

OUTCOME FOCUSED REVIEWS - UPDATE

To: **Commercial and Investment Committee**

Meeting Date: **26th January 2018**

From: **Chris Malyon, Deputy Chief Executive Officer**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **The purpose of this paper is to report progress to date of the Outcome Focused Reviews that are currently in progress.**

Recommendation: **The Committee is asked to:**

- a) agree the planned next steps for the Outcome Focused Reviews covered by this report; and**
- b) Comment on the progress of the programme of work.**

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

- 1.1 The Council's Transforming Cambridgeshire programme is our ambitious programme of change to ensure that we have the resources and capacity to deliver at pace. We are reviewing our portfolio of services so we are clear how these services contribute to Cambridgeshire County Council's outcomes and that we are delivering these in the most cost effective and commercially advantageous ways.

Outcome Focused Reviews (OFR) are being carried out to enable us to focus on looking at what we do from the perspective of our citizens with a view to designing what we do from the outside-in. This will enable us to harness the opportunities that are presented to us from working differently, seeing ourselves as part of the Cambridgeshire system and working with others to improve what we do.

- 1.2 There are three phases to the OFR process as set out in the table below. See appendix A for the Member Briefing outlining the Outcome Focused Reviews.

Phase	Approach
Phase One Baseline Assessment	The assessment aims to provide a high level answer to the questions: "What service do we currently provide? What outcome are we aiming to achieve by providing that service? Should we continue to pursue that outcome? If so, can we improve the approach to achieving that outcome?"
Phase Two Discovery	<p>The Discovery Phase will gather together a range of information from internal and external sources, analyse performance and use benchmarking to enable directors and Members to make evidence based judgements about service potential.</p> <p>At the end of this stage, the review team will either propose an action plan for change, or will recommend that the service is put forward as a priority for Phase 3 of the review.</p>
Phase Three Design	This phase provides a complete and detailed review of the service and is likely to need specialist support, detailed work with the marketplace and with partners and a focused effort to involve citizens in service design.

- 1.3 An overarching approach to the OFR programme was agreed, this included some core principles to ensure consistence of approach and these were balanced with the flexibility needed to review the diverse range of service in scope. Each of the Outcome Focused Reviews has a lead Member and a team made up of colleagues from across the organisation and in some cases external advice.
- 1.4 This report provides an overview of where the initial tranche of Outcome Focused Reviews following the Discovery Phase (Phase Two).

2 EXECUTIVE SUMMARY FOR EACH SERVICES IN SCOPE

2.1.1 Cambridgeshire Music – Lead Member: Cllr Hudson

Background and approach taken:

Cambridgeshire Music is a service within the Learning Directorate of People and Communities. Cambridgeshire Music's vision is that all children, families and adults in Cambridgeshire take advantage of the rich cultural opportunities available in the county, and that the providers of those opportunities work together to drive quality and reach. Cambridgeshire Music's mission is to provide children, families and adults in Cambridgeshire with high quality performing arts education and therapy, through direct delivery, commissioning and strategic leadership.

The OFR group collaborated to agree key lines of enquiry covering the service's contribution to the Council's outcomes; the relationship between the service and the wider Council; the service's current structure, finances and operating model; and the service's current strategy and approach. This report contains the findings in relation to those key lines of enquiry.

Overall recommendation:

Following a motion at full Council, a Member Panel drawn from the Commercial and Investment Committee and the Children and Young People Committee has been established to review Cambridgeshire Music's strategy and specifically its proposals related to digital music.

Due to the establishment of this Member Panel, the overall recommendation of the OFR group is that the service does not progress to the Design Phase (Phase 3) at this time. Instead it is proposed that the Member Panel is provided with the findings of the OFR group and make a recommendation to Commercial and Investment Committee as to whether the service should progress to the Design Phase once their work is concluded.

