

# City Operations: Strategic Direction and Breakdown of Savings Identified



## To:

Councillor Mike Davey, Leader of the Council and Executive Councillor for Our Cambridge

## Report by:

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## Wards affected:

All Wards

## Key Decision

### 1. Executive Summary

- 1.1. October 22 Strategy and Resources (S&R) committee agreed that officers would progress work to assess savings opportunities available by bringing together similar skills and activity into distinct functions. City Operations is the first programme mobilised to deliver this work for Cambridge City Council's operational services.
- 1.2. City Operations is a service redesign programme taking an activity-based service design approach to the services that help keep Cambridge safe, clean and accessible, whilst allowing the Council to be financially sustainable. The programme is designed to consider the key activities

that deliver this purpose, to then design and implement the model to enable teams, skills and digital support to work.

- 1.3. The programme is currently set to deliver several benefits - including more resident centred activity, reduced duplication of work and a minimum of £700k revenue improvement over the lifetime of the programme.

## **2. Recommendations**

### **2.1. Recommendation 1:**

To agree the City Services Director should proceed with consultation and implementation of a revised management structure

### **2.2. Recommendation 2:**

To support the exploration and implementation for an alternative delivery model for stores, recognising the TUPE implications for staff in this area (detailed further in Appendix 3)

### **2.3. Recommendation 3:**

To support the progression of the following projects:

- Alternative Delivery Model for Stores
- Greater use of Digital and Data
- Pilot the change of core operating hours in Estates and Facilities

### **2.3. Recommendation 4:**

To recognise the pipeline of activity over the next 12-24 months to achieve a financially sustainable City Services group that provides lean, reliable, responsible services delivered by teams who have the skills and empowerment to get the job done

### **3. Introduction and Background**

#### **3.1. The Case for Change**

- Firstly, residents want the council to 'Get the Basics Right'. Officers are keen to ensure that the needs of the community we serve can be performed properly and efficiently.
- Our current organisational design has remained largely unchanged for over a decade. However, the demands and challenges faced by the council and the opportunities available through transforming the way the council operates are significant. As part of the Our Cambridge transformation programme, the council now needs to update its organisational design, so that it can more effectively meet the needs of residents and the city now and in future – and City Operations is the first service redesign programme to focus on just that.
- During the Making it Real staff initiative last summer (2022), a lack of collaboration and overly bureaucratic processes in a siloed and isolated environment were highlighted as key issues, which officers seek to address as part of this programme.
- City Operations recognises the challenges and achievements of our operational teams over the years, however there is a clear need to think differently about how we utilise and deliver our services to ensure both financial and environmental sustainability for the future.

### 3.2. Purpose, Vision & Scope

- The purpose of City Operations is to act as a key function in ensuring that Cambridge is a City that is safe, clean, and accessible.
- The vision is to create City Operations that are financially sustainable, fit for the 21<sup>st</sup> century, and are supporting the delivery of our corporate ambition '*One City – Fair for All*'.
- The programme brings into scope circa 32 operationally focused teams (Appendix 5) and 200+ colleagues who currently sit across the Council and merge them under a coherent City Operations banner. For a comprehensive list of all impacted teams, please see appendix 5.
- For clarity purposes, City Operations will also consider work that either impacts, or is impacted by, teams outside of City Services to ensure collaboration and alignment across the organisation.

### 3.3. Programme Objectives

- To support the delivery of a financially sustainable City Services group by creating and implementing a new operating model for the Council's operational services, ensuring alignment to our Corporate Priorities assuring delivery of better outcomes for residents.
- To create flatter structures for empowerment, collaboration, and change, providing lean, reliable and responsive services for the city of Cambridge.
- Explore, assess, and deliver on savings and efficiencies
- The October 22 S&R report committed £700k savings from centralising operational functions. Officers are aware that with

the increased financial pressures, there is a need to maximise the savings opportunities available.

#### **4. Work to date**

- 4.1. The first phase of the City Operations programme focuses on '*How we deliver, not what we deliver*' - getting the basics right
- 4.2. This has included reviewing existing documents and legislation, running a data-gathering exercise across impacted areas, and working with key stakeholders to better understand what, how and why we do things. This has ensured an understanding of service needs, and reconciled a range of complex, and sometimes competing, objectives to create a deliverable programme.
- 4.3. Estates and Facilities (E&F) has been reviewed separately, which has generated several recommendations on creating a more effective service for both residents and the Council.
- 4.4. Presented is a shortlist of opportunities that will be delivered predominantly by Transformation Team resource over the next 8 months.
- 4.5. The body of work for City Operations extends beyond that which is presented in this paper, however those projects require significant resource from within the City Services group. This work will not start until the end of this calendar year, possibly the 23/24 financial year, once the group has been fully mobilised.
- 4.6. For further information on the pipeline of work, please see Appendix 6.

