC.

7.3. In the second phase of the project **SharePoint** will enable even greater collaboration across organisations, maximising mobile working though using the wider capability of **Microsoft Office 365** including **Exchange Online** (email) and supporting the delivery of transformation by departments.

7.4. **Office 365**, the latest office suite by Microsoft will introduce a modern look and feel to office applications.  The traditional office applications (Word, Excel and PowerPoint) will be updated providing greater functionality. **O365** also offers **Microsoft Teams** and **OneNote**.  **Teams** is a tool which promotes more collaboration whilst  **OneNote** is designed to gather thoughts, ideas, plans, research and meeting notes in one single place.

7.5. The **Exchange Online** (email) project will provide the latest version of Outlook to staff devices and provides faster email requiring less support and therefore reducing costs to HCC and enabling staff to work with email without internet connectivity.

## 8. Web Platform

8.1. Hantsweb is the online public face of Hampshire County Council.  It delivers services to residents, visitors, partners and staff.  It receives an annual usage of 60,000,000 page views from 8,000,000 visitors.

8.2. The digital platforms introduced in Digital 1 continue to provide value to the organisation and have enabled the continued improvement, development and redesign of the public website.

8.3. HCC design web services on by focussing on customer's needs, enhancing their online experience, making it easier to access, transact, track and engage with Council services in the way they expect.

8.4. These improved online facilities demonstrate to our users that Hampshire is a modern, open and forward thinking organisation, providing excellent services, safeguarding our residents and open for business.

8.5. The Hantsweb online 'customer' account has over 46,000 registered users to date.  The project continues to add value to the account by adding more services for users.  Services that are currently available are:

- Track road enquiries e.g. pothole reporting and highway defects

- Link to care accounts and view care plan and assessments

- Track care and non-care payments

- Professional referrals to Adults Health and Care

- Subscribe to email updates and newsletters from Council services

- Access to guest WiFi at council properties including libraries

8.6. HCC have taken a mobile approach to web design, focussing on delivering mobile capability. This design approach has enabled HCC to produce a product that will work on the smallest screen - enabling users to easily access our services. Users continue to move towards accessing content and services from **Smartphones** and **Hybrid tablets** with 45% of all access to HCC web services from a mobile device.

8.7. By 2019 HCC will have delivered online accounts for staff in Hampshire Schools– enabling them to take advantage of online services by making them simpler and more accessible.

8.8. The CCBS Case Study demonstrates that since CCBS migrated to the new web platform their sites have gained improved functionality for delivering content. This contributes to improving the competitive nature of these sites. There has been a reduction in the total number of web pages across all sites which led to more concise content, improving the customer experience.

## 9. HPSN 2.1

9.1. The Hampshire Public Services Network (**HPSN**) provides the wide area network connectivity and the internet connection for all County Council offices, most Hampshire schools and many local authorities in the region. **HPSN** is provided as a managed service by Virgin Media Business (VMB) and is essential for the delivery of IT services and telephony.

9.2. To support HCC's journey to Digital, IT negotiated **HPSN 2.1**, a four year contract from January 2019 to December 2022 to provide the following enhancements to HPSN.

- Internet firewalls and **web filtering technology** to provide improved protection against cyber threats

- Internet connection capacity increases significantly (**3Gbps** to **10Gbps**)

- Massive network capacity increases for Hampshire schools

- New **Network router** equipment

9.3. These upgrades provide the increased network and internet capacity for the County Council and Hampshire schools to meet our ever growing demand for multimedia digital services. Offices and schools have just started to migrate onto their new **HPSN**2.1 connections and the migration will complete in 2019.

## 10. Communications and Engagement

10.1. To ensure awareness across HCC of ongoing digital developments, there have been quarterly Digital Showcases. An all staff Digital Showcase held on 30th of April showcasing **SharePoint**, Devices, **Web Chat** and **RPA**. Due to the success of this event the team delivered a similar event to Members on 28th June focussing on how technology enhances citizen experience and drives public value.

10.2. Future Working web pages have been established to support staff with FAQs and dates of deployment: https://int-www.hants.gov.uk/future-working. This site has had over 10000 hits in one week and continues to be updated to ensure staff remain well informed.

10.3. Internally there are regular portfolio briefings to staff by the Deputy Head of IT, in addition to an active Yammer Group which ensure continued focus on priorities.

## 11. Financial benefit

11.1. The investment in Digital has been a significant success from the organisation perspective in improving the delivery of services and also from the citizens' perspective in improving access to services. These improvements have been achieved through two phases of investment, both achieving a strong return on investment.

11.2. Digital 1 had an approved expenditure of £10.2 million (£3 million of which was Government funding achieved through bidding to the national transformation fund) which enabled delivery of £38 million of savings. Return of Investment (ROI) well in excess of 200% and pay back once full year effect of savings delivered of circa 3 months.

11.3. Digital 2 had an approved expenditure of £38.6 million which enabled delivery of £62 million of savings. It must also be borne in mind that a large proportion of the investment was to replace end of life system (Web, **customer relationship management** and desktop and telephone refresh, in particular) and therefore unavoidable investment which we then ensured also delivered savings opportunities. ROI of more than 60% and pay back of just under 7.5 months.

11.4. The difference between the ROI and payback for the two programmes of investment (Digital 1 and 2) reflects the increasing difficulty and complexity of delivering successive transformation programmes, with Tt2019 (the fourth major cost reduction exercise for the County Council since 2010) acknowledged as significantly more challenging than any previous transformation and efficiency programme.

11.5. In conclusion, it is clear that having sufficient reserves which can be allocated appropriately to deliver significant transformational programmes, such as Digital, is critical to the success in delivering cost efficiencies whilst minimising the impact on citizens and staff.

## 12. Future direction

12.1.  We will continue to monitor projects and programmes through strict project governance, including a weekly risk assessment of delivery against end dates, produced by the IT programme managers and shared with Business Transformation Leads. Escalation of any major risks or issues will be via the IT Steering Group.

12.2.  As can be seen, the Digital Portfolio continues to make excellent progress with departmental leads in all areas engaged. Projects are either in delivery or successfully completed. Projects in delivery are now moving at pace to completion.

12.3.  There is robust financial and delivery monitoring in place of the entire Digital Portfolio by the IT Portfolio Management Office and the IT Programme Managers.   Original estimates of costs have remained stable and all resources are in place to fulfil delivery.

12.4.  There has been and will continue to be a relentless focus on delivery, monitoring of risk and strict scope management is now a high priority to ensure successful delivery.

12.5.  As part of the next stage we will commence work with departments to further utilise the digital platform to support transformation to T21.

12.6.  Any further comments from Cabinet Members would be welcome and we will readily provide further updates and events as required.

# APPENDIX 1
## GLOSSARY OF TERMS

| Glossary | |
|---|---|
| **Amazon Web Services** | Bulk marketing email function provided by Amazon which provides the ability to target communications via email. |
| **Analytics** | **Analytics** is the discovery, interpretation, and communication of meaningful patterns in data. Especially valuable in areas rich with recorded information, **analytics** relies on the application of statistics, computer programming and to quantify performance.<br><br>Organisations apply a**nalytics** to business data to describe, predict, and improve performance. |
| **Avaya Service** | Avaya is the current provider of business communications, specifically telephone and call centre to HCC. |
| **C4C (Cloud for Customer) Sales** | SAP Cloud for Sales, is designed to allow sales professionals to spend more time selling and less time interacting with a sales application.<br><br>It includes embedded a**nalytics** that can help predict sales success based on historical data, competing products and other factors. For example, if a salesperson adds another product to the mix, the chance of winning the deal may increase because data indicates that the combination has been successful in the past.<br><br>Users can change assumptions and model sales ideas to understand impact. |
| **C4C (Cloud for Customer) Service** | SAP Cloud for Customer Service has a mobile-first approach to meet the requirements of today's sales and service professionals who need information about customers. The focus is on ease of use and getting more production out of the tool rather than spending time entering information. (See **CRM**). |
| **CRM System** | Customer Relationship Management is a strategy for managing relationships and interactions with customers and potential customers.<br>A **CRM System** helps companies stay connected to customers, streamline processes, and improve profitability. It is used for contact management, sales management, productivity, and more. The goal of a **CRM system** is to improve business relationships with customers. |
| **Cyber Security** | **Cyber Security** is the protection of internet-connected systems, including hardware, software and data, from cyber attacks. In a computing context, security comprises cyber security and physical security - both are used to protect against unauthorised access to data centres and computers. |

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| **Dell Boomi** | **Dell Boomi** is an **Integration** platform for connecting cloud and on-premises applications and data. The platform enables customers to transfer data securely between applications (see **Integration**). |
| **Docking stations** | A device in which a laptop computer, smartphone, or other mobile device including **Hybrid** may be placed for charging, providing access to a power supply and to peripheral devices such as monitor or mouse. |
| **Exchange Online** | Microsoft's **Office 365** suite includes **Exchange Online**, which is a hosted messaging application that provides access to email, calendars, contacts and tasks for any device. |
| **ForgeRock** | **ForgeRock** is a product which provides digital identity management through its primary product, the **ForgeRock** Identity Platform. The **ForgeRock** Identity Platform includes **Identity and Access Management**. |
| **GBPS** | GBPS stands for billions of bits per second and is a measure of bandwidth on a digital data transmission medium such as optical fibre. With slower media and protocols, bandwidth may be in the Mbps (millions of bits or megabits per second) or the Kbps (thousands of bits or kilobits per second) range. |
| **HPSN (Hampshire Public Services Network) 2.1** | The Hampshire Public Services Network (HPSN) provides the wide area network connectivity and the internet connection for all County Council offices, most Hampshire schools and many local authorities in the region. **HPSN** is provided as a managed service by Virgin Media Business (VMB) and is essential for the delivery of IT services and telephony. |
| **Hybrid tablets,** | A 2-in-1 tablet, also known as a **Hybrid** or convertible tablet, is a tablet PC that also functions as a notebook. 2-in-1 tablets are designed to bridge the gap between portables and the near-desktop functionality of notebooks. |
| **Hybris** | The **Hybris** Marketing suite enables HCC to gain real-time insight into customer intent, to deliver contextually engaging experiences, and to market with speed and ability. |
| **Identity and Access Management** | Customer **Identity and Access** (also know as authentication) management enables HCC to securely capture and manage customer identity and profile data, and control customer access to applications and services. |
| **Integration** | System **Integration** is an IT process concerned with joining different subsystems or components as one large system. It ensures that each integrated subsystem functions as required. |
| **Interactive display screens** | Interactive displays are wall-mounted screens which display images while enabling touchscreen interaction. They are comprised of only the display screen itself – and usually a remote control – and in many ways, they can be compared to tablets, only much, much larger. |
| **Microsoft OneNote** | Microsoft **OneNote** is designed to gather thoughts, ideas, plans and research and meeting notes in one single place |

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| **Microsoft Teams** | Microsoft **Teams** is a versatile online tool which promotes collaboration within departments and teams by bringing documents and chats together into one place for staff. |
| **Network router** | A networking device that forwards data between computer networks. Routers perform the traffic directing functions on the Internet. A packet (a chunk of useful readable data) is forwarded from one router to another router through the networks that constitute an internetwork until it reaches its destination (the user or reader of the data). |
| **Office 365 (O365)** | Office 365 refers to a suite of Office applications that are enabled over the Internet. The applications include: Word, Excel, PowerPoint, **OneNote**, Outlook, **Teams** and Publisher. |
| **PowerBI** | **PowerBI** is an **Analytics** service provided by Microsoft. It provides interactive visualisations with self-service capabilities so users can create reports and dashboards by themselves, without having to depend on IT staff or administrators. |
| **Real time dashboards** | A **dashboard** that contains visualisations (i.e. pie charts) that are automatically updated with the most current data available. Real time **dashboards** usually contain data that is time-sensitive and the reader requires it to be up to date when accessed. |
| **RPA / Robotics** | Robotics Process Automation (**RPA**) is a digital technology that can assist staff in carrying out their day-to-day work by automating tasks using computer code. This enables them to focus on the tasks that require their skills and experience. Using robotics can remove effort on data entry, form filling and other repetitive tasks. This helps create a more manageable workload for staff. |
| **Server 16** | Windows Server 2016 is a server operating system developed by Microsoft. Windows Server 2016 was released on 26 September 2016.  Required to run Windows 10. |
| **SharePoint** | **SharePoint** is a web-based platform that integrates with Microsoft Office. **SharePoint** is primarily a document management and storage system, but the product also provides the ability to easily search, share documents and collaborate internally and with partners. |
| **Sitecore** | **Sitecore** is web software used by organisations to create personalised digital experiences on the web (internet) via web pages and web sites. **Sitecore** combines a powerful content management system and database (holding lots of information) to ensure HCC can have the best websites possible for citizens. |
| **Skype** | **Skype** is a telecommunications application software product that specialises in providing video chat and voice calls between computers, tablets, mobile devices via the Internet and to regular telephones. |

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| | **Skype** additionally provides instant messaging services. Users may use both text and video messages, and may exchange digital documents such as images, text, and video. **Skype** allows video conference calls. |
| **Smartphones** | A mobile phone that performs many of the functions of a computer, typically having a touchscreen interface, Internet access, and an operating system capable of running downloaded applications and software |
| **Web Chat** | **Web Chat** is a system that allows users to communicate in real time using easily accessible web interfaces. It is a type of Internet online chat distinguished by its simplicity and accessibility to users who do not wish to take the time to install and learn to use specialised chat software |
| **Web filtering technology** | A Web filter is a programme that can screen an incoming Web page to determine whether some or all of it should not be displayed to the user. The filter checks the origin or content of a Web page against a set of rules provided by company or person who has installed the Web filter |

# APPENDIX 2

**DEPARTMENTAL CASE STUDIES**
**DIGITAL TECHNOLOGY – ENABLING FUTURE WORKING**

*Case studies written by departments to demonstrate the improvements*
*digital technology can make to the citizens of Hampshire*

## CCBS – Smarter Working

CCBS is championing the digital technologies that are being rolled out corporately to ensure we maximise their uptake across our services. We recognised the need to pull together the multiplicity of corporate projects and put a departmental wrapper around them to set out to our staff the 'big picture' of organisational change being delivered through **SharePoint**, **Office 365**, Digital 2, the Office Accommodation Strategy, the Enabling Productivity programme, and a range of local systems improvements which, in combination, will deliver significant change to people's daily working lives. To do this we set up the Smarter Working programme to disseminate key messages, raise awareness of the opportunities these technologies offer, help services to understand how technology can support new ways of working, and remind them of their responsibilities in ensuring the organisational investment is justified, through their adoption of these new digital tools and platforms. We recognise that that use of new technology requires cultural and behavioural change to ensure we deliver tangible benefits to our customers, our staff and the organisation. Smarter Working, as our departmental change programme, is the vehicle by which we navigate towards these outcomes. As part of the Smarter Working programme we have identified Early Adopter teams to pilot new ways of working. These examples are drawn from case studies on the Smarter Working web pages.

**Countryside Service**

The Countryside Service has a diverse range of roles, and many of their field based staff work outdoors and away from the facilities of the office for much of the time. On this basis they volunteered to pilot **Hybrid** devices with ruggedized cases, used in conjunction with smart phones to provide wireless internet connectivity in rural outdoor locations where Wi-Fi is unavailable.
Their Community Rangers are responsible for visitor services, working with volunteers and local communities, as well as getting involved in events and social media. Their mobile devices have enabled them to be more productive whilst they are out and about meeting and engaging with people.