Key findings:

- Cambridgeshire Music makes a strong contribution to the Council's outcomes; particularly helping to ensure that children and young people reach their potential in settings and schools.
- Cambridgeshire Music is regarded as a high-performing Music Education Hub and service under current arrangements.
- The current delivery model, comprising a local authority service and a separate charitable company, is appropriate for the current range of services provided by Cambridgeshire Music.
- Commercial opportunities are limited by the significantly grant-funded nature of the service and would likely require additional investment in the service.
- Some specific areas should be investigated for broadening the service's contribution to the Council's outcomes; in particular opportunities surrounding the expansion of arts therapies through external funding.
- There may be opportunities from improving links between Cambridgeshire Music and other services in the Council, including the Council's corporate Communications Service; and specific opportunities to work in partnership with other services.

- There are significant opportunities in the service's developing approach to digital tuition, which will be explored by the Member Panel.

See Appendix B for further details

2.1.2 **The Education ICT Service** – Lead Member: Cllr Gowing

Background and approach taken:

The ICT Service (formerly Education ICT) is Cambridgeshire County Council's ICT advisory and support service for schools. Founded in 1995, the service has been a separate trading unit for the Council since 2000, offering chargeable services to schools and settings in Cambridgeshire and beyond.

Key findings:

- A clear IT and Digital Strategy is required as an employer and provider that will give direction to the wider OFR.
- Current procurement rules should be reviewed for traded services to ensure services can meet customer time, cost and quality needs.
- As an income generating service, ICT Service has some difficulties making full use of internal CCC policies, processes and systems; some consideration needs to be given for all income generating services as to whether specific commercial focused processes and policies should be implemented.

Overall Recommendation:

- Widen and re-scope the OFR to be a Council-wide review of IT services, this would include the IT & Digital Team and LGSS IT, in addition to the ICT Service. This review should start from mid-February 2018.
- There are emerging indications that the ICT service has a worsening financial outlook going into 2018/19. Although this would need to be addressed by the service regardless of the OFR, any potential deficit will be further investigated and mitigating actions brought forward.

See Appendix C for further details

2.1.3 **Outdoor Education** – Lead Member: Cllr Bywater

Background and approach taken:

Cambridgeshire Outdoors is the umbrella name for the internal partnership of three distinct CCC managed services that operate three outdoor learning centres: Burwell House, Grafham Water Centre (GWC) and Cambridgeshire Environmental Education Service (CEES) at Stibbington Centre. The three centres provide predominantly child and schools focused day, and residential outdoor learning experiences. The three services currently sit within the Learning Directorate of People and Communities as non-statutory CCC services.

A series of workshops, one to one and small group meetings have been held with the three outdoor centres, corporate colleagues and Cllr Bywater, who all provided current professional expertise and advice. Further desk-based research and feedback from current

and booked customers has been used to inform the recommendations. This research has included a brief look into the marketplace, types of competitor models, locations, capacity and approach, and more in depth analyses of financial, and current performance of the centres.

This review was the first to commence and therefore much learning and iteration has taken place. The learning will need to inform not only Phase 3 of this review but provide insight to the commencement of other OFRs.

There has been some time constraints of the review group due to their day to day operational demands. Consideration will need to be given as to how the right group of staff is allocated to resource the next phase.

Key findings:

The centres currently achieve clear contribution and impact to Cambridgeshire County Council (CCC) outcomes. The core delivery is children and young people focused and enables those users to learn necessary life skills whilst developing personal resilience and appreciation of the wider community. The delivery clearly meets the curriculum across multiple subjects and outdoor and adventure activities in Key Stages 1-4, and gives young people the ability to apply subject knowledge in real world context. Further, the centres enables participants a chance to not only appreciate the environment, but understand the environment and their place in it.

The benefits of outdoor learning could further support other CCC outcomes or be used for specific purposes – including for example, family work or responding to the private sector training or facilitation needs, however the capacity to do this needs to be analysed.

The centres largely recover costs but separation into three distinct services means there are similarities in management and back-office activities and roles. It is clear there are opportunities for further collaboration to increase access and opportunities for all, bringing efficiencies to create further income revenues, in addition to achieving cost reductions. Current operations have limited ability to achieve current financial targets in future years (£77,123 surplus) and are unlikely to contribute to the 2018/19 £500k additional traded services income target without some redesign.