#### **5. Opportunities to be delivered by the City Operations project team**

##### **5.1 Operating design**

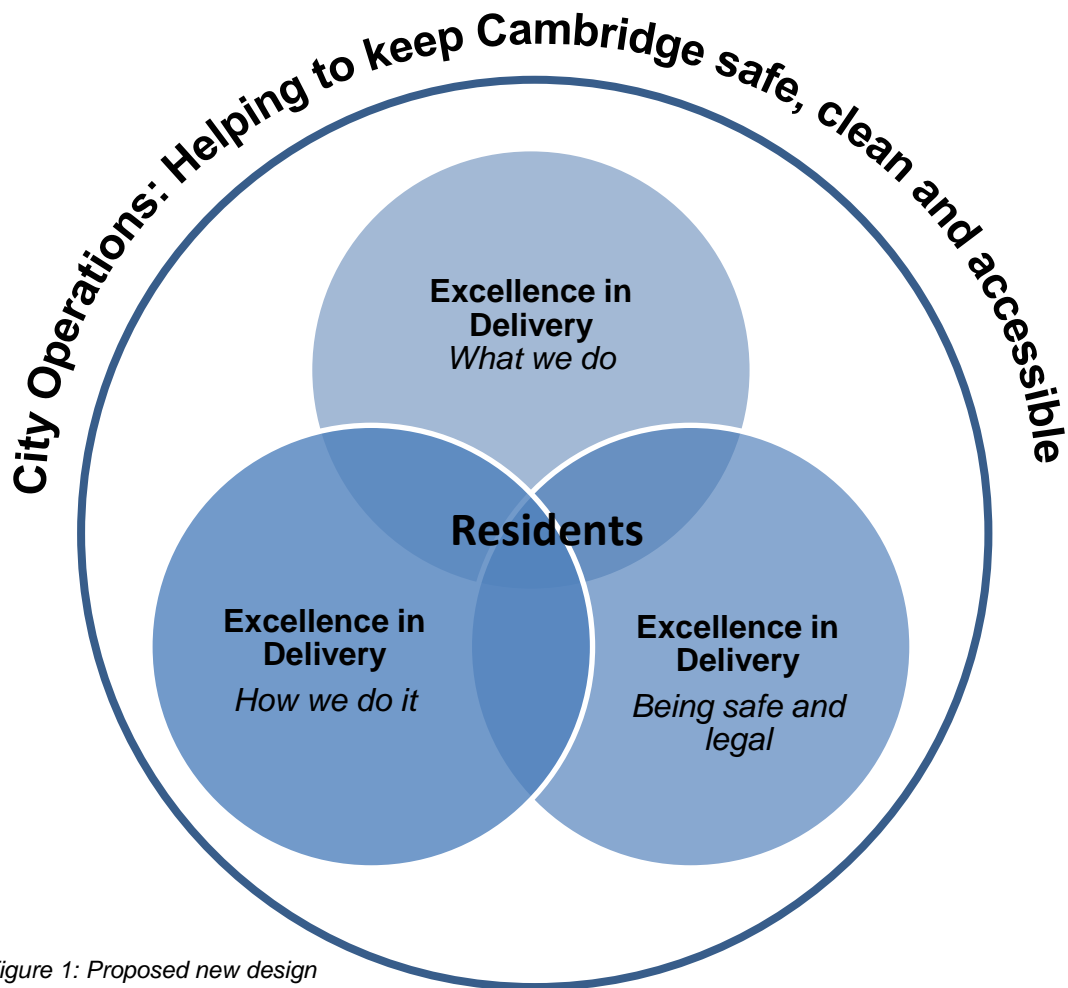


Figure 1: Proposed new design

The proposed operating design simplifies operational work into three distinct areas:

- **Excellence in Delivery 'What we Do'** (Operational Delivery)
  - Example activity: Street cleansing, ground maintenance
- **Excellence in Delivery 'How we do it'** (Supporting the Delivery)
  - Example activity: Contract management, new business development
- **Excellence in Delivery 'Compliance in what we do'** (Being Safe and Legal)

- Example activity: Compliance, horizon scanning

It is important to note that as part of this design, there will need to be collaboration not only across the function, but also into other teams/services outside of City Services also. Whilst this is not captured in the detail provided, it is being considered as part of the wider mechanics needed to ensure successful delivery.