Devices tethered with smart phones have allowed them the freedom and flexibility to be more spontaneous, using the devices to communicate with people and share information or photos in real time. Examples include:

- helping to identify different species using images, video and sound,
- displaying maps to help people navigate, and
- getting answers to queries in real time.

Community Rangers have used their devices to improve processes, using less paper and even helping avoid potential data protection issues, for example,
- by gaining signed consent to use photos electronically on the tablet, eliminating the waiting time for people to return paper consent forms.

- by entering volunteer contact information directly onto the device, again eliminating paper copies of personal data and removing the need to securely store paper records.

The provision of mobile devices has also helped take pressure off their office space, where access to desktop terminals can be limited. Being able to use a mobile device elsewhere on site, has provided greater flexibility and enabled more equitable use of existing IT resources.

Overall the technology has enabled:
- Community Rangers to be more mobile and more productive;
- Better customer service through real time information collection and sharing;
- Efficiencies through reduced paper based processes and reduced pressure on office space.

**Property Management**

After the fire at Three Minsters House, mobile devices were rolled out to a cohort of staff as a priority in order to facilitate more flexible working and alleviate pressure on office accommodation in Castle Avenue which was now being more intensively used. The ability to work across the range of office accommodation in Winchester, out on site, or at home, enabled teams to continue to operate effectively despite a significant reduction in allocated office and storage space. This bodes well for the positive impact of device roll out underpinning more flexible mobile working across the organisation and the positive impact it should have on HCC's office accommodation overheads.

School management surveyors have been able to make significant changes to the way they work, since using mobile devices. They used to take large printed information packs to every school visit. That information is now accessible in real time on their devices to be shared with school staff. This led to direct savings on printing, and a reduction in processes that need to be undertaken back at the office. Most importantly, it has meant an improved customer experience for our school clients who now receive immediate information, eliminating wait times for responses to queries.

Yammer has become embedded as a key communication tool within this early adopter team and as a result work is undertaken in a more informed and collaborative way. All key pieces of information, instructions or messages to support staff in carrying out their roles are posted on Yammer, with the team using it daily. They are looking forward to exploring the additional functionality of other **Office 365** applications such as Microsoft **Teams**, when these come online. Similarly, they have been testing new ways of gathering data as an alternative to historical paper based processes. Using digital tools to collect data from schools during site audits has removed the need for completion of multiple paper based

forms, which has in turned enabled quicker, more robust and efficient data collection and analysis.

**Trading Standards**

Trading Standards applied a lean process review to the Buy with Confidence service, the scheme that provides consumers with an approved list of local businesses. Payment options for businesses to join or renew membership vary and each requires a different manual process to be followed. The team manage on average 1,100 payments per year. The process requires frequent and non-linear use of multiple systems, which makes it time consuming with room for error. The process was considered to be a strong candidate for **Robotics** Process Automation (**RPA**) because of its technical suitability and the potential benefits to the business i.e. time saving and greater efficiency through the removal of human error. A full business case was put forward and accepted by the **RPA** Board. Currently this process is on the **RPA** backlog awaiting development. From the analysis undertaken to date, automation could be applied to 90-95% of this 55 step process. Trading Standards anticipates that this process automation could result in a release of administrative staff time of up to 458 hours per year. The Service plan to reinvest this time into customer support and business marketing activities to increase income generation for Buy with Confidence.

**Sitecore – Marketing impacts for CCBS**

Over the last two years, CCBS sites have been migrated from WPS to **Sitecore**. The objective was to improve the customer journey and provide a more engaging and relevant communication channel for customers. This is particularly important for the commercial sites that showcase CCBS' choose-to-use services. These services need to compete effectively with their private sector counterparts.
Since the migration, our sites have gained improved functionality for delivering content, and more flexibility in their design. This contributes to improving the competitive nature of these sites. There has been a reduction in the total number of web pages across all sites which led to more concise content, improving the customer experience.

Looking forward, there are further **Sitecore** updates to be undertaken. We anticipate that these will enable us to:

- revisit content and design so that we continue to improve the information available to customers;
- take control of updating parts of our sites, to significantly improve the speed at which updates can be achieved;
- capitalise on the potential for a new events system, and
- explore the personalisation capabilities of **Sitecore**, to further enhance the customer experience.

All web improvements benefit the customer through streamlined access to information and services, and provide a critical foundation for the sustainability of our choose-to-use services that operate in highly competitive markets.

## Children's Services Department – Enabling Productivity

**Hybrid Devices**

The roll out of **Hybrid** devices to front line staff in the Children's and Families branch of Children's Services has enabled access to information, tools and support away from the office at any time and use of digital direct work tools to support positive participation with children, young people and their families.

Personal Advisors in the Care Leavers teams have been using their devices to engage in a different way with young people. Young people are now able to directly input into their pathway plans and access information and advice during statutory face to face visits which is improving engagement and ultimately the achievement of outcomes. As a result of the increased engagement during visits, Personal Advisors are able to update plans and records whilst in the field and no longer need to carry out non value adding tasks such as travelling back to the office and duplicating paper records onto the social care case management system. This has lead to paperless ways of working which as well as bringing cashable benefits from a reduction in printing costs, it has also reduced the amount of paperwork Personal Advisors need to transport around the County.

Other examples of direct work with children and young people can be seen in the Occupational Therapy team working with children with disabilities. The devices have enabled the OT's to interact with children in different ways to seek their views in the process to ensure that the right recommendations for the child are made and are successful in their interventions.
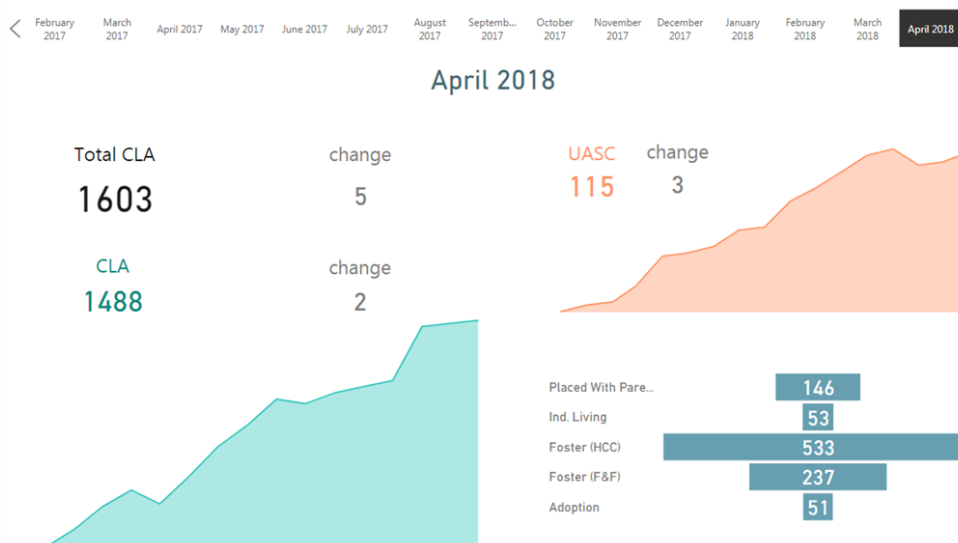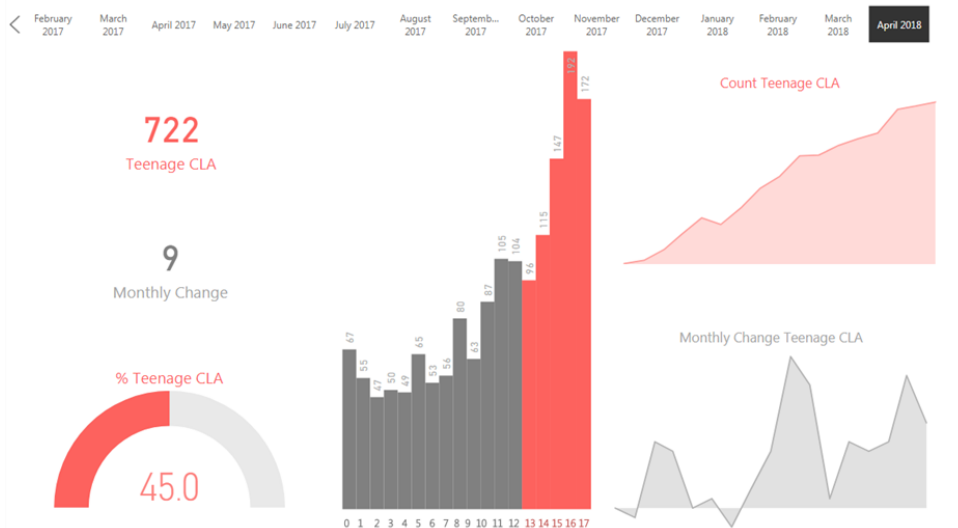
**Power BI**

Children Services have a robust and effective performance management framework in place, however this is supported by resource intensive data information gathering processes from both the Data and Information Team (DAIT) and additional resource from admin support staff based in social work teams.

**PowerBI** will provide the opportunity to move to a self service model of data information, allowing staff at different levels from managers to front line social workers, to have direct access to real time dashboards that are easy to manipulate and analyse. This will reduce the amount of time required to input into and analyse excel spreadsheets and shift focus from retrospective review to a more proactive approach. This will also allow for reports to be created one and refreshed with up to date information easily and quickly without the need to re-create the reports.

These pictures depict a prototype of a report from **PowerBi** which is links to the vision of a social care dashboard. Education data will be surfaced in a similar way.

**Robotic Process Automation**

The introduction of **Robotic** Process Automation (**RPA**) will provide efficiencies throughout Children's Services, with the automation of identified tasks which are deemed to be repetitive and mundane. This will free up capacity within teams allowing staff to follow up vital work which only a person can do.

A good example of this and the first process which has been selected for **RPA** in Children's Services is the Exclusions Notification Process from Schools. Currently Schools send to the Local Authority (LA) details when they exclude a child, this can be a fixed term exclusion or a permanent exclusion. The LA Inclusion Officer has to manually download these files, transfer, save and allocate to the child's records with the LA's master data management system. **RPA** will replicate this process, allowing and with the additional capacity the Inclusion Officer will be able to respond more quickly to Schools which could result in a reduction of exclusions and it also provides the team with additional capacity to focus on attendance.

Children's Services have identified 71 processes that **RPA** could potentially assist with, 13 of this are currently being looked at in great detail.

## Customer Engagement Service – The Power of Marketing

In June 2018, the County Council launched its first ever central email newsletter sign up forms. These forms allow customers to sign up for email communications for services including: libraries, country parks, children and families, adult social care, the IBC and road safety. Each 'marketing category' contained on those pages links to Hybris so that email communications are only sent to those customers who have subscribed to receive them.

Previously, customer sign ups were to an individual newsletter and the opportunity to 'cross sell', to generate new contacts for other parts of the County Council, were missed; these individual sign ups were siloed and inefficient. Furthermore, as was common across the marketing industry, there was a significant loss of customer sign ups following the introduction of GDPR.

Now, three new landing pages have been developed, linked to different pages across the website which target the County Council's primary audiences:

- The residents landing pages are now being widely promoted using social media by several departments.
- The education settings' landing page will connect to all Hantsweb pages where the County Council provides a service to schools, including Children's Services and Property Services.
- The business landing page will link to other services offered by the County Council which offer services such as economic development or sold services in Adults' Health and Care.
- Bespoke connections have also been built to link externally hosted websites, such as 'My Journey' (a national campaign to promote sustainable travel and transport), with Hybris.

Working with the business to develop business requirements, the project team (Insight and Engagement Unit and IT) has worked with both existing and future producers of email communications to:

- Realign common branding and accessibility standards
- Broaden and develop the email communications and marketing offer to new audiences, such as Adults' Health and Care, Hampshire Futures, Road Safety

Other advantages to developing central sign up forms are:

- The ability to standardise GDPR complaint consent capture fields and the accompanying privacy notices (still some changes to be made to extend across the whole of Hantsweb).

- The capturing of demand for email marketing communications via SMS, which has not been explored or researched before. Should demand for

this channel be proven, this functionality in Hybris could be developed and rolled out.

- In order to future-proof email marketing, all new customers signing up to email marketing communications will be asked to confirm their email address, through a process known as 'double opt in'. Although not currently required by UK law, it is widely expected in the marketing community that this will soon be a statutory obligation.

- Through a bespoke software **Integration**, the ability to match customer data outside and within Hantsweb accounts so that a customer's subscriptions are up to date, wherever they look on the County Council's website.

## Adults' Health and Care – Working Differently

The aim of the Adults' Health and Care (AHC) **Working Differently programme** is to create capacity in the workforce to meet growing demands for adult social care support and to enable staff to more easily work with services users, partners, providers and the voluntary sector.   The roll-out of the laptop and **Hybrid** devices is still on-going but staff that have received them in the last month are already seeing the benefits in the way that can interact with clients and the capacity it has created for them.
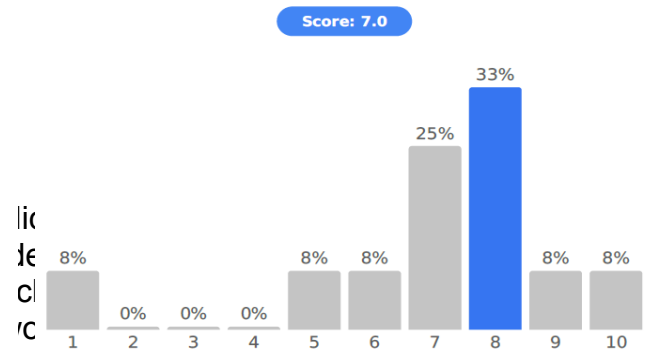
We asked staff to put themselves forward to become a technology advocate and we've now got a cohort of 90 individuals who will promote opportunities within their teams to exploit technology to the fullest and also support individuals who may find it more challenging.   We held an event at the beginning of July with Technology Advocates and Team Managers and asked them to rate their experience of using the devices so far:

**Technology Advocates Score**

Score: 7.1

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 3% | 3% | 3% | 5% | 5% | 10% | 21% | 31% | 13% | 8% |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

**Team Managers Score**

Score: 7.0

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 8% | 0% | 0% | 0% | 8% | 8% | 25% | 33% | 8% | 8% |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

### Frontline Staff

Frontline staff have already started to use their devices during service user visits:
Learning Disabilities Case Worker:  *"At an assessment I have been able to type review notes straight onto the review tab on AIS and search with ease previous assessments, contacts and case notes, so that I can hold conversations with conviction as I have necessary data at my fingertips"*

Learning Disabilities Case Worker: *"I'm quite confident with typing without looking at the keyboard so having the laptop there allowed me to actually have better eye contact with the family I was seeing whilst recording at the same time what they were saying to me. I also find that I type faster than I write so another bonus for those who are confident typing"*

Reablement Service, CRA2: "*Just one thing was being able to log on to go through Amazon to show one of my service users exactly what equipment they needed to order, price options, things to avoid etc. and she was able to mention this to her daughter who was going to purchase privately. I was also able to show her a picture of a Seville chair so she knew what sort of size build to expect when*

*it was delivered because sometimes people turn the HCC equipment away at the door not knowing what it is etc."*

Reablement Service Occupational Therapist: "*I was also able to sketch a diagram of a bathroom in **OneNote** and then take it to show a non-ambulant client. I used the Pen and Ink to erase the cupboard, widen the doorway and demonstrate where I would put a sliding door. I think this helped her to understand."*

Staff have been able to bring up the Connect to Support website on devices to talk through voluntary and community sector support with service users in support of strengths based conversations. A Connect to Support app is currently in development is planned to be put in the HCC play store in the autumn; this will give staff easier access to the information they need and will enable them to access it off-line in more rural areas.