Each Head of Centre has expressed concern with lack of coherent strategic leadership and direction creating some uncertainty in future direction.

Capacity usage of the locations is different and increased usage of some of the sites may be possible.

There are some links to other outdoor / alternative place based activities, such as Forest Schools, Duke of Edinburgh award, National Citizen Service, and the Outdoor Education Advisory service, and consideration needs to be given as to how these links are extended or maintained.

Each centre requires some monetary investment to maintain the current level of condition of its site and buildings. Whilst the potential exists to increase usage and maximise capacity, further investment will be needed to improve the facilities.

Other local authority (LA) outdoor centre models have or are increasingly changing into one service that operates across multiple locations. Some models are arm's length / alternative models.

These services, alongside other income generating services, have some difficulty using and delivering within some internal authority policies, processes and systems due to the lack of specific commercially focused policies and mechanisms.

Overall recommendation:

The Outdoor Education Outcome Focused Review to progress to the Phase 3 Design stage to model the option of collation and redesign into one multi-site Outdoor Learning Service.

The Phase 3 modelling will review:

- Governance and leadership
- Staffing capacity, terms and conditions and structures
- Locations
- Investment required
- Increased or redefined usage of capacity (site, equipment and acumen)
- Increased market penetration in new primary and secondary school markets
- Increased delivery to non-schools marketplace in addition to expanding current schools marketplace
- Review other successful outdoor learning models that exist outside Cambridgeshire
- Potential for increased impact on identified outcomes.
- Use zero-based budgeting principles.

See Appendix D for further details

2.1.4 Professional Centre Services – Lead Member: Cllr Hay

Background and approach taken:

Professional Centre Services (PCS) currently sits within the Learning Directorate in People and Communities. The service currently operates out of two buildings; Cambridgeshire Professional Development Centre (CPDC) in Trumpington and Stanton House in Huntingdon. It operates as a traded service and provides training, meeting and conference space and an events management service to CCC services and external customers. They also provide tenancy management to some internal teams and voluntary organisations located at CPDC and Stanton House. The service has the responsibility of selling any excess room capacity to private and other public sector organisations (although in the main this is other public sector bodies) in order to bring in additional income that helps to subsidise the internal prices and works towards the overall surplus that goes back to the Directorate. They provide an essential learning environment for the workforce and in turn act as an enabler for the workforce to achieve the outcomes.

Key findings:

PCS as a functional delivery unit is on the whole delivering a good service. There are opportunities for them to be more digitally efficient in some areas and there could be some further efficiencies through joint commissioning of Facilities Management (FM)/maintenance works but this is likely to result in minimal cash savings. Clear direction around the use of

CPDC and Stanton House has not been given to date and this is linked into the Property Services OFR. It is recommended that Cambridgeshire County Council (CCC) should decide the overall strategic vision for training/meeting/conference space for which delivery models can then be designed and appraised and options for how this can be delivered through the Council's entire asset portfolio can be explored. Therefore, any changes in relation to PCS should not be seen in isolation of this wider work. In the interim, we recommend the following high level actions which are further complemented by the action plan set out in section five of this report:

- Line management should be moved from the Learning Directorate to the Resources Directorate due to the associated similarities, and potential duplication, with the activity delivered by Property Services
- PCS should continue to operate with a surplus target in 2018/19 until a wider strategy is in place
- Efficiencies to be achieved through digitisation of processes and better marketing
- Need for consistency in types of management of buildings (comparing efficiency of CPDC to Stanton House)
- Model of PCS to be revisited as part of a wider strategic review

Overall recommendation:

The Professional Centre Services (PCS) OFR not to progress to the Phase three Design stage until the wider Property OFR has progressed further. In the meantime, it is recommended that line management and strategic direction be moved to the Resources Directorate.