### **What are we proposing?**

- Building a leadership structure for success
  - Leadership is an enabling factor in allowing the proposed model to work, by creating a flatter management layer which will empower staff to take more responsibility and have more autonomy. By being able to make decisions where officers – at any level – are the subject matter experts, in an environment where they are supported and encouraged, we believe we will see improved staff motivation and productivity.
  - The proposed structure which will allow this model to succeed, will deliver an estimated £335,000 per annum in savings, reducing 7 FTE across the management layer.
  - It is important to note that this recommendation will allow officers to follow the Organisational Change policy, which includes a detailed consultation and implementation paper, so detailed plans will not be made available at this time.
  - For further details on this workstream, please see Appendix 1.

### **5.2. Piloting a change in standard shift hours for the repairs service**

For clarity, this is extending our operational hours by increasing the

length of time the core service is provided, and not the length of time we are asking colleagues to work

- Current operating hours: 8am-4pm Monday-Friday
- Proposed operating hours: 8am – 6pm Monday-Saturday

### **What are we proposing?**

- As a service, the status quo would be incredibly expensive for the Council to maintain (£230,000 per year approx.).
- Analysis of calls demonstrates the out of hours (OOH) repairs are performing activity which should be done during core hours. There is a need to review what defines an emergency OOHs call and how this is actioned by the relevant teams.
- Reviewing how OOH calls are triaged to ensure our tenants concerns are being dealt with appropriately is forecast to deliver a cashable saving. It is estimated an (achievable) 10% reduction in the number of OOH calls being sent through to standby operatives would deliver a further saving of around £23,000.
- For more detail on benefits and a breakdown of data, please see Appendix 2

### **5.3. Changing stores delivery to enable better support for repairs work**

An alternative delivery model our stores function for the housing repairs service

- Currently, our stores management processes struggle to enable our ambition of 'first fix, first time'. The existing systems for stock management make it difficult for operatives to understand what is in



their vans, what tools/equipment/stock is needed, and consequently this delays repairs for Council tenants.

- It is recognised that bringing on a partner to support us to deliver this function needs to make sense for the organisation and should only be considered if the benefits are deliverable.
- This model also removes the need for the Council to hire 130 Cowley Rd (somewhere in the region of £150k per annum) and to maintain a large stock incurring considerable capital cost.
- Additionally, this delivery model is forecast to reduce the miles driven by colleagues allowing more time to fix properties rather than driving to the stores also minimising our congestion and carbon impact,

#### **What are we proposing?**

- A move to third party stores provision using an intermediary to help effectively manage the contract would allow us to monitor core stock items and fix contracted prices more accurately, allowing operatives to provide a more reliable service for tenants.
- A soft market test on three leading building suppliers via a contract management consultancy demonstrates there are suppliers that can deliver almost 100% of our stock lines, coming it at a reduced operating cost of at least £55,724.
- Details for further information can be found in Appendix 3.

#### **5.4. Digital and Data Enablement**

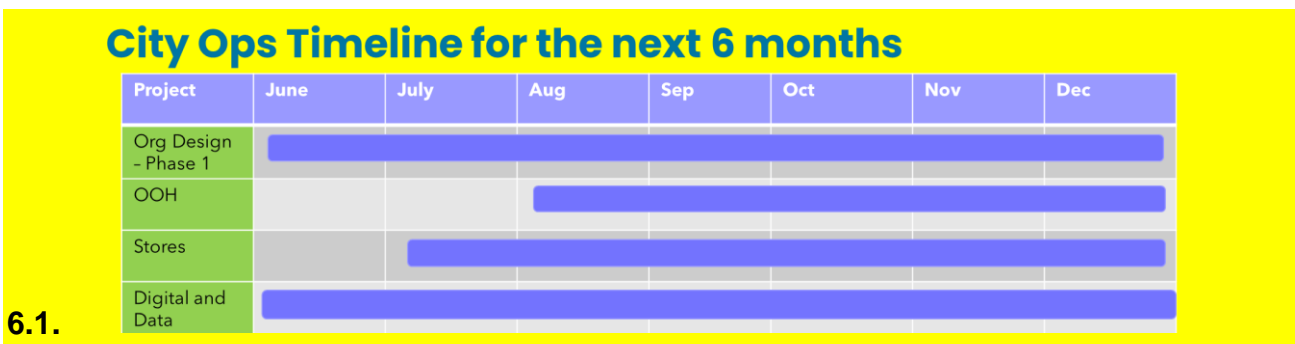
Staff have voiced frustrations with the platforms used to perform their duties. A key workstream in City Operations will be focusing on how to get the basics right to deliver a great service to tenants and ensure the City Services group is using data available to measure success.