A number of teams across AHC want to use photos and videos in support of their work with clients; either to capture images or demonstrate something to a client. For example, FAB officers currently collect card copies of evidence for financial assessments during a visit (e.g. a bank statement), take them back to the office, scan them and then post them back to the client. The ability to photograph the evidence in the client's home and upload the image immediately into the right place would significantly streamline the process. AHC are working to define an efficient and GDPR compliant process for capturing and storing this type of media when interacting with clients and this will be rolled out soon.

**Working with Partners**

Until now, Mental Health teams have needed two devices to undertake their work; an HCC desktop/ laptop to access HCC systems and a SHFT laptop to access RIO. The roll-out of card-reader laptops in HCC (with a bit of additional support from ICT colleagues) has enabled Mental Health staff to access both HCC systems and RIO through a single device from any location; HCC sites, hospitals or home. This enables staff more quickly and easily undertake statutory work related to health and safety around the provision of service. Work is on-going to investigate whether other Health systems can also be accessed through the new devices.

**Managing Mobile Teams**

Team Managers can see the opportunity that the devices have created for team to become more mobile and operate with more autonomy. A couple of teams in AHC have been operating in a more mobile way for over a year and have seen an increase in staff morale and lower staff turnover rates as a result. The roll-out of devices will enable more teams to become mobile and potentially realise these benefits as well as increased productivity.

Mobile working will be a cultural shift for many teams so Productivity Training will be rolled out in AHC during the autumn to support managers to better understand the concept of productivity and explore how they can measure and improve productivity for their service (continuous improvement).

## ETE Digital Technology – Enabling Future Working

The Enabling Productivity Programme required all departments to identify flexible and field based individuals who would benefit from use of a **Hybrid** device. In ETE, this represents 55-60% of our core staff. The deployment of **Hybrid** devices represents the latest step on an ongoing journey towards enabling increased productivity through digital developments in ETE, building on progress over the last four years.

The deployment of the 'Confirm' application to manage highways enquiries in 2014 stablished a more consistent way of working between Hampshire's highway depots. This in turn allowed enquiry management to be undertaken by non-technical staff at the then newly established Highways Operations Centre (HOC), thereby freeing up engineering based at the depots to focus on more value-added technical work.

The development and deployment of new web-forms followed, which made it easier for customers to either report problems on the highway network or request licences to make changes to the highway, and then track the progress of their enquiry online.  This has resulted in a shift towards self-service on the web for our customers, and significantly reduced the volume of telephone calls being received.  This equates to another productivity saving as self-service via the web reduces the amount of officer time involved with responding to enquiries.

The next step on the journey started when all ETE's fixed and flexible staff received new **Hybrid** devices in May this year.  Evidence already demonstrates that ETE officers have been able to plan their days in a more flexible way to maximise productivity, and to reduce unnecessary travel and/or 'double keying' of information which has been captured outside of the office or away from the desk.

In addition to these benefits, the roll-out of devices is resulting in a significant reduction in printing volumes. Each team in ETE was presented with average printing volumes per quarter over the previous two years, and asked to set a target to reduce this, in line with the **Hybrid** device requirements they had identified.  Printing data received for Quarter 1 of 2018/19 has shown significant reductions in printing already, with further reductions anticipated.  These reductions have enabled ETE to reduce its department printing budget by over 50% over a two year period, representing a significant achievement towards the Department's Tt19 savings target.

### Robotics Process Automation

One of the responsibilities of ETE's Highways Operations Centre (HOC) is to handle and process claims arising from incidents on Hampshire's 5,400 miles of highway networks, e.g. a claim for damage to a vehicle caused by a highway defect.  This process involves use of the Confirm application that ETE use to manage highways enquiries and task assignment.

Approximately 2,000 such claims are processed by the HOC per annum. Following initial analysis, three parts of the 8-step claims process were identified as being suitable for **Robotics** Process Automation (**RPA**), on the basis that:

- They involved a set of repeatable tasks each time a claim process was opened;

- These particular steps required no human judgement or decision making.

Furthermore, benefits were identified for the customer, in that process automation has potential to both speed up the timescales in which they receive a response to their claim, and also eliminate any inaccuracies or errors that might occasionally occur in manual handling of this aspect of the claims process.

The result of this was the initial development of a 'bot' which served as a Proof of Concept (POC) for the County Council, to demonstrate the viability and benefits of **RPA** to HCC. This in turn was followed by the development of a fully operational version that can be deployed in the live environment, which is due for implementation in summer 2018. This will be the first 'live' Robotics Process Automation fully deployed by Hampshire County Council.

The POC estimated that deployment of the bot will save 45 minutes of staff time as part of handling each claims process. Scaled up across the 2,000 claims received per annum, this represents a saving of around 200 days per annum in total for the HOC, freeing up staff capacity to engage in more value-added activity.

Alongside the development of this '**robot'**, ETE is actively seeking other opportunities to automate parts of other processes across the department, and has identified over 30 other tasks which are being investigated for their suitability for **RPA**. As part of this process, ETE is seeking to undertake Business Process Reviews in advance of submitting processes for automation. The premise of this is to refine processes in advance of automation, which in itself brings greater efficiencies and improved response times for customers.

## Corporate Resources – Shared Services partnership

In 2016, the Shared Service Partnership identified a need for a review programme focused on developing a broader customer service strategy specifically for the IBC customer contact model. To provide independent challenge and oversight Deliberata, the insight consultancy arm of The Institute of Customer Service, were commissioned to carry out this review.

Work during the first phase of the project focussed on building an evidence base and research included two independent surveys conducted in November and December 2016:

- A customer survey based on the ICS "Business Benchmarking tool" – this received over 2,000 responses;

- An IBC employee survey based on the ICS "Servcheck tool" – this received 150 responses.

The surveys revealed dissatisfaction with the service and a strong sense of 'frustration' experienced by customers of the service. This was by far the most commonly used term when customers were asked to describe the service in one word, and customers scoring the service as highly satisfied (8-10) was less than 7% of respondents.

This research provided a platform for the Customer Contact Improvement programme which has focused on delivering major improvements to the overall shared services customer experience. Key areas of focus for this programme have been:

- Replacement of our existing **CRM** system with C4C SAP **CRM**

- A relaunch of the IBC portal using latest SAP technology, with improved navigation, personalisation and usability;

- The redesign of over 30 major forms or processes in the IBC portal, identified with our customers as priorities;

- A redesigned Shared Services website, including a new landing page, personalised and searchable help content, and Shared Services news feed;

- The launch of a new Customer Contact Operating Model and Customer Support Team;

- The introduction of **Web Chat** as a new customer service channel.


**Digital Programme as an enabler to success**

The Digital programme has provided a range of technical platforms that have underpinned the Customer Contact improvement programme – in particular, C4C, **Sitecore** and **Web Chat**.

**Migration to C4C**

C4C replaced Lagan as the existing **Customer Relationship Management (CRM)** system used to manage customer **enquiries**. This work was closely aligned to the Customer Contact improvement project to ensure the business, insight and reporting requirements of the new operating model are met through the technology replacement.

This implementation has transformed our ability to effectively mange customer enquiries by ensuring all contact, regardless of channel, is captured and managed through one platform.  Some of main benefits include:

- A single view of a customer and their enquiries;
- Case creation and measurement of every contact;
- Individual case management and ownership;
- Enhanced support tools;
- Enhanced reporting capability to support insight and continuous improvement.



**Web Development**

In response to feedback received from our customers, a key aspect of our improvement programme has focused on improving the accessibility and usability

of our shared services applications and on-line web help and guidance. Using technology platforms introduced by Digital, in particular our new web platform **Sitecore**, we have been able to redesign our 'front door' to these services, and enable our customers to find what they need more easily, as well as sign-post them to other relevant and useful information.  Benefits of these included:


- Ability to personalise Shared Services applications and 'help and guidance' web content for our customers. Users are authenticated as they access the initial **Sitecore** landing page, and are presented with applications and web content that are relevant to them based on the organisation they work for, and the role they perform;

- Improved structure and ease of navigation of our web content through better understanding our customers on-line user journeys;

- Development of web content, and improved search capabilities within our **Sitecore**;

- Embedding **Web Chat** capability to support future channels;

- Creation of other role based content to support induction to Shared Services applications – e.g. 'Getting Started with Employee Self Service'.

**Web Chat**

The latest step on our digital transformation has been the introduction of the **Web Chat** channel for our shared services customers. Launched in April 2018 the service can be launched directly from over 20 help pages that include sickness, leave, pay and claiming time.

This further enables our customer to interact through the channel of their choice. Since its launch in April 2018, we have seen further significant improvements in reported customer satisfaction, with satisfaction for this new channel at 90% and enquiries resolved at first point of contact at 85%.

**Benefits that Digital programmes have helped us to deliver:**

All three of the digital enabled improvements outlined in this case study have contributed toward the delivery of our ambition for a more streamlined Shared Services customer journey:



The introduction of this new technology, alongside the implementation and embedding a new customer service operating model, also show a clear correlation with our the feedback we receive from our customers that the service continues to improve. This is most clearly demonstrated though the results reflected in our Customer "snap survey" of our performance during June 2018 – which represents the highest satisfaction levels since the regular monthly surveys were introduced in June 2017.

June 2018 survey responses - 68% customers that completed a survey were highly satisfied with the service received (score of 8-10), with 79% confirming they were satisfied (score of 6-10).

The five words most used to describe the service were:

- Good
- Excellent
- Efficient
- Helpful
- Great

In addition Hampshire County Council, Hampshire Constabulary, Hampshire Fire and Rescue Service, Oxfordshire Fire and Rescue Service, Oxfordshire Schools and Hampshire Schools have all achieved the March 2019 target of 70% customers scoring as highly satisfied and 80%.

We have also revisited the independent assessment of the ICS business benchmarking and our overall Customer Satisfaction Index has significantly increased to 64.6. This is an improvement of over 26 points when compared to the 2016 survey.

The graphic below summarises how the introduction of the new technology introduced, correlates with reported customer satisfaction improvement.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Strategic Plan**

| | |
|---|---|
| **Hampshire maintains strong and sustainable economic growth and prosperity:** | No |
| **People in Hampshire live safe, healthy and independent lives:** | No |
| **People in Hampshire enjoy a rich and diverse environment:** | No |
| **People in Hampshire enjoy being part of strong, inclusive communities:** | No |
| **OR** | |
| **This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because:**<br><br>This report is to provide an update on the IT Digital Portfolio which does affect every aspect of the County Council's functions | |

| |
|---|
| **Section 100 D - Local Government Act 1972 - background documents**<br><br>**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)** |

| Document | Location |
|---|---|
| None | |

**IMPACT ASSESSMENTS:**

## 1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

(a) This report is to provide an update on the IT Digital Portfolio and will therefore have no impact

## 2. Impact on Crime and Disorder:

2.1. None

## 3. Climate Change:

a) None

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

| Decision Maker: | Cabinet |
|---|---|
| Date: | 17 September 2018 |
| Title: | CQC Hampshire Local System Review |
| Report From: | Director of Adults' Health and Care |

**Contact name:**   Graham Allen

**Tel:**      01962 847200          **Email:**    graham.allen@hants.gov.uk

## 1.   Recommendation

1.1. That Cabinet note this overview of the Care Quality Commission's Local System Review of Hampshire and the Action Plan that has been jointly developed by Hampshire's health and care system leaders to respond to the Review's findings.

## 2.   Executive Summary

2.1. The purpose of this report is to provide an overview of the Care Quality Commission (CQC) Local System Review which took place in February and March 2018.  CQC published its findings on 21 June 2018, following a summit with health and care system leaders, partners and other stakeholders on 20 June 2018.  Please also find attached a link to the recently published CQC Beyond barriers - How older people move between health and social care in England report.

2.2. The Hampshire Health and Care System was required to produce an Action Plan to address the findings of the Review by 20 July 2018.  This process was led by the Director of Adults' Health and Care, liaising with system leaders in the NHS to ensure that all actions were jointly agreed, with leads assigned and clear arrangements in place to monitor progress.  The Action Plan was signed off by the Chair of the Hampshire Health and Wellbeing Board and progress on implementing the Action Plan will be overseen by the Health and Wellbeing Board.

## 3.   Contextual information

3.1. In 2017, the Care Quality Commission (CQC) was asked by the Secretaries of State for Health and Social Care and Communities and Local Government to undertake a programme of targeted reviews in 20 local systems.  The purpose of the reviews was to look at how well people move through the health and social care system in a particular area, with a focus on the needs of people over 65.  CQC looked at the interfaces between social care, general

medical practice, acute and community health services, and on delayed transfers of care from acute hospital settings.

3.2. Hampshire was selected as one of the 20 areas for review. CQC undertook Hampshire's Local System Review between February and March 2018 with an intensive fieldwork visit taking place between 12 and 16 March 2018.

3.3. A substantial self-assessment document and data library was prepared for CQC ahead of the Review, and CQC also sought information from organisations through two surveys to supplement national performance data and CQC's own data sets.

3.4. CQC Reviewers spoke to a wide range of individuals and groups as part of the review, including:

- system leaders from Hampshire County Council, including elected members, the Health and Adult Social Care Select Committee and the Health and Wellbeing Board;

- Hampshire NHS Clinical Commissioning Groups;

- NHS acute hospital and community provider trusts;

- health and social care professionals including social workers, GPs, pharmacy leads, discharge teams, therapists, nurses and commissioners;

- Healthwatch Hampshire and voluntary, community and social enterprise sector organisations;

- providers of residential, nursing and domiciliary care; and

- people who use services, their families and carers who attended focus groups, as well as people in A&E, on hospital wards and at residential and intermediate care facilities.

3.5. CQC also reviewed 24 care and treatment records and visited 20 services in the local area including acute hospitals, intermediate care facilities, care homes, GP practices, hospices and out-of-hours services.

## 4. Finance

4.1. The Action Plan to address the recommendations of the CQC Review sets out a range of activities that will take place over the next twelve months, some of which will have financial implications, such as the development of integrated intermediate care, more pooled funding arrangements and some joint leadership roles. Any new activity will be resourced using organisations' existing business as usual budgets or transformation/cost of change budgets.

## 5. Performance

5.1. The CQC review process does not result in a performance rating for the local area reviewed. The report identified many areas of strength across Hampshire's health and social care organisations. Hampshire was complimented by CQC on the logistics and organisation of the Review and

this was the largest System Review undertaken. Strengths that were identified included:

- a consistent and shared purpose, vision and strategy across all organisations in support of people;

- strong performance in a range of outcome measures across health and social care responsibilities;

- a strong understanding of the health and social care needs of Hampshire's population;

- good examples of inter-agency work at a strategic and operational level;

- services and the experiences of residents are high in a number of indicators, when benchmarked against other comparable health and care systems nationally.

- a commitment to providing opportunities for people receiving services and their representatives and carers to influence service development; and

- an advanced use of digital tools to provide support to people and to enable staff in different organisations to share information, reducing unnecessary duplication.

5.2. Recommendations for improvements included:

- streamlining the hospital discharge processes across Hampshire to support people to leave hospital as quickly as possible once they are deemed medically fit to do so;

- improving the recruitment and retention of key groups of staff such as those who deliver home care; and

- exploiting opportunities to pool funding and join up services more consistently.