See Appendix E for further details

2.1.5 Property Services – Lead Member: Cllr Schumann

Background and approach taken:

The Property Service is based within the Resources Directorate; the Head of Service function is currently vacant, and managers of the three primary functions within Property (listed below) therefore report directly to the Deputy Chief Executive:

- Facilities management
- Compliance
- Estates (Rural Assets and Urban Assets)

With the exception of Rural Assets which is subject to a separate Outcome Focused Review, all of these services are in scope. It is also worth noting that there are other areas of property related activity which takes place within other Council services, such as education capital works and some localised facilities management arrangements. Between 2011 and 2016 the Council's property functions were managed by LGSS Property as part of a shared service arrangement with Northamptonshire County Council, before being transferred back to Cambridgeshire County Council's responsibility in October 2016. The activities carried out in the service for each of these functions is detailed in Section A of Appendix F

Phase 2 of the Property OFR was essentially the 'Discovery' Phase which gathered a range of evidence and information to make some early assessments and judgements about the potential of the service. This was a collaborative process between involving a range of people from the Transformation Team and Property Services with input from customers, Members and other colleagues and partners. From some initial workshops, a number of key lines of enquiry emerged which formed the basis for further evidence gathering and analysis:

- How the service's activities meet the Council's stated outcomes
- The organisation and structure of the service in relation the Council and the key activities it needs to carry out
- Engagement with users of the service
- Tools, processes and management information systems
- Potential opportunities for further commercialisation

Further research and analysis around these specific areas was undertaken to inform the final recommendation. This included financial and desktop data analysis, further customer feedback and research into alternate models of delivery and opportunities external to the Council.

Key findings:

The evidence and information collected and analysed in this second phase of the Property OFR indicates strongly that there are a number of areas within the current function, many of which will be central to the Council's overall success in the future, which require a more comprehensive review and redesign; a summary of the findings against the key lines of enquiry are detailed in Section C of Appendix F.

Recommendation:

The Property OFR to be progressed to Phase 3 of the OFR Programme in order to ensure this part of the business can best support and enable the delivery of the Council's strategic outcomes and aspirations in the future.

See Appendix F for further details

2.1.6 Rural Assets – Lead Member: Cllr Hickford

Background and Approach Taken:

The Rural Assets OFR (also commonly referred to as County Farms Estate) commenced in October 2017 as it was identified as having the potential to deliver new and more impactful approaches to delivering outcomes.

A number of OFR information gathering workshops, one to ones and group meetings have been held with the Rural Assets Team and Cllr Hickford to map the current service delivery model and to explore alternative models and future opportunities.

The OFR will build on the findings of the Strategic Review of the Council's County Farms Estate conducted by Savills in 2016 which concluded that "It is clear that the County Farms Estate (CFE) delivers benefits to the county of Cambridgeshire. However, it is also clear

that there is significant potential to increase the value of these benefits and that there is a need to review such benefits against alternatives". In response to this review, officers and members considered the final report and valuation prepared by Savills and met to bring forward draft policies for a new CFE strategy. The proposed policies accompany this report (Appendix 1).

Key findings:

The County Farms Estate currently contributes to delivering Cambridgeshire County Council (CCC) outcomes. This is primarily through generating income which helps to support frontline Council services, supporting the local economy through the creation of jobs, providing opportunities for new entrants into farming and helping the residents of Cambridgeshire to lead healthy lifestyles through open access to the countryside via bridleways and footpaths across its rural assets.

The benefits of the County Farms Estate could further support other CCC outcomes including optimising the educational potential of the assets and identifying opportunities which would provide greater social and community value.

The Council's position as a rural asset landlord stems from after the First World War when it was established to assist with the employment and settlement of ex-servicemen. Historically, ever increasing land values have justified asset retention. However, there are no guarantees that previous increases in capital values will continue at the same rate, or at all. Phase 3 of the OFR provides the opportunity to revisit the current approach and consider alternative strategies.

Building on the work that has already taken place with tenants to increase business profitability and revenue returns, there are opportunities to pursue a more intensive programme of diversification and development to maximise the use and value of the estate. However, the service as it stands does not have the capacity necessary to maximise the potential income, or promote the diversification and innovation opportunities to their fullest advantage.