- Estates and Facilities currently use two systems, Accuserv and MRI, which are not currently providing our operatives, or our tenants, the best possible service.
- Council vehicles have telematics technologies which are currently not utilised, preventing the Council’s ability to intelligently assign work to operatives via geographical location.
- Key Performance Indicators (KPIs) don’t currently provide a resident-centred picture of performance.

**What are we proposing?**

- Fully utilising the tools and systems available to us to enable dynamic appointment scheduling, providing greater assurance to our tenants about when their repairs will be fixed.
- Accurately identify and understand the value that the new City Services directorate brings to customers, ensuring our technology, processes and KPIs align to City Service’s purpose.
- This could also deliver around £50,000 in savings and a reduction in the carbon impact of the service.
- For further details on this workstream, please see Appendix 4.

**6. Implementation**



## 6.2. What this will look and feel like for staff

- The leadership and management layer will be the first to change as we establish the new operating model. For most staff, this will just mean a change in reporting lines until the management structure is fully embedded and is unlikely to impact upon service delivery.
- The City Operations delivery team are engaging directly with staff to better understand concerns, ideas and how to support them through change.
- The remaining workstreams will require a period of analysis and assessment before implementation. For staff this will look like increased engagement from the project team as well as ensuring key stakeholders are fully briefed and consulted on the proposed changes.

## 6.3. What this will look and feel like for residents

- For our Council tenants, the aim is to provide a much more user-friendly experience, ensuring issues are dealt with swiftly and appropriately.
- For all the changes being proposed in this paper frontline delivery remains untouched.

## 7. Risks

The risks outlined below are high-level risks for the programme.

### 7.1. Financial Risks

- The payback period for the cost of change exceeds tolerable levels
- Cost of change cannot be calculated exactly until implementation

- Making these changes does not deliver the anticipated savings or revenue improvement
- Creating new ways of working reduces costs in City Services but increases costs in the corporate centre.

## 7.2. Service-level Risks

- Any reduction in staff numbers could lead to a potential loss of detailed service knowledge
- Moving to an alternative delivery model is likely to require systems integration, failure to be able to integrate systems will impact ability to deliver efficient services for customers

7.3. Each workstream will have its own risks log, to capture the nuances and detail of each change being proposed.

## 8. Next Steps

- 8.1. Currently, the programme has scoped and identified a new model, comprising of three functions to enable delivery and collaboration for City Services
- 8.2. The programme will be guided by the organisational change policy, over spring and potentially early summer to create the supporting framework to move to a new management structure for City Services
- 8.2. Continuous engagement with teams, Trade Unions, members, and where possible with residents, will remain a priority

## 9. Implications

9.0. Equality Impact Assessments (EQIA) have been considered as part of this project. The key output is recognising the impact of change on the

mental health of impacted staff, and the team are keen to ensure there is adequate support in place. Please see Appendix 7 for full EQIA

9.1. The Climate Change Rating Tool demonstrates a low-positive impact for City Operations. Please see Appendix 8 for full Climate Change Rating Tool.

## **10. Communication and Engagement Considerations**

10.1. Managers across several parts of City Operations have helped to shape and form the opportunities identified in this paper.

10.2. Impacted teams have had engagements with the project team to prepare staff for changes at the time of writing.

10.3. Officers in the City Operations team are also planning recurrent engagement with impacted teams, including opportunities to comment, question or feedback on progress.

## **11. Background Papers**

11.1. Appendices available

- Appendix 1: Organisational Design Phase 1 – Building a Leadership Structure for the Future
- Appendix 2: Out of Hours repairs – Change to core hours
- Appendix 3: Estates and Facilities Stores Provision – Consideration for third party provision
- Appendix 4: Better use of digital and data – including telematics, process mapping, revised KPI's and re-mobilising E&F systems
- Appendix 5: City Operations Scope
- Appendix 6: Full breakdown of forecasted savings by project

- Appendix 7: Equality Impact Assessment
- Appendix 8: Climate Change Rating Tool

**11.2. Background papers used in the preparation of this report:**

- Update on the Direction of the Future Council and Organisational Design October 22 Strategy and Resources Paper
- Draft Budget Consultation summary report BSR 23-24
- Depot Relocation Project - Options Appraisal Submission date: 26 April 2021

**12. Inspection of Papers**

**12.1.** To inspect the background papers or if you have a query on the report please contact Aiesha Feldwick, Organisational Change Lead, email: [aiesha.feldwick@cambridge.gov.uk](mailto:aiesha.feldwick@cambridge.gov.uk)