5.3. The Action Plan prepared to respond to the CQC findings is attached as Appendix B. This sets out in more detail the suggested areas for improvement identified by CQC and the Hampshire's proposed response.

## 6. Delivery of identified improvement areas

6.1. Over the course of the period March to June 2018, alongside the CQC Local System Review, further detailed work has been undertaken at a health and social care system level to better understand on a forensic level, in each of the three main acute hospital systems, reasons for poor patient flow and delayed transfers. This detailed work was undertaken by Newton Europe, a specialist consulting organisation, through funding provided by the national Better Care Fund team and the Local Government Association.

6.2. The work undertaken, with the active engagement and involvement of all sector organisations, has enabled far greater detailed multi-agency understanding of issues at play within the Hampshire system. This work has

clearly identified the inter-relationships of many factors and is clearly not the responsibility of any one organisation. To that end and in parallel with the CQC identified actions, the learning from Newton Europe's analysis has been enshrined into the CQC action plan. This requires organisations both individually and collectively to operate differently. This has commenced immediately.

6.3. From a Hampshire County Council perspective, a 'home first' model of supported discharge has been implemented with immediate effect, through greater use of the in-house Reablement service. Key elements of the hospital discharge teams' activities have been changed to reduce potentially linear approaches and this has resulted in fewer people having process delays in their discharge pathway. There have been reductions in the average length of stay that people experience, meaning the risks associated with acute admissions and slow discharge are positively reducing.

6.4. Furthermore, at a system level an appointment has taken place at a senior executive level to oversee patient flow and discharge pathway improvements across all of the Hampshire acute hospital footprints. This role, alongside a clinical lead, is working with all system partners to ensure consistency of approach and, most importantly, an improvement in outcomes and systematising best practice in patient flow and onward care.

6.5. In the coming months, the early adoption of improvements and changes to the operating models in the first half of this financial year across the acute systems is anticipated to both reduce the risks of increased demands upon NHS services and maintain reduced transfers of care at a significantly lower level than in previous years.


## 7. Consultation and Equalities

7.1. CQC Reviewers met with groups of service users, carers, and patients, as well as a number of voluntary and community sector partners, as part of the main Review, and also during a two-day pre-Review visit that took place between 21 and 22 February 2018.

7.2. The intention will be to continue to involve users, carers and patients as part of the process of implementing the Action Plan to address the Review's findings.


## 8. Future direction

8.1. The CQC Local System Review process has been resource intensive for staff involved, particularly the core team who supported the Review and the many individuals and organisations involved in the fieldwork. However, it has been beneficial in that it has provided an opportunity to improve collaboration across the system, and to accelerate service transformation to the benefit of residents.

8.2. The Hampshire Health and Wellbeing Board, under the leadership of its Chair (the Executive Member for Adult Social Care and Health) and Vice Chair

(Chair of the South East Hampshire Clinical Commissioning Group) will oversee the delivery of the Action Plan.

8.3. The Hampshire County Council Health and Adult Social Care Select Committee will also receive regular updates as to the progress being made, in line with the finalised Action Plan.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Strategic Plan**

| Hampshire maintains strong and sustainable economic growth and prosperity: | no |
|---|---|
| People in Hampshire live safe, healthy and independent lives: | yes |
| People in Hampshire enjoy a rich and diverse environment: | no |
| People in Hampshire enjoy being part of strong, inclusive communities: | yes |

**Other Significant Links**

| Direct links to specific legislation or Government Directives | |
|---|---|
| Title | Date |
| The review was carried out under Section 48 of the Health and Social Care Act 2008. | July 2008 |

| **Section 100 D - Local Government Act 1972 - background documents** |
|---|
| **The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)** |

| Document | Location |
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| None | |

**IMPACT ASSESSMENTS:**

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1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

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**Due regard in this context involves having due regard in particular to:**

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

There are no equalities impacts arising from this report.

2. **Impact on Crime and Disorder:**

2.1. Not applicable.

3. **Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No impact identified.

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

No impact identified.

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# CARE QUALITY COMMISSION LOCAL SYSTEM REVIEW

# HAMPSHIRE

# HEALTH AND WELLBEING BOARD

# ACTION PLAN

# JULY 2018

# Contents

## Introduction

This document forms the high level action plan in response to the CQC Local System Review for Hampshire (published 22 June 2018).

The action plan is a system response to the recommendations made for improvement and addresses the range of findings contained in the review report. It is intended as an evolving iterative action plan with a completion date of July 2019.

For the purpose of the action plan, actions are ordered and grouped by theme as follows:

1. Strategic Vision, Leadership and Governance
2. Communication and Engagement
3. Access and Transfers of Care
4. Partnerships
5. Workforce Planning

See **Appendix 1** for how each theme relates to the review recommendations.

## Governance of this plan

This action plan will be governed through the Hampshire Health and Wellbeing Board (HWB).

To improve and support system wide delivery of a number of areas including actions arising from this CQC Local System Review, new governance arrangements are being introduced for the Hampshire system. This includes the development of an Improvement and Transformation Board (ITB) which will hold accountability for the delivery of this plan through associated cross-cutting work streams.

See **Appendix 3** for Terms of Reference for the ITB and related governance.  The ITB is a subgroup of the HWB.

The action plan has been developed taking account of existing work streams and plans currently in existence.

In order to deliver this ambitious action plan over the next 12 months, we will be adopting the following working principles:

1. We will adopt an ethos of asking what we should as a system 'start, stop or continue' to ensure that our activities are aligned and co-ordinated with these core themes.
2. We will wherever possible share best practice and lessons learned across the system.
3. We will ensure that we have system representation leading each of these core themes.
4. We will ensure that we engage with residents, providers, carers, independent and voluntary sector and other stakeholders to ensure we are putting our efforts into those areas that will have the maximum impact for them.
5. We will promote a collaborative working approach across our transformation and operational teams.
6. We will adopt a system approach to support the principle of 'Why Not Home, Why Not Today'.

The interim national report, final national report, *Breaking Barriers*, and each of the local system reports, including Hampshire's, can be found here: https://www.cqc.org.uk/publications/themes-care/our-reviews-local-health-social-care-systems

## 1. Strategic Vision, Leadership and Governance

| | Leads |
|---|---|
| **Report Recommendations:**<br><br>• The HWB must determine and agree its work programme, how to make the system more coordinated and streamlined and form stronger more coordinated links with the Sustainability and Transformation Partnerships (STPs).<br>• The system must work with partners to develop a consistent approach to the evaluation of health and social care initiatives and their feasibility at a strategic and local level and communicate this information system wide.<br>• All elements of the high impact change model must be introduced and the impact evaluated system-wide.<br><br>**Aim:**<br><br>• To align the STPs' and HWB work, by ensuring that partners work together differently to make the best use of resources and increase efficiency.<br>• Only commence new pilots and initiatives after a feasibility study, measurable outcomes and impact on the system have been undertaken and established.<br>• Measure progress across the Hampshire system by the eight elements of the high impact change model.<br>• Improve the governance below HWB level.<br>• Ensure single multi-agency plans at both a strategic and local level. | Graham Allen, Director, Adults' Health and Care (AHC), Hampshire County Council, Maggie MacIsaac, Chief Executive, Hampshire and Isle of Wight CCG Partnership, Heather Hauschild, Chief Operating Officer, West Hampshire CCG |

**CQC Report Highlighted:**

•     The HWB role and responsibility in monitoring and supporting initiatives could be better defined
•     HWB direction and leadership when endorsing reports needs to improve
•     System wide governance needs improvement
•     There is scope to improve the framework for inter-agency collaboration and reduce fragmentation
•     The system appeared multi-layered and complex to some leaders with no single multi-agency plan at strategic or local delivery level
•     Strategic work was constrained by frequent leadership changes
•     Limited ambition around financial risk taking and integration
•     Difficult to track actions in existing plans, due to a lack of consistent and outcome focused performance measures
•     Collaborative mechanisms for sharing learning across organisations and between integrated care initiatives were not fully developed

**Existing Work Being Undertaken:**

- Shared senior leadership structure in existence focused around the HWB
- More stability in senior roles with the frequent coming together of this group
- The Health and Wellbeing Strategy refresh is in progress – to be launched early 2019
- Proposal to establish an ITB is being progressed
- Partnership days for senior staff and joint recruitment in existence

| 1. Strategic Vision, Leadership and Governance | | | | | |
|---|---|---|---|---|---|
| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| 1.1 Vision | We will develop one strategic vision to be shared across the STP and HWB.<br><br>The Vision articulated by system leaders will be cascaded and introduced through all levels of organisations so that it is fully understood by staff and stakeholders, particularly middle management layers. | Graham Allen, Maggie MacIsaac, Heather Hauschild, Richard Samuel, Senior Responsible Officer, Hampshire & Isle of Wight STP | 3 months | A common vision that can be articulated at all levels of organisations | |
| 1.2 Health & Wellbeing Board (HWB) | The Health & Wellbeing Strategy will be revised and monitoring arrangements introduced to measure progress against themes identified.<br><br>We will identify the best way to involve | Health & Wellbeing Board Members | 6 months | A HWB board that is representative of all systems' stakeholders and takes ownership for delivering this | |

| 1. Strategic Vision, Leadership and Governance | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | patients, service user and carer representatives in the HWB work programme.<br><br>The terms of reference and membership of the HWB will be refreshed. | Kate Jones Health and Wellbeing Board Manager, AHC | | action plan | |
| 1.3 Financial management | We will create more opportunities for shared and pooled funding arrangements<br><br>Monitor use of the Better Care Fund and financial management through the ITB. | Graham Allen, Maggie MacIsaac, Heather Hauschild | 6 months | Pooled budgets aligned to priority initiatives | |
| 1.4 Governance | Introduce ITB | Graham Allen | 3 months | ITB initial meeting by September | |
| | Facilitated development of HWB | Kate Jones | 6 months | Development programme for the HWB | |
| | Review form and function of HWB Executive with development of a | | | | |

## 1. Strategic Vision, Leadership and Governance

| Key Area | Action | Lead/Owner | Timescale | Outcome | Progress/Assurance |
|---|---|---|---|---|---|
| | Senior Leaders group to increase membership and engagement of partners such as Hampshire Fire and Rescue and Hampshire Constabulary. | John Coughlan, Chief Executive, Hampshire County Council | 6 months | Broader public service engagement in the Health and Wellbeing Executive Group | |
| 1.5 Leadership | Introduce key joint leadership roles including the Improvement and Transformation Lead. | Graham Allen, Maggie MacIsaac, Heather Hauschild, Richard Samuel | 12 months | Joint leadership assigned to key initiatives | |
| | Ensure Local Delivery System Boards, A&E Boards and New Models of Care take account of CQC Review findings. | Heather Hauschild, Alex Whitfield, Chief Executive, Hampshire Hospitals NHS Foundation Trust, Sue Harriman, Chief Executive, Solent NHS Trust, | 12 months | A coordinated system plan, with all underpinning activity aligned, in order to reduce the number of people in acute and community hospital settings awaiting onward care | |

| | 1. Strategic Vision, Leadership and Governance | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | | Rachael King, Director Of Commissioning, West Hampshire CCG, Alex Berry, Director of Transformation, Hampshire and Isle of Wight CCG Partnership, Zara Hyde-Peters, Director of Delivery, Hampshire and Isle of Wight CCG Partnership, Alison Edgington, Director of Delivery, SE Hampshire and Fareham and Gosport CCG | | | |

## 2. Communication and Engagement

| | Leads |
|---|---|
| **Report Recommendation:** <br> • A comprehensive communication strategy must be developed to ensure health and social care staff understand each other's roles and responsibilities and all agencies are aware of the range of services available across Hampshire. <br><br> **Aim:** <br><br> Improve communication across the organisations which operate within the health and social care system in Hampshire. To provide information to the people of Hampshire on the roles and responsibilities within each organisation and the services they provide. | Graham Allen, Sarah Grintzevitch, Communications Lead, Hampshire and Isle of Wight STP, Kaylee Godfrey, Communications Lead, CCGs |

**CQC Report Highlighted:**

- A lack of understanding by staff in different agencies of each other's roles leading to unrealistic expectations of each other
- Discharge to Assess (D2A) and Trusted Assessor models at different stages across the county and staff had very different levels of understanding
- Staff feel that organisational and personnel changes have slowed progress towards integration
- Staff feel that financial pressures have had a detrimental effect on relationships in the system
- Poor communication is thought to have created misunderstanding and ill-informed decisions

**Existing Work Being Undertaken:**

- Models of engagement are in place with frontline staff across the system but are at different stages in different places
- Public engagement forums and events are in existence across all services
- Publicity and information is provided using different means and points of access – opportunities for increased use of countywide resources

| 2. Communication and Engagement | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timeframe** | **Outcome** | **Progress/Assurance** |
| 2.1 Communication Strategy | The two STP communication and engagement plans will be reviewed to establish the additional work required to create a system wide communication strategy for internal and external audiences.<br><br>The strategy will confirm how staff, residents and partners can expect to receive information and provide feedback. Communication will be by various channels.<br><br>The strategy will outline how organisations should work together to achieve one online source of information for the public and one online source of information for staff across health and social care.<br><br>The strategy will provide a narrative that adheres to the health and social care vision and strategy with clear common messages to the public that staff can echo on the frontline.<br><br>The strategy will direct organisations towards one online site that will | Richard Samuel | 6 months | A single system wide communication and engagement strategy to support engagement and involvement externally, as well as broadcast developments internally<br><br><br>To achieve consistency and clarity in messages and narrative in order to reduce public and staff confusion<br><br><br>To empower people to make | |

| | 2. Communication and Engagement | | | | |
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| Key Area | Action | Lead/Owner | Timeframe | Outcome | Progress/Assurance |
| | guide people to the best sources of information for them, regardless of whether they have health or social care and support needs. Staff to feed in and use the information to inform and signpost. | | | informed choices | |
| 2.2 Promoting roles | Greater transparency and visibility will be provided concerning the roles that staff undertake across the system. This will be driven through the online tools that we have available e.g. Connect to Support Hampshire – pages to include roles a person will come across in all the settings they may encounter. | Nicky Millard, Information and Advice Manager, AHC Kaylee Godfrey, Communication Lead, CCGs | 3 months | An understanding of roles and responsibilities across the system | |
| | We will also explore the opportunity to share insight into a 'day in the life of...' different roles using different media (video, podcast, fact sheets etc.) | Sandra Grant, Hampshire & IOW STP Strategic Workforce Lead | 6 months | Greater awareness of how partner organisations work together | |
| | We will review our service level induction processes to ensure that new employees are aware of the roles and responsibilities that exist, and know where to go to obtain further information. | | | | |

| 2. Communication and Engagement | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timeframe** | **Outcome** | **Progress/Assurance** |
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| 2.3 Sharing information | We will work together across health and social care, to establish a 'top down' and 'bottom up' approach to sharing information through our existing internal communication channels (online, newsletters, briefings, e-surveys etc.) | Jane Vidler Communications Manager, HCC, Kaylee Godfrey, Communications Lead, CCGs | 6 months | Effective information sharing arrangements<br><br>Better decision making | |
| | The Local Authority and CCGs will engage with our partners in a timely and a relevant way using PaCT as the core communication method to independent and voluntary sector providers. | Maria Hayward, Strategic Workforce Development Manager, AHC, Tracy Williams Provider Quality Service Manager, AHC, Matthew Richardson, Deputy Director of Quality, West Hampshire CCG, Louise Spencer, Associate Director Quality & Nursing, South Eastern Hampshire/Fareham and Gosport CCG | 6 months | Effective and coordinated communication | |

| 2. Communication and Engagement | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timeframe** | **Outcome** | **Progress/Assurance** |
| 2.4 Stakeholder engagement | Review HWB engagement strategy and identify leads to further develop and maintain stakeholder engagement with the following groups:<br><br>• Providers<br>• Carers<br>• Voluntary and independent sector<br>• Residents<br>• Representative Associations<br>• Charitable organisations<br>• People who fund their own care and support<br><br>Explore joint messaging and joint campaigns to feed into the strategy. | HWB Members | 6 months | Effective stakeholder engagement<br><br>Greater opportunity for design by experience<br><br>Single point of contact for each stakeholder group | |
| | Ensure all engagement work is linked with the AHC Demand Management & Prevention Strategy and Carers Strategy. | Sue Pidduck, Head of Transformation, Design and Implementation, AHC<br>Sallie Bacon, Director of Public Health, AHC | 6 months | Joined up and coordinated engagement | |

| 2. Communication and Engagement | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timeframe** | **Outcome** | **Progress/Assurance** |
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| 2.5 Accessibility of information | The communication strategy we adopt will be inclusive with agreed messaging across a range of channels e.g. webinars, podcasts, intranet site, service locations, community teams, my-Hampshire app.<br><br>We will continue to provide written information to be shared with providers, carers and services so that people who use services are helped to navigate the system. | Jane Vidler, Sarah Grintzevitch, Communications Lead, Hampshire and Isle of Wight STP, Kaylee Godfrey, Nicky Millard | 6 months | Accessible communication strategy<br><br>Greater use of multi-media to inform good decision making<br><br>Less confusion with one key source of information for all practitioners | |

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## 3. Access and Transfers of Care

| | Leads |
|---|---|
| **Report Recommendations:**<br>• The system must ensure safe discharge pathways are in place and followed for people leaving hospital.<br>• The system must ensure that the enhanced GP offer is implemented to all care and nursing homes across Hampshire.<br>• The system must streamline discharge processes across Hampshire; this needs to include timely Continuing Healthcare (CHC) assessment and equipment provision to prevent delayed discharges from hospitals.<br><br>**Aim:**<br>To ensure that the people of Hampshire are supported at the right time, and in the right place, by the right services.<br>To avoid unnecessary admissions and extended stays in hospitals.<br>To ensure people in residential and nursing homes receive the right primary and secondary care and support. | Improvement and Transformation Lead (appointment in progress)<br><br>Rachael King, Zara Hyde-Peters, Mark Allen, Head of Commissioning, AHC |
| **CQC Report Highlighted:**<br><br>• The system lacks effective discharge pathways for people leaving hospital<br>• The system must streamline discharge processes across the County<br>• The system is too reliant on bed based solutions<br>• There are inconsistencies in practice and differing processes across the system | |
| **Existing Work Being Undertaken:**<br><br>• There is now a shared understanding of the delayed transfers of care challenges and an agreed set of principles set out by the system leaders<br>• Focused work has been undertaken by Newton Europe resulting in a clear system wide action plan to accommodate local delivery variations<br>• Leaders have agreed to introduce a single reporting route so that performance information is collectively agreed and accurately reflects the system position | |

- Revised discharge pathways are being introduced through the new 'Home First Project' (Hampshire County Council area)
- A Revised Help to Live at Home framework will be operational by July 2018 (Hampshire County Council area).

| 3. Access and Transfers of Care | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| 3.1 Safe discharge pathways | Appoint an Improvement and Transformation Lead (role to be sponsored by all NHS organisations and Hampshire Adults' Health and Care) supported by Clinical Leadership to:<br><br>• Manage a system wide delayed transfers of care improvement plan<br>• Monitor system performance<br><br>All actions arising from the Newton Europe work will be undertaken. Overarching action plan has the following strategic aims:<br><br>1) To implement and align mindset<br>2) Introduce improvement cycles and dashboards<br>3) Ensure early referral to the right setting<br>4) Adequate reablement availability<br>5) Timely and effective CHC Processes Integrate pathways and align with other | HWB Executive Group | 3 months | System wide co-ordination of delayed transfers of care activity<br><br>Reduction in delayed transfers of care across the system | |

## 3. Access and Transfers of Care

| Key Area | Action | Lead/Owner | Timescale | Outcome | Progress/Assurance |
|---|---|---|---|---|---|
| | local authorities operating across boundaries through empowering Integrated Discharge Bureau leads to act on behalf of all organisations | Julie Maskery, Chief Operating Officer, Hampshire Hospitals NHS Foundation Trust, Jane Hayward, Director of Transformation, University Hospital Southampton NHS Foundation Trust, Paul Bytheway, Chief Operating Officer, Portsmouth Hospital Trust, Jo Lappin, Interim Assistant Director, Older People and Physical Disabilities, AHC | 6 months | Integrated discharge pathways. | |
| | Reduce reliance on bed based | | | | |

| 3. Access and Transfers of Care | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | solutions and adopt a 'Home First' policy to improve the discharge flow through the hospital system by embedding a home first approach using a reablement pathway | Steve Cameron, Head of Reablement, AHC, Paula Hull, Director of Nursing Southern Health NHS Foundation Trust, Sarah Austin, Chief Operating Officer, Solent NHS Trust | 3 months | Embedding of a Home First approach

Initial target to increase the % of users who go through reablement from 15% to 30%

Stretch target for following 6 months to be established using learning from implementation | |
| | Social work expertise will be utilised to support people with more complex care and support needs | Jo Lappin | 6 months | Improved use of social work capacity targeted to reduce length of stay | |
| 3.2 Enhanced GP offer | We will develop clusters around GP Practices through:<br>- Increased multidisciplinary working<br>- Engagement of voluntary sector<br>- Building relationships between | Alex Berry, Rachael King | 12 months | Care to be more preventative, proactive and local for people of all ages<br>Creation of natural | |

| | 3. Access and Transfers of Care | | | | |
|---|---|---|---|---|---|
| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | Primary and Secondary Care<br><br>This will increase the care people receive at home and provide consistent quality and access.<br><br>The result will be integrated community based services. | | | communities based on GP practice populations through groups of professionals working together with their local communities | |
| 3.3 Capacity and quality in the market (domiciliary, residential and nursing care) | Commissioners of domiciliary, residential and nursing care will work collaboratively to ensure adequate capacity and availability of suitable care and support including for people with complex needs and/or for people experiencing a crisis<br><br>This will include joint commissioning and brokerage arrangements and implementation of the market position statements | Rachael King, Zara Hyde-Peters, Mark Allen | 12 months | Existing 4 million plus hours currently planned across the system to be reviewed to establish a clear understanding of probable future demand | |
| | Resources will be pooled to address the quality in the market and establish robust jointly agreed quality assurance mechanisms | Tracy Williams, Matthew Richardson, Louise Spencer | 12 months | Joint approach to market shaping | |

## 3. Access and Transfers of Care

| Key Area | Action | Lead/Owner | Timescale | Outcome | Progress/Assurance |
|---|---|---|---|---|---|
| | Implement the new Help to Live at Home framework (Hampshire County Council area) to commence July 2018 | Mark Allen | 12 months (with regular review points) | Revised framework in place | |
| 3.4 Continuing Health Care | We will review the CHC process end to end to ensure alignment with system wide priorities. This will include a review of good practice and lessons learned from experience to date and implementation work from current CHC pilots | Ciara Rogers, Deputy Director, NHS Continuing Healthcare and Funded Nursing Care, West Hampshire CCG and the Hampshire and Isle of Wight CCG Partnership, Jess Hutchinson, Assistant Director, Learning Disabilities and Mental Health, AHC | 3 months | 85% of CHC checklists and assessments taking place outside of acute hospital settings | |
| | Design an education support programme to increase competency and capability so that requests for CHC consideration are realistic and appropriate to reduce unnecessary waste | | 6 months | Reduced resource needed for unnecessary activity | |
| | Through this education improve efficiencies and reduce unrealistic referrals | | 12 months | | |
| | Review and update CHC measures including performance and outcomes | | 3 months | | |
| | Consider CHC risk share resource across the Hampshire system | | | | |

| 3. Access and Transfers of Care | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | | | | | |
| 3.5 Equipment | Following a review of our hospital discharge process and flow, revisit the range of equipment and scope of services provided through our Equipment Services and sub stores (69)<br><br>This will include:<br>• Reviewing the processes that will ensure the right equipment is delivered to the right setting at the right time<br>• Ensuring we are able to track, monitor and recover equipment when required<br>• Recycling used equipment appropriately<br>• Ensuring that we are able to share information across all system partners about equipment we have available, and are able to capture information about future requirements in an effective way | Steve Cameron, Ellen McNicholas, Director of Quality and Nursing, West Hampshire CCG | 12 months | Future joint commissioning approach clarified | |
| 3.6 Integrated Intermediate Care | Develop our ambition to provide an Integrated Intermediate Care offering and continue at pace: | | | | |

| 3. Access and Transfers of Care | | | | | |
|---|---|---|---|---|---|
| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | • Appoint a single commissioner and agree  commissioning intentions | Graham Allen, Maggie MacIsaac, Heather Hauschild | 3 months | An equitable Hampshire wide Intermediate Care Service that meets the needs of individuals | |
| | • Further develop operational integrated working arrangements between Hampshire County Council & SHFT community services | Karen Ashton, Assistant Director, Internal Provision and NHS Relationship Management, Jo Lappin, Paula Hull<br><br>Integrated Intermediate Care Board | 6 months | Integrated working arrangements in place | |

## 4. Partnerships

| Report Recommendations: | Lead |
|---|---|
| <ul><li>The system must undertake further work to transform the trust and commitment in partnership arrangements and deliver tangible products that will improve services and should be undertaken and developed at pace</li><li>The health and social care system must work with the independent sector, nursing home, care home and domiciliary care to improve relationships and develop the market to provide services that meet demand across Hampshire</li></ul>**Aim:**<br>Systems partners work towards developing a single vision for Hampshire that aims to keep people in their own communities and homes living independently. | Graham Allen |

**CQC Report Highlighted:**

- There is scope to improve the framework for inter-agency collaboration
- Further development in respect of integrated commissioning
- Work needed on developing relationships and improving communication between commissioners, the voluntary sector and providers

**Existing Work Being Undertaken:**

- Joint commissioning and brokerage arrangements in development
- Jointly developed market position statements with intentions supported through market engagement
- Integrated Intermediate Care business case development in progress

| | 4. Partnerships | | | | |
|---|---|---|---|---|---|
| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| 4.1 Building strong relationships based on trust | We will review the strong relationships that already exist to identify good practice: establish why the relationships work well and plan how to use this learning | Sandra Grant | 3 months | Partnership working recommendations | |
| | There will be development of a shared understanding of the ways different partners work. This will include;<br>• the challenges/outcomes different partners are striving to achieve<br>• And identify synergies and a better understanding of where the differences exist | Ros Hartley, Director of Partnerships, Hampshire and Isle of Wight CCG Partnership, Ellen McNicholas | 6 months | Closer understanding and appreciation of one another's role/challenges | |
| | Identify opportunities for wider partner participation and engagement in all system initiatives – e.g. assign roles to different partner organisations as part of a programme of work | | 3 months | Governance for relevant existing initiatives includes system wide representation, with roles clearly defined | |
| | Ensure that partnership working extends across the system (e.g. voluntary sector, carers, patients, GPs), to include a focus on Demand Management and Prevention | | | | |

| | | | | 4. Partnerships | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescale** | **Outcome** | **Progress/Assurance** |
| | Identification of 'quick win' areas where a joined up partnerships' approach can deliver tangible outcomes e.g. hospital discharge, community health and social care teams. Promote the benefits of working in a joined up way | | 3 months | Evidence of joined up working/joint teaming | |
| | Implement an ongoing programme of events that promote closer working at all levels of the system | | 6 months | Joint events at regular times during the year e.g. at least every quarter | |
| 4.2 Independent sector partnerships | We will forge a close working alliance with the independent sector influencers/organisations and agree working principles to ensure their views are heard by the system leaders | Mark Allen, Rachael King, Zara Hyde-Peters | 6 months | Independent sector engagement plan

Joint viewpoint/forum | |
| | Agree the issues that we want to work on collectively e.g. strengths based approach, workforce development, technology enabled care and set up the right channel(s) to promote collaboration on these issues | | 6 months | Greater understanding of the market place

Alignment with outcomes for workforce (section 5.1) | |

| | 4. Partnerships | | | | |
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| Key Area | Action | Lead/Owner | Timescale | Outcome | Progress/Assurance |
| | | | | | |
| 4.3 Collaborative working | We will support more flexible working across the entire system estate, by ensuring that IT is accessible to all<br><br>Promote greater information sharing: e.g. Hampshire Knowledge Hub | Andy Eyles Digital Programme Director, Hampshire and Isle of Wight STP | 12 months | Flexible working enabled by appropriate infrastructure | |

## 5. Workforce Planning

| | Lead |
|---|---|
| **Report Recommendation:**<br>• System leaders must develop a comprehensive health and social care workforce strategy for Hampshire in conjunction with the independent sector. This should work in synergy with financial, housing and transport strategies<br><br>**Aim:**<br>Develop a collaborative system wide workforce strategy | Paul Archer, Director of Transformation and Governance & Deputy Director, AHC |
| **CQC Report Highlighted:**<br><br>• There was no independent sector or voluntary sector representative on the STP group<br>• Funding to support actions of the workforce sub-group was not defined<br>• STP workforce planning group had not yet addressed system-wide problem of recruitment and retention of domiciliary and care home staff<br>• System lacked clear pay and reward strategies<br>• No plans to support unpaid workforce of carers and volunteers or to make better use of technology | |
| **Existing Work Being Undertaken:**<br><br>• STP have recognised workforce capacity to be a root cause issue and have formed a group to address this<br>• Organisational workforce leads are engaged in development work<br>• Plans to collaborate, involve and design with all key stakeholders including providers and advocates | |

| 5. Workforce Planning | | | | | |
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| **Key Area** | **Action** | **Lead/Owner** | **Timescales** | **Outcome** | **Progress/Assurance** |
| 5.1 Workforce Strategy | Establish a system-wide strategy forum involving the STPs, CCGs, City Councils, AHC and the Care Associations which are the voice of Hampshire providers (including Hampshire Care Association, HCA and Hampshire Domiciliary Care Providers, HDCP) | Sandra Grant, Nikki Griffiths, Head of Workforce Development AHC, Mark Allen | 6 months | Forum in place and fully operational | |
| | Review the workforce insight/learning currently available to establish what is/isn't working well and identify what the independent sector believes is needed to support a sustainable workforce across the system | | 6 months | Shared view of what the problem is that we need to address | |
| | Share knowledge and insight about initiatives which have been undertaken across the County, to:<br>• understand the successes<br>• inform our future strategy and identify the early priorities<br>• include learning from other Counties e.g. Surrey | | 6 months | Shared learning and relevance to Hampshire<br><br><br>Learning from best practice | |

| 5. Workforce Planning | | | | | |
|---|---|---|---|---|---|
| **Key Area** | **Action** | **Lead/Owner** | **Timescales** | **Outcome** | **Progress/Assurance** |
| | Work in collaboration with the independent sector to agree a strategy that we will jointly own and implement. Scope likely to include:<br><br>o Workforce supply and capacity: how to attract, develop and retain the optimum workforce (including links with the further education sector and economic regeneration team)<br>o Workforce efficiency: by adopting new ways of working, supporting staff and equipping them with the right skills and knowledge<br>o Trusted Professionals: improving the quality of carers and provision of care<br>o Technology as an enabler: to improve efficiencies, workforce engagement and delivering care<br>o Engagement with education providers.<br><br>Agree the tangible measures/outcomes that will track success of the strategy (e.g. financial, efficiency, delivery, user | Sandra Grant, Nikki Griffiths, Mark Allen | 12 months | An agreed Workforce Strategy and implementation plan.<br><br>Stronger relationship with education providers | |

| 5. Workforce Planning | | | | | |
|---|---|---|---|---|---|
| **Key Area** | **Action** | **Lead/Owner** | **Timescales** | **Outcome** | **Progress/Assurance** |
| | satisfaction) | | | | |
| 5.2 Workforce Engagement | Identify the sector representatives that we will form a closer working alliance with, including<br>○ Mental Health – Solent Mind<br>○ Voluntary Sector – Communities First Wessex<br>○ Independent Sector – HCA, HDCP<br>○ Carers Groups<br>○ Housing – District Councils<br>○ Transport<br><br>Engage these parties in the development and deployment of the strategy | Sandra Grant, Nikki Griffiths, Mark Allen, Martha Fowler-Dixon, Head of Demand Management & Prevention, AHC | 3 months<br><br>6 months | Stakeholder Engagement Plan | |
| 5.3 Finance | Evaluate the opportunity to pool financial resources to achieve our strategic objectives and identify funding initiatives which will support workforce development | Graham Allen, Maggie MacIsaac, Heather Hauschild | 12 months | Joint funding approved and performance measures agreed | |

**Appendix 1**

| Recommendations from the review | Matched to key group |
|---|---|
| 1. The HWB must determine and agree its work programme, how to make the system more coordinated and streamlined and form stronger more coordinated links with the STPs. | 1. Strategic Vision, Leadership and Governance |
| 2. System leaders must develop a comprehensive health and social care workforce strategy for Hampshire in conjunction with the independent sector. This should work in synergy with financial, housing and transport strategies. | 5. Workforce Planning |
| 3. The system must undertake further work to transform the trust and commitment in partnership arrangements and deliver tangible products that will improve services should be undertaken and developed at pace. | 4. Partnerships |
| 4. The system must work with partners to develop a consistent approach to the evaluation of health and social care initiatives and their feasibility at a strategic and local level and communicate this information system wide. | 1. Strategic Vision, Leadership and Governance |
| 5. The health and social care system must work with the independent sector, nursing home, care home and domiciliary care to improve relationships and develop the market to provide services that meet demand across Hampshire. | 4. Partnerships |
| 6. The system must ensure safe discharge pathways are in place and followed for people leaving hospital. | 3. Access and Transfers of Care |
| 7. The system leaders must revisit all service provision to ensure the delivery of more equitable services across Hampshire. | 1. Strategic Vision, Leadership and Governance |
| 8. The system must ensure that the enhanced GP offer is implemented to all care and nursing homes across Hampshire. | 3. Access and Transfers of Care |
| 9. The system must streamline discharge processes across Hampshire; this needs to include timely CHC assessment and equipment provision to prevent delayed discharges from hospitals. | 3. Access and Transfers of Care |
| 10. A comprehensive communication strategy must be developed to ensure health and social care staff understand each other's roles and responsibilities and all agencies are aware of the range of services available across Hampshire. | 2. Communication and Engagement |
| 11. All elements of the high impact change model must be introduced and the impact evaluated system-wide. | 1. Strategic Vision, Leadership and Governance |

## Appendix 2

The system representatives listed below are named individuals representing organisations with key roles in respect of the Hampshire Local System Review and summit and have played a core role in developing the action plan.

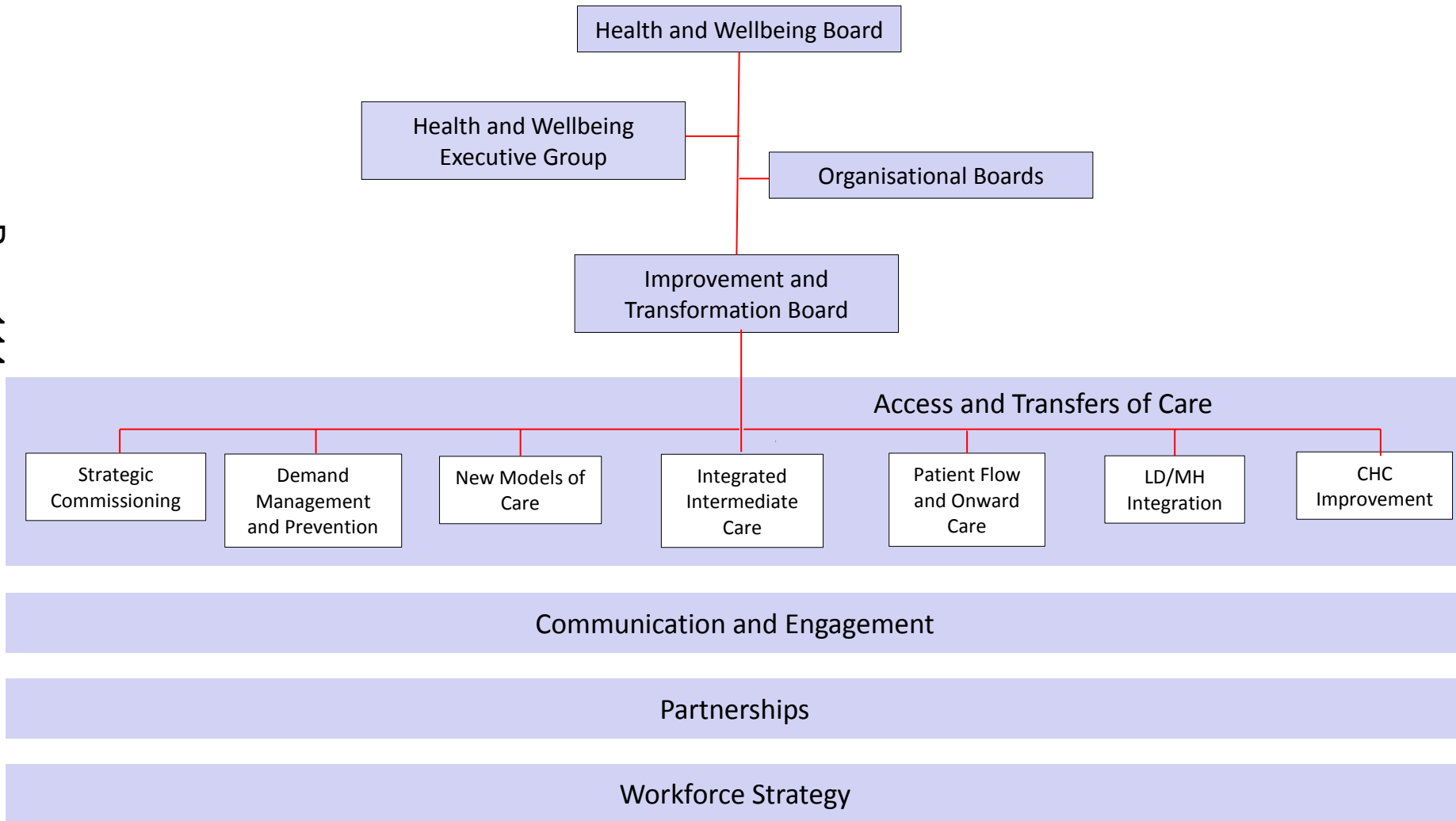| |
|---|
| **Graham Allen** (graham.allen@hants.gov.uk) – Director of Adults' Health and Care, Hampshire County Council |
| **Mark Allen** (mark.allen@hants.gov.uk) – Head of Commissioning, Adults' Health and Care, Hampshire County Council |
| **Karen Ashton** (karen.ashton@hants.gov.uk) – Assistant Director, internal Provision and NHS Relationship Manager, Adults' Health and Care, Hampshire County Council |
| **Sarah Austin** (sarah.austin@solent.nhs.uk) – Chief Operating Officer and Commercial Director, Solent NHS Trust |
| **Sallie Bacon** (sallie.bacon@hants.gov.uk) – Director of Public Health, Hampshire County Council |
| **Alex Berry** (alex.berry@hants.gov.uk) – Director of Transformation, Hampshire and Isle of Wight Clinical Commissioning Group Partnership |
| **Nick Broughton** (Nick.Broughton@southernhealth.nhs.uk) – Chief Executive, Southern Health NHS Foundation trust |
| **Paul Bytheway** (paul.bytheway@portshosp.nhs.uk) – Chief Operating Officer, Portsmouth Hospital Trust |
| **Steve Cameron** (stephen.cameron@hants.gov.uk) – Head of Reablement, Adults' Health and Care, Hampshire County Council |
| **John Coughlan** (john.coughlan@hants.gov.uk) – Chief Executive, Hampshire County Council |
| **Mark Cubbon** (Mark.Cubbon@porthosp.nhs.uk) – Chief Executive, Portsmouth Hospital Trust |
| **Alison Edgington** (a.edgington@nhs.net) – Director of Delivery, SE Hampshire and Fareham and Gosport Clinical Commissioning Group |
| **Penny Emerit** (penny.emerit@portshosp.nhs.uk) – Portsmouth Hospital Trust, Director of Strategy and Performance |
| **Andy Eyles** (andy.eyles@nhs.net), Digital Programme Director, Hampshire and Isle of Wight Sustainability and Transformation Partnership |

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| **Martha Fowler-Dixon** (Martha.fowler-dixon@hants.gov.uk) – Head of Demand Management and Prevention, Hampshire County Council |
| **David French** (David.French@uhs.nhs.uk) – Interim Chief Executive Officer, University Hospital Southampton NHS Foundation |
| **Kaylee Godfrey** (kaylee.godfrey@nhs.net) – Communications Lead, West Hampshire Clinical Commissioning Group and Hampshire and Isle of Wight Clinical Commissioning Group Partnership |
| **Sandra Grant** (sandragrant2@nhs.net) – Hampshire and Isle of Wight Sustainability and Transformation Partnership |
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| **Heather Hauschild** (heather.hauschild@nhs.net) – Chief Officer, West Hampshire Clinical Commissioning Group |
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| **Tracy Marie Williams** (tracy.m.williams@hants.gov.uk) – Provider Quality Service Manager, Adults' Health and Care, Hampshire County Council |

# Governance Framework

Health and Wellbeing Board

Health and Wellbeing Executive Group

Organisational Boards

Improvement and Transformation Board

Access and Transfers of Care

Strategic Commissioning

Demand Management and Prevention

New Models of Care

Integrated Intermediate Care

Patient Flow and Onward Care

LD/MH Integration

CHC Improvement

Communication and Engagement

Partnerships

Workforce Strategy
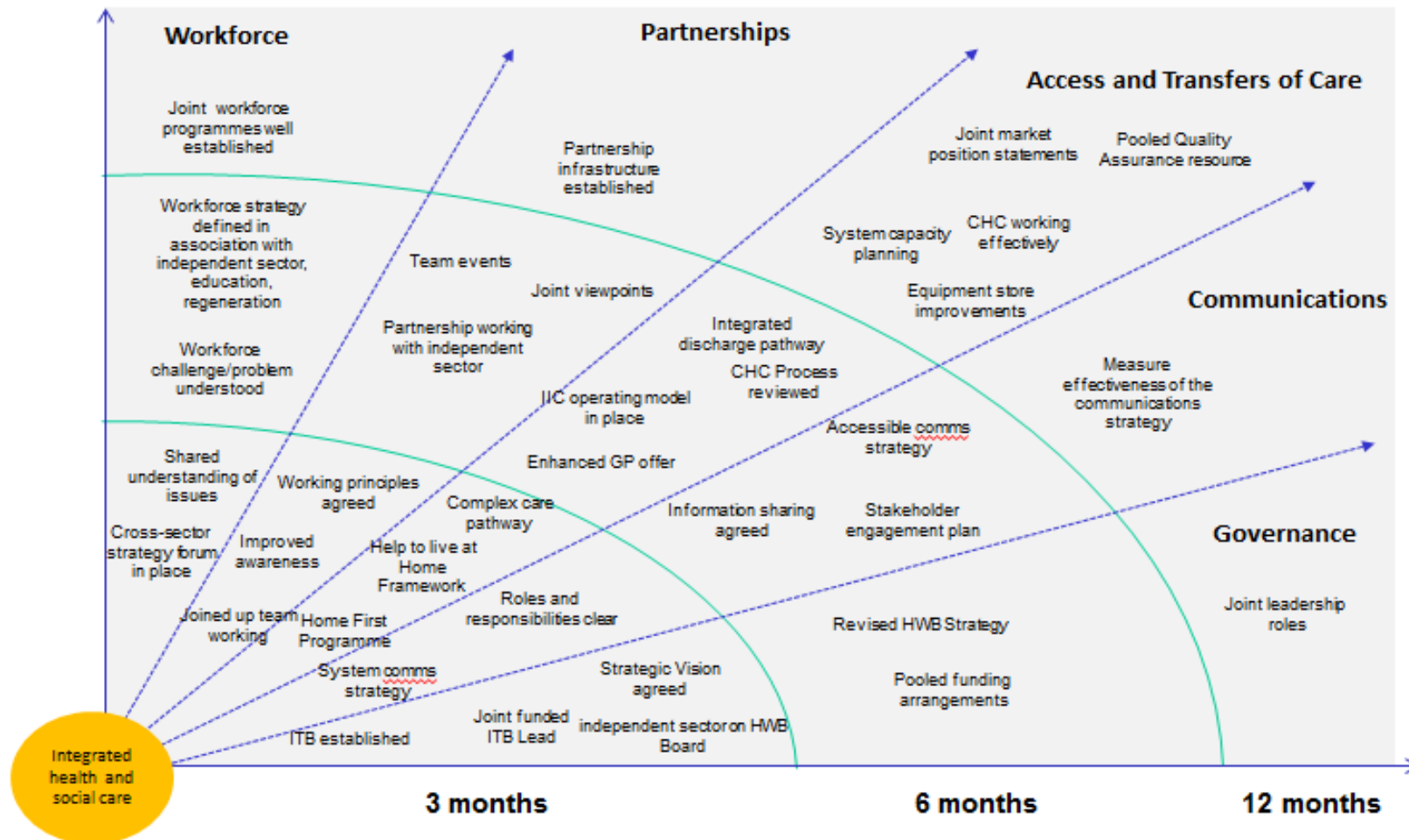
**NHS**

**Hampshire County Council**

**Improvement and Transformation Board**

**Description:** The Hampshire Improvement and Transformation Board (ITB) will bring together the main commissioning and provider elements of the Hampshire health and social care economy in order to drive transformational improvement, in line with the published strategies of the Board's membership organisations, published improvement actions following external review and in keeping with the overarching ambitions of the HIOW and Frimley ICSs. The ITB will remove duplication, at a strategic level, and add value to the collective delivery arrangements through the Local Delivery Systems across all of the programmes within the purview of the Board. The ITB will report to the HWB Executive Group and HWB, as well as individual organisational boards / arrangements as required.

| Terms of Reference | Membership & Frequency | Agenda | Inputs and outputs |
|---|---|---|---|
| The role of the Improvement and Transformation Board is to:<br><br>• Be a collaborative, strategic forum for senior leaders across the health and social care community across Hampshire to drive improvement and transformation of services.<br>• Oversee, provide assurance and challenge delivery progress for a range of programmes underway across the health and social care sector, Hampshire-wide – see identified programme areas.<br>• Provide updates and exception reports on system progress to the Hampshire Health and Wellbeing Executive Group and the Hampshire Health and Wellbeing Board, as well as individual organisation progress reports as required.<br>• Act as a strategic decision-making body in order to progress the work programme reporting to the Board.<br>• See separate sheet for Governance architecture.<br><br><br>**DRAFT TERMS OF REFERENCE** | *Chair:*<br>Director of Adults' Health and Care, HCC*<br>*Members:*<br>*CEx / Executive Directors of ;*<br>• *West Hampshire CCG*,*<br>• *Hampshire CCG Partnership**<br>• *Hampshire Hospitals NHS Foundation Trust*<br>• *University Hospital Southampton NHS Foundation Trust*<br>• *Portsmouth Hospitals NHS Trust*<br>• *Southern Health NHS Foundation Trust*<br>• *Solent NHS Trust*<br>• *The Director of Public Health, HCC*<br>• *Deputy Director, AHC, HCC*<br>• *Assistant Director – OPPD, HCC*<br>• *Director of Improvement and Transformation – Patient Flow and Onward Care*<br>*Meeting Quorate when * plus three other members present*<br><br>*Additional attendees to report on programme areas as required, others by invitation/as appropriate.*<br><br>*Frequency:*<br>Monthly 2 hour meeting | Typical agenda items:<br><br>• Welcome / apologies<br>• Action notes from last meeting<br>• Patient flow and onward care programme delivery<br>• New Models of Care programme delivery<br>• Demand Management and Prevention programme delivery<br>• Integrated Intermediate Care programme delivery<br>• Learning Disability / Mental Health integration programme delivery<br>• Continuing Healthcare programme delivery<br>• Workforce strategy development<br>• Better Care Fund / finance delivery<br>• Strategic Commissioning<br>• Communications / engagement<br>• Any other (urgent) business | Inputs:<br>• Key performance data<br>• Key finance information<br>• Programme Management Office dashboards / updates for each programme area<br>• Future planning considerations, for example use of Winter Pressures or other ad hoc funding streams<br>Outputs:<br>• Confidence in delivery timeline and achievement for each programme area<br>• Escalation and update to HWEG and HWB, where necessary<br>• Consistent and aligned tactical and operational delivery across organisations in all programme areas<br>• Improved performance across all named programme areas of activity. |

## Appendix 4

# 12 month action plan in summary



Workforce

Joint workforce programmes well established

Workforce strategy defined in association with independent sector, education, regeneration

Workforce challenge/problem understood

Shared understanding of issues

Cross-sector strategy forum in place

Improved awareness

Working principles agreed

Joined up team working

Home First Programme

Help to live at Home Framework

System comms strategy

ITB established

Partnerships

Partnership infrastructure established

Team events

Joint viewpoints

Partnership working with independent sector

JIC operating model in place

Enhanced GP offer

Complex care pathway

Roles and responsibilities clear

Strategic Vision agreed

Joint funded ITB Lead

Independent sector on HWB Board

Access and Transfers of Care

Joint market position statements

Pooled Quality Assurance resource

System capacity planning

CHC working effectively

Equipment store improvements

Integrated discharge pathway

CHC Process reviewed

Accessible comms strategy

Information sharing agreed

Communications

Measure effectiveness of the communications strategy

Stakeholder engagement plan

Governance

Revised HWB Strategy

Joint leadership roles

Pooled funding arrangements

Integrated health and social care

3 months

6 months

12 months

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

| | |
|---|---|
| **Decision Maker:** | Cabinet |
| **Date:** | 17 September 2018 |
| **Title:** | Creation of a Joint Venture Local Authority Trading Company |
| **Report From:** | Director of Corporate Resources |

**Contact name:**  Stephanie Randall, Head of Transformation & Digital, Corporate Resources

**Tel:**     01962 846531        **Email:**    stephanie.randall@hants.gov.uk

**Reasons Why this Report is Not for Publication**

This report is not for publication as it contains exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, being information relating to the financial or business affairs of any particular person (including the authority holding that information). Further, it is considered that, in all the circumstances, the public interest in maintaining this exemption outweighs the public interest in disclosing this information. While there may be a public interest in disclosing this information, namely it would provide information on the County Council's plans for the creation of a joint venture trading company, it is felt that, on balance, this is outweighed by other factors in favour of maintaining the exemption, namely that the detail of the arrangement are commercially sensitive and to disclose them would potentially prejudice the County Council's position in the negotiation of the commercial arrangements.

**\* Following the meeting of Cabinet on 17 September 2018 this report is no longer exempt from publication.**

**1. Recommendation(s)**

1.1. It is recommended that Cabinet:

a)   Note the findings and conclusions of the Agency review completed.

b)   Confirm approval to create a Joint Venture Agency LATC with Commercial Services Kent Ltd (CSKL), with the intention to provide Agency services to all departments within the County Council, as well as the creation of a staffing bank to support Adult and Children's residential and nursing services.

c)   Agrees to officers continuing to work with CSKL and Kent County Council (as appropriate) to finalise the project and resourcing plan, and agree a proposed project start date.

d)   Delegates approval for the final decision regarding the commencement of this project to the Chief Executive, in consultation with the Director of Corporate Resources, the Executive Member for Policy and Resources and the Executive Member for Economic Development.

**2.  Executive Summary**

2.1. The purpose of this paper is to seek Cabinet' approval to the proposals set out in this paper, with regard to the creation of a Joint Venture Local Authority Trading Company with Commercial Services Kent Ltd (CSKL), for the purpose of creating a new agency staff solution.

2.2. A key aspect of the County Council's workforce strategy is the use of agency staff to supplement the Councils permanent staffing compliment. This is often necessary to provide essential cover of 'hard to recruit' vacant positions, as well as periods of absence within some of our more complex services provided to vulnerable people, for example residential and nursing care. The agency pipeline is also an important sourcing channel for very specialist skills which are often in high demand, and/or which are required only for short periods of time e.g. specialist IT developers.

2.3. The County Council faces a range of challenges with regard to the recruitment of agency staff, including high (and rising) financial costs, and an increasing difficulty to source agency staff that are of sufficient quality, particularly at short notice, or as a route to future permanent employment. The retention of good agency staff over a longer period, thereby helping to improve continuity of services provided, is also challenging.

2.4. These issues are particularly common in the Social Worker agency market, which at times has posed potential risk to the vulnerable people we support.

2.5. Options available to the County Council to source and supply its own agency staff (to meet the needs of the entire organisation) have been explored, and these are outlined in the following sections of the paper. Early work completed has identified other well established examples of Local Authorities who have established their own agency to respond to similar challenges. This included Kent County Council, who established a Local Authority Trading Company in the early 2000's – Commercial Services Kent Ltd (CSKL).

2.6. Initial fact finding discussions with CSKL have led to a potential opportunity to enter in to a Joint Venture with CSKL, as opposed to the County Council looking to implement an LATC agency solution alone.

2.7. This is attractive for a number of reasons, including:

- CSKL has an existing and well established agency offer, which would reduce complexity and the implementation costs of the programme;

- The County Council would gain access to CSKLs extensive and specialist knowledge and experience in this area;

- CSKL and the County Council would share the initial cost of setting up and implementing the Joint Venture;

- Partnering with CSKL would also provide access to an existing back-office and support structure, further reducing risk, set-up and on-going costs;

- The Joint Venture would also provide access to CSKLs established supply chain;

- Overall the County Council would gain significant benefit in terms of the speed at which we would be able to set up the new agency by partnering with CSKL, compared with the time it would take to set up a completely new start up LATC, owned 100% by Hampshire.

2.8. To respond to the specific challenges within Residential and Nursing Care, it is also proposed that a staffing bank is established. Currently CSKL do not support this offer, and so this would need to be set-up and established in partnership.

2.9. The paper explores in more detail the objectives of the proposal and design principles, the options considered and estimated financial implications and feasibility analysis completed against these, and the emerging recommendation to progress with the creation of a Joint Venture with CSKL.

## 3. Contextual information

3.1. It is widely recognised that a range of challenges exist in the recruitment of agency staff, which are necessary to supplement the Councils permanent staff. These challenges include not only the financial cost implications of sourcing temporary staff via a 3rd party agency (our contracted agency spend during 2016/17 was circa £26m, which excluded off-contract agency spend), but also the ability to source agency staff of sufficient quality, and to retain good staff.
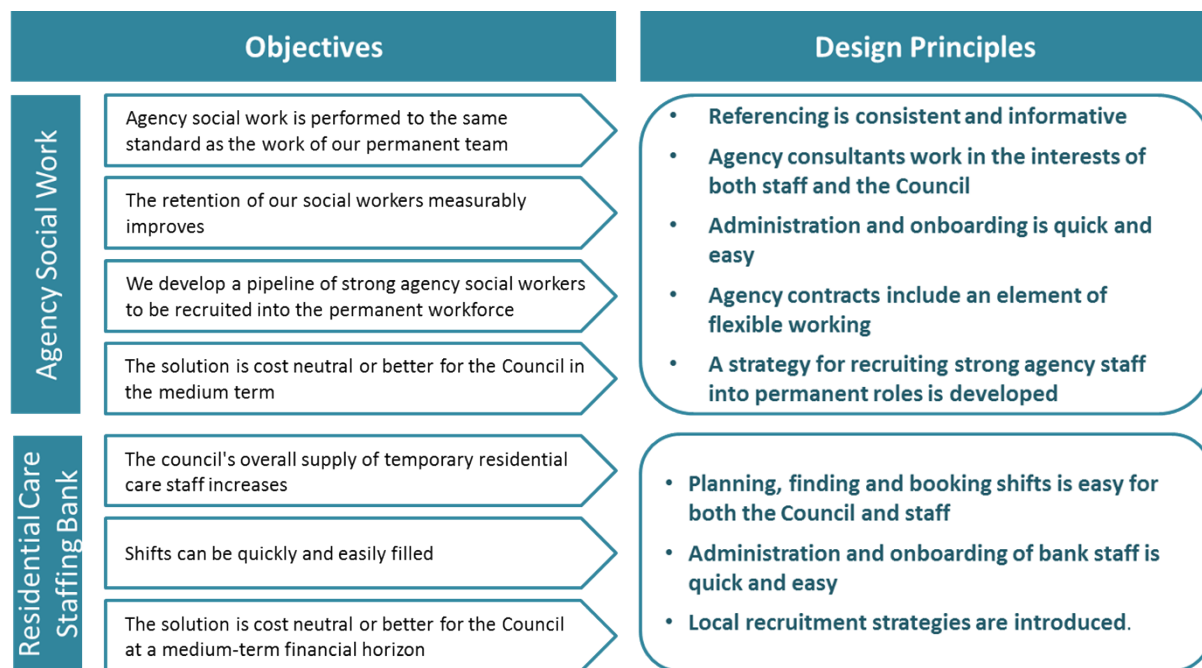
3.2. In particular, these issues are common in the social worker agency pool, which has at times increased the risk to vulnerable users. The main reasons for this are considered to include:

- The performance of agency social workers do not always meet the desired or expected standard;

- High quality agency social workers are difficult to recruit and retain.

3.3. Within residential care work, the identified challenge was specifically the supply of staff:

- It is difficult to quickly and easy recruit agency residential care staff to meet demand.

3.4. In response to these issues, and the perception that this is possibly driven by market failure and resourcing our services through using agency workers is significantly costlier, it was agreed to conduct a review of the opportunities for Hampshire County Council to create its own source and supply of agency staff. The primary objective of this review was to consider what would be an appropriate and cost effective delivery vehicle under which to operate this new agency.

3.5. The initial motivation behind the review was to consider how HCC could tackle the challenges faced with social work staffing, but as part of this, also to consider how we could also use the options considered to address residential care challenges, and thereafter potentially the full agency needs of the Council.

3.6. There are other well established examples of Local Authorities establishing their own agency to respond to these challenges. Kent County Council (KCC) has a well established agency created in the early 2000's, through a Local Authority Trading Company (Commercial Services Kent Ltd (CSKL)), owned 100% by KCC. As part of this review, discussions took place with KCC and CSKL to understand the model they have in place, as well as the potential opportunities and benefits of entering in to a joint venture with CSKL.

3.7. As the Council do not have expertise in this area currently, Deloitte were commissioned to complete a short project on the potential options for creating an agency *'Project Agency'*. This project focused on the challenges and opportunities within Children's Social Work, but it is recognised that this potential venture could offer much broader opportunities to the Council.


**4.** *'Project Agency'*

4.1. Deloitte were commissioned by HCC to examine the viability and benefits of a new solution to recruiting and managing agency staff, as well as exploring the opportunities for creating a staffing bank to support residential services.

4.2. The project began by examining the challenges the County Council faces with agency usage, followed by an assessment of the desirability of a new solution by developing key objectives and design principles for the future of agency and bank staffing.

| Objectives | | Design Principles |
|---|---|---|

**Agency Social Work**

- Agency social work is performed to the same standard as the work of our permanent team
- The retention of our social workers measurably improves
- We develop a pipeline of strong agency social workers to be recruited into the permanent workforce
- The solution is cost neutral or better for the Council in the medium term

Design Principles:
- Referencing is consistent and informative
- Agency consultants work in the interests of both staff and the Council
- Administration and onboarding is quick and easy
- Agency contracts include an element of flexible working
- A strategy for recruiting strong agency staff into permanent roles is developed

**Residential Care Staffing Bank**

- The council's overall supply of temporary residential care staff increases
- Shifts can be quickly and easily filled
- The solution is cost neutral or better for the Council at a medium-term financial horizon

Design Principles:
- Planning, finding and booking shifts is easy for both the Council and staff
- Administration and onboarding of bank staff is quick and easy
- Local recruitment strategies are introduced.

4.3. Finally the project examined two options for delivery vehicles which could be used to establish a new agency which can compete in the local market, as well as considering the suitability to extend this to include a staffing bank to support residential resourcing requirements:

**Option 1: A wholly owned LATC**
- An LATC would be incorporated under company law;
- It would be wholly owned by HCC;
- It would operate as an agency, holding a service contract with the Council and agency contracts with staff;
- It would compete in the local market

**Option 2: A joint venture LATC**
Similar to option 1, but:

- Jointly owned by Hampshire and Commercial Services Kent Ltd (CSKL), an existing LATC owned by KCC;;
- Joint LATC would only sell services into Hampshire but draw on resources and support from KCC's existing LATC.

4.4. The project was conducted over a two month period during early 2018.

**Emerging findings and recommendations from the project**

4.5. The key findings and emerging recommendations from the project are outlined in the following paragraphs:

- **Financial and Economic analysis** – the estimated total financial benefit[1] has been modelled based on the full value of existing agency spend across the Council. This looked to the ability to achieve savings across staffing costs, administration and management costs, as well as the potential to retain profits currently paid to private agencies. The estimated set-up costs,

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[1] Modelled against agency expenditure incurred during 2016/17.

annual financial benefit, and estimated payback period of each option are outlined below:

| Option | Estimated set-up costs for the Council | Estimated total annual financial benefit for the Council | Estimated payback period |
|---|---|---|---|
| Wholly-owned LATC – agency only | **£640k** | £950k return | >2 years** |
| Joint venture LATC<br><br>Agency<br><br>Staffing bank for residential | £230k<br><br>£90k<br><br>**Total £320k** | Up to £1.375m (£875k return + £500k in cost savings from using the Kent supply chain)<br><br>(£875k return also to CSKL as 50% owners of LATC) | <2 years |

Based on the financial analysis completed, there is a high level of confidence that either of these options could offer significant economic benefits; supported by the view that the Council currently receives poor value from the current private market.

- **Feasibility analysis** – to further support the assessment of these options, a broad assessment framework was used to determine which option provided a stronger advantage to Hampshire. This assessment framework considered a number of factors including:
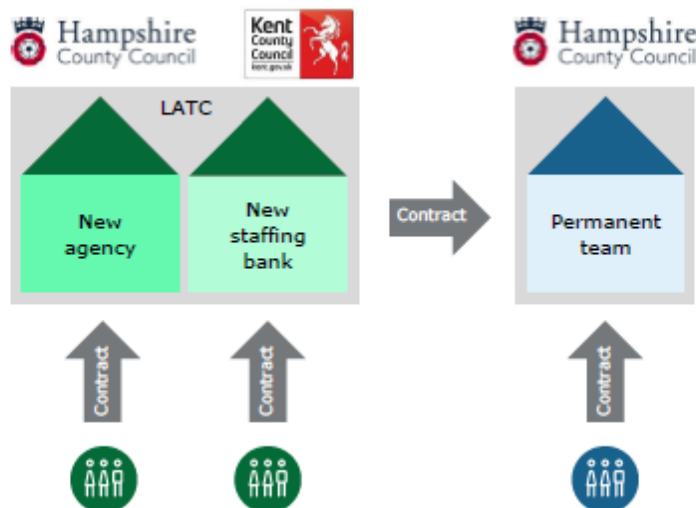
- Set up of programme
- Leadership and Governance arrangements
- Operations, including "back office" set-up
- Commercial Factors
- Tax implications
- Impact on the existing market
- Legal Structures
- Employment status of workers
- Stakeholder support and reputational risk

Overall both options were considered to be achievable, but the Joint Venture LATC option offered several key advantages, including:

| Factor | Key advantages of a Joint venture LATC |
|---|---|
| Set up of programme | Sharing investment of leadership time with CSKL would make the programme more manageable, and through adopting CSKL's existing systems and processes complexity could be removed. |

| Factor | Key advantages of a Joint venture LATC |
|---|---|
| Leadership and Governance | Partnering with CSKL would provide access to their knowledge and experience already established within their team. |
| Operations | Partnering with CSKL would provide access to an existing back-office and support structure, reducing risk and set-up costs. However, the current operation does not run a staffing bank, so this would need to be established in partnership. |

4.6. The emerging recommendation from Deloitte's report is for Hampshire to create a Joint Venture agency with CSKL, which includes a staffing bank to support the residential workforce requirements. In addition to the financial and economic benefits offered, a new agency vehicle would also offer the opportunity to focus on how delivery of the Councils objectives and design principles for the agency (as set out in paragraph 4.2) can be achieved.

4.7. Whilst the original project focused primarily on the resourcing needs of Social Work and Residential services, **it is proposed that the Joint Venture would provide agency services to all departments across the Council**, as very similar challenges also exist in other service areas. This would ensure we would be able to deliver a seamless agency offer that meets our entire workforce requirements, but also aligns with CSKL's existing service offer.

4.8. A key objective of the agency would be to source skilled, quality staff to compliment our permanent workforce, and to provide the Council with flexibility to meet gaps in our workforce demand. Where possible, we would also seek to encourage good agency staff to convert to permanent employment, where this is appropriate for the business.



4.9. As outlined in earlier in section 2, the agency is expected to provide a modest income stream in due course. However, it must be acknowledged that if the Council is successful in placing professionals permanently, that income

stream may decline over time. It is anticipated however, that this would be offset by reduced expenditure in the businesses.

4.10.   There is also a recognition that some of our existing permanent employees may wish to convert to become agency workers, in light of the potential benefits this may offer them personally.

4.11.   Recognising that in future we may have a more diverse and flexible workforce will be an important consideration, but thought may also need to be given to any conditions that would need to be put in place to prevent staff switching as and when.

4.12.   It is also important to recognise, that agency staff would not have the same employment status as permanent staff. For example, they would not have access to the Local Government Pension Scheme, pay rates would differ etc, although depending on how the agency is structured and set up, consideration will need to be given to the Agency Worker Regulations (provides agency workers rights to the same pay as comparable permanent staff after 12 weeks).

## 5.   Creating a Joint Venture Agency with CSKL

### Legal and Financial arrangements

5.1. The joint venture will be a Teckal entity which is currently expected to be a limited company, jointly owned (50:50) by Kent County Council (Commercial Services Kent Ltd (CSKL)) and Hampshire County Council.

5.2. Teckal refers to the test that an entity must meet in order to comply with Regulation 12 of the Public Contract Regulations, to ensure that it is exempt from requiring procurement on the open market. A Teckal entity can take a number of different forms including a limited liability partnership. Although it has been assumed that the Teckal joint venture entity will take the form of a limited company, consideration will be given to all appropriate forms (including a limited liability partnership). This will ensure that the most tax efficient approach is considered, whilst also taking in to account any other relevant factors.

5.3.   CSKL is an existing LATC owned by a Teckal holding company, which is wholly owned by Kent County Council.

5.4.   A new Teckal company, limited by shares will be set up between HCC and CSKL. In order to be Teckal compliant:

   i)   HCC and CSKL must exercise control over the company which is similar to that which it exercises over its own departments;

   ii)   The company must deliver no more than 20% of the services to the private market;

   iii)   There is no direct private capital participation.

5.5. Hampshire and CSKL would jointly be sole shareholders of the new LATC.

5.6. Both Hampshire County Council and CSKL would contribute 50:50 to the initial set up costs.

5.7. The arrangement would be governed by a contract directly between HCC and the LATC. Providing the company retains its Teckal exemption, this contract would not need to be competitively procured by HCC.

5.8. The company's financial accounts will be filed at Companies House in accordance with company law rules and will therefore be in the public domain. As a shareholder and through board membership HCC will have sight and a degree of control over the financial management of the company. Any profit (after corporation tax) would be returned to the shareholders as a dividend in proportion to their respective shareholdings (i.e. 50:50). Any losses will be borne by the company (save for any loan or equity finance provided by HCC or CSKL).

**Governance arrangements for the new LATC**

5.9. Governance of the Joint Venture on an on-going basis would comprise of a shareholders agreement, a Board of Directors, articles of association, a memorandum of association and a Joint Accountability Statement.

5.10. The articles and memorandum are likely to be fairly standard, however, the shareholder's agreement and make up of the board will be areas that require negotiation. It is likely however that the Board would consist of one senior representative from CSKL and one from HCC. The Chairperson's role would be rotated between these two reps on an annual basis.

5.11. The board of directors (who will be appointed by the shareholders) will have control of the company's day to day operations (e.g. annual budget, service plan, location and market scope).

5.12. Board meetings would be held to ensure statutory duties are carried out, and to provide decisions about the company's activities.

5.13. The shareholder's agreement will contain a schedule of Consent Matters (similar to Reserved Matters) such as share issues (similar to adding a new partner) which will require shareholder consent. The Joint Accountability Statement would set out the more practical arrangements for the Agency operation.

5.14. In addition to the Board of Directors, an Operational Board would be formed, reporting to the main Board. This would comprise the two Joint Venture Directors, resources from both CSKL and Hampshire, and the Joint Venture itself – all to be formally agreed.

**Location of Agency**

5.15. Where possible and efficient to do so, CSKL's existing Kent based Agency would be utilised to share back-office functions and systems. However, the report notes the importance of strong local teams to reach out to prospective staff. The recommendation would therefore be to create a Hampshire Hub, led by a locally based Business Manager and on-site Client Relationship Delivery Consultants.

5.16.   This local presence will help to ensure that appropriate investment can be made in ensuring the relationship between Hampshire and Kent works well, but also ensures the relationships with agency workers can be maintained, as well as face-to-face interviews and associated actions with prospective agency staff, able to be completed effectively.

## 6.    Other considerations

6.1. As part of the project completed by Deloitte, views from existing agency workers were sought to understand what their challenges were with regard to working with Hampshire.

6.2. One of the key themes identified was the lack of access to training, development and team events, often leading them to feel excluded from the rest of the team.

6.3. Concerns regarding the ability to work flexibly and safely when working remotely were also flagged, with a lack of access to mobile technology being considered to be a key barrier, and a reason why people move on to new contracts.

6.4. Consideration should therefore be given to what steps could be taken to address these particular concerns (e.g. access to team devices and/or mobiles, as well as the new LMS as an external user), but recognising the potential associated financial implications.

## 7.    Mobilising the Implementation Project

7.1. The following section of the report provides a high-level overview of the proposed project plan, the resources that we will require to support the project, and the governance arrangements that would be put in place to ensure that the project is managed effectively.

7.2. As 50% of the upfront investment will come from CSKL (KCC), and they have the experience of setting up such a venture, it will be crucial to commence further discussions with CSKL in the very near future to enable us to jointly develop the proposed plans.

7.3. Further thought and discussion with CSKL needs to be given to the proposed start date of the project, but at this stage we consider this could be as early as September 2018.  It is envisaged that the project would take around 9 months to complete, followed by a period of operational stabilisation and support.

7.4. In the meantime some initial thoughts have been provided by CSKL on how the project could begin to be mobilised, and would be governed.

**Mobilising the project:**

- HCC should consider providing resource during the mobilisation phase of the project. Although, CSKL would leverage existing experience to produce much of the mobilisation documentation (including but not limited to: Joint Accountability Statements and Partnership Agreements, HR Policies and Procedures and recruitment agency documents for candidates and the supply chain of agencies), it is expected that HCC will need to review and sign off such documentation, along with the mobilisation and communication plans (internal and external).

- The resource required to facilitate the mobilisation and integration of the joint venture would be comparable to that, required for any other novation of contract from one managed service provider to another, with the exception of the partnership agreement for the JV itself, which will be an additional requirement to the normal service level agreement required.

- CSKL anticipated that HCC will need to draw on resources from across HR, Finance, Legal, IT, Procurement, as well as departmental Service Managers.

**Project Governance:**

- A project board would be established with representatives from across HCC and CSKL.

- The membership of the Project Board (including the chair), and terms of reference have yet to be discussed. However, it is envisaged that this Project Board will be responsible for decisions regarding all project activities, with internal escalation routes established within each organisation as appropriate.

## 8. Finance

8.1. As outlined earlier in the report, a new Joint Venture LATC would be a Limited Company, jointly owned (50:50) by Kent County Council (Commercial Services Kent Ltd) and Hampshire County Council. Both partners would contribute 50% of the initial set up costs currently estimated to be in the region of £320,000. However, detailed plans are yet to be completed, and as such it is considered prudent to allow for a contingency budget of around £100,000 in the project implementation costs, which will also allow for some earlier recruitment of key roles. For the County Council this initial cost would be met from Corporate Funding.

8.2. As sole shareholders of the LATC, any profit would also be returned as a dividend in proportion to these respective shares (i.e. 50:50). Currently it is considered this return could be in the region of between £0.850m and £1.375m per annum for each shareholder, once the Joint Venture has been established. Although it must be borne in mind that a reduction in any 'profit' may be to the overall benefit to the Council if it is due to a reduction in the use of Agency workers by Departments replaced by permanent staff who are lower cost. Any losses would be borne by the LATC.

8.3. Should the commencement of the agency be in the latter part of the financial year 2018/19, the first year is anticipated to result in a small financial loss due

to the early appointment of staff. However, this will be smoothed out in the next financial year, and is simply the result of part year operation for the first year.

## 9. Risks and mitigations

9.1. Consideration has also begun to be given to the potential risks associated with the creation of a Joint Venture Agency LATC. These, together with the proposed mitigations include:

| Potential Risk | Mitigation |
|---|---|
| Operational risk posed to existing agency provision, should the current contracted Agency provider become aware of the County Councils intentions indirectly. | Detailed communication and engagement plan to be developed, which ensures this risk can be managed effectively and sensitively. |
| Reputational and operational risk should existing 3rd party agencies react badly to new approach. | Detailed communication and engagement plan to be developed, which ensures this risk can be managed effectively and sensitively. This should include messaging around the more effective use of public money. |
| Risk that the JV LATC is unable to attract and appoint sufficient 'direct' agency workers, and/or to maintain and attract new 3rd party agency relationships. | To be carefully managed as part of the Agency mobilisation and implementation plans. |
| Financial risk of model should there be unexpected variations in required 'direct' agency provision | Financial sensitivity modelling has demonstrated that this is a significantly viable cost model, capable of sustaining a variety of potential changes to delivery including (but not exclusively): <br><br> • Changes in overall agency demand/volumes; <br><br> • Changes in the volumes/mix of different agency roles, and the associated placement costs based on market rates; <br><br> • Changes in the proportion of direct agency fulfilment via the JV LATC, versus 3rd party agency supply. |

9.2. Further work to develop our understanding of the potential risks and plans for mitigation of these will be developed as part of the mobilisation stage of the project.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Strategic Plan**

| | |
|---|---|
| **Hampshire maintains strong and sustainable economic growth and prosperity:** | Yes |
| **People in Hampshire live safe, healthy and independent lives:** | Yes |
| **People in Hampshire enjoy a rich and diverse environment:** | Yes |
| **People in Hampshire enjoy being part of strong, inclusive communities:** | Yes |

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

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

| Document | Location |
|---|---|
| None | |

**IMPACT ASSESSMENTS:**

**1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

It is not expected that this proposal would impact groups with protected characteristics.

# Equality Impact Assessment
## Creation of a Joint Venture Local Authority Trading Company

Accountable officer: Carolyn Williamson
Email address: stephanie.randall@hants.gov.uk
Department: Corporate Services
Date of assessment: 20/06/2018

# Description of current service/policy

This project is to create a new Joint Venture Local Authority Trading Company (LATC) in partnership with an existing LATC owned by another Public Sector organisation.

Geographical impact:
All - Hampshire

# Description of proposed change

This project would create a new joint venture, which would be a limited company, jointly owned (50:50) by Hampshire County Council and an existing public section organisation.

This joint venture would provide a delivery vehicle owned in partnership by Hampshire County Council and another Public Sector owned LATC, to provide a service to HCC departments within the County Council, currently provided by a contracted supplier - this contract is due to expire.

This is not expected to negatively impact service users or staff of the County Council. It is however expected to support improvements in service delivery, and support retention of staff in some particular service areas.

# Impacts of the proposed change

This impact assessment covers Service users

# Engagement and consultation

Has engagement or consultation been carried out?

No

No consultation planned as no changes proposed to services provided.

## Statutory considerations

## Impact Mitigation
**Age:** Neutral
**Disability:** Neutral
**Sexual orientation:** Neutral
**Race:** Neutral
**Religion and belief:** Neutral
**Gender reassignment:** Neutral
**Gender:** Neutral
**Marriage and civil partnership:** Neutral
**Pregnancy and maternity:** Neutral

**Other policy considerations - Impact & Mitigation**
**Poverty:** Neutral
**Rurality:** Neutral

# Any other information

N/A

**2.  Impact on Crime and Disorder:**

2.1.  There is no expected impact on Crime and Disorder.

**3.  Climate Change:**

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

No impact considered.

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

No impact considered.

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