There are opportunities to review and improve some of the current systems and processes. This will be further informed by feedback from the tenant's survey.

Overall recommendation:

The Commercial & Investment Committee is asked to agree to progress the Rural Assets Outcome Focused Review (OFR) to the Phase 3 Design stage. Phase 3 will focus on the following:

- Establishing CCC's policy position in relation to the future use of the organisations rural assets and on this basis, identifying viable opportunities and delivery models which go above and beyond the current arrangements to maximise the CFE's contribution to delivering the Council's Strategic Outcomes and the value gained from the assets.
- Analysing the feedback from the tenant's survey commissioned in December 2017 and identifying opportunities to consolidate what is working well and areas which can be improved upon.

- Review the valuation of the County Farms Estate.
- Review staffing capacity and structures to support alternative delivery models
- Identify areas of investment required

See Appendix F for further details

3.0 NEXT STEPS

3.2 Learning from the first Outcome Focused Reviews

As well as providing us with a deeper understanding of our portfolio of services, this first batch of reviews has also helped us to develop and refine our approach to how we carry out these reviews.

The reviews have provided us with an opportunity to consider the medium- and long-term impact of the services that we deliver as well as identifying any short-term actions required to ensure the continued efficiency and effectiveness of our services to the public. Therefore, we are able to move the focus of our transformation programme from 'fire-fighting' to working on designing the future. Whilst we have identified this longer-term approach, we will continue to provide support for services that need it through short, intensive pieces of work.

We have been able to help services to place the work that they do into the wider context of the environment in which we work. For example, enabling teams to think through why people may want or need their services has allowed them to place what they do in the context of the wider Cambridgeshire system and start thinking through alternative ways in which this demand could be managed.

Our initial tranche of reviews were focused on specific services. However, we have realised that we will accomplish more from these reviews by shifting and widening our focus to the *functions* that these services fulfil. Our next tranche of Outcome Focused reviews will therefore take a more holistic approach and look at more strategic themes.

3.3 Next phase of Outcome Focused Reviews

We are currently in the process of identifying the next tranche of Outcome Focused Reviews to be started. We are planning on using the expertise and knowledge of the Corporate Leadership Team to help us to shape the future programme.

Included within the next phase will be reviews of the following functions and areas:

- Cambridgeshire County Council's Capital Programme
- Automation
- The role of the Contact Centre and our communication channels
- Fostering
- Learning
- IT

Updates on all of these reviews will be presented to the most appropriate committee as work progresses.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

There are no decisions at this stage with significant resource implications. Within this item reference is made to savings expectations for two of the areas undergoing an OFR. The proposed budget before Full Council increases the surplus expectation on County Farms by £500k in 2018/19 and on the traded services mentioned above by £500k.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications for this priority.

5.3 Statutory, Legal and Risk Implications

There are no significant implications for this priority.

5.4 Equality and Diversity Implications

There are no significant implications for this priority.

5.5 Engagement and Communications Implications

There are no significant implications for this priority.

5.6 Localism and Local Member Involvement

There are no significant implications for this priority.

5.7 Public Health Implications

There are no significant implications for this priority.

The contacts for the sign off process are as follows:

- *Resource Implications – Finance* (**Sarah Heywood**)
- *Procurement/Contractual/Council Contract Procedure Rules Implications – Finance* (**Paul White**)
- *Statutory, Legal and Risk – Legal* (**Fiona McMillan**)
- *Equality and Diversity – Service Responsibility* (**Tamar Oviatt-Ham**)
- *Engagement and Communications – Communications* (**Eleanor Bell**)
- *Localism and Local Member Involvement – Service Responsibility* (**Tamar Oviatt-Ham**)
- *Public Health – Public Health* (**Tess Campbell**)

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer:
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes or No Name of Officer:
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer:
Have the equality and diversity implications been cleared by your Service Contact?	This will be address through individual Community Impact Assessments (CIA) as part of phase 3.
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer:
Have any localism and Local Member involvement issues been cleared by your Service Contact?	There has been key Member involvement as stated throughout the paper.
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: