

SCRUTINY REVIEW PANEL 3 – FUTURE EALING

MINUTES

Thursday 22nd February 2018

PRESENT: Councillors: Josh Blacker (Chair), Theresa Byrne, Paul Conlan, Kate Crawford, Tariq Mahmood, Gary Malcolm (Vice-Chair), Rajinder Mann, Dee Martin, Karam Mohan, Joy Morrissey, Swaran Padda, Ian Proud and David Rodgers.

Other Members in Attendance:

Councillor Julian Bell - Leader of the Council
Councillor Peter Mason - Portfolio Holder for Prosperity, Skills, Employment and Transformation

LBE Officers Present:

Harjeet Bains - Scrutiny Review Officer
Liz Chiles - Director of Human Resources
Cornelia Harding - Democratic Services Officer
Paul Najsarek - Chief Executive
Kieran Read - Director of Strategy and Engagement
Lee Teasdale - Democratic Services Officer

1. Apologies for Absence
(Agenda Item 1)

There were none.

2. Declarations of Interest
(Agenda Item 2)

There were none.

3. Matters to be Considered in Private
(Agenda Item 3)

There were none.

4. Minutes (30.11.17)
(Agenda Item 4)

The minutes of the meeting of 30 November 2017 were considered by the Panel.

It was noted that the list detailing the Council's in-house and outsourced services requested at the last meeting of the Panel had not been provided. It was noted that Panel Members still sought details of these services.

Resolved: That

- (i) the minutes of the meeting of the Panel held on 30 November 2017 be agreed as a true and correct record; and

- (ii) a list detailing the Council's in-house and outsourced services as referenced at the previous meeting of the Panel, be requested by the Panel.

5. Modern Council (Agenda Item 5)

The Chair welcomed Councillor Julian Bell (Leader of the Council), Liz Chiles (Director of Human Resources and Organisation Development), Councillor Peter Mason (Portfolio Holder for Prosperity, Skills, Employment and Transformation), Paul Najsarek (Chief Executive) and Kieran Read (Director of Strategy and Engagement) to make a presentation to the Panel on how the Council would achieve continuous service improvement, staff development and organisational efficiencies through the Modern Council programme.

Introduction

Councillor Bell introduced the presentation – stating that Future Ealing was the number one priority for the administration politically and for executive officers facing significant budgetary challenges. A series of staff engagements had taken place to help them understand the need to buy-in to Future Ealing, given the financial context the Council was in – that of rising demands and fewer resources.

It was vital that Future Ealing was taken forward in such a way that did not lose sight of the outcomes that Ealing's residents required. That was why there was an emphasis on balancing fewer resources with retained quality services and key outcomes. Work had taken place with Local Strategic Partnership (LSP) members to ensure that they played a part in the process of defining the sought outcomes.

Councillor Mason stated that in order for Future Ealing to succeed there needed to be absolute clarity around its purpose, its vision and the sought outcomes of changing the lives of residents for the better. These outcomes would benefit everyone in the community by reducing anti-social behaviour, by reducing the number of looked after children, by providing more commercial and housing developments, by supporting more adults in the community and many other initiatives.

The Council was at a crossroads where one option was to attempt to stick to 'business as usual' and manage a slow decline in services. As an alternative to this, Future Ealing sought to avert such managed decline – providing exciting opportunities amongst the challenges to radically rethink the way in which it delivers services to residents. This would be a significant cultural change, so appropriate engagement with staff, and with residents, on how this future relationship was taken forward was key to the success of Future Ealing.

Strategic Context

The Chief Executive of the London Borough of Ealing, Paul Najsarek, was then invited to speak further about the plans for Future Ealing. He opened by placing it within the current context that Ealing as a local authority faced.

Like most authorities in London, Ealing had been faced with major decreases in government funding, a changing demography and a growing population. The

changing demographics contributed towards significant financial pressures in services for the elderly, the vulnerable, homelessness and adults' & children's social care. Essentially the Council had to provide more robust service delivery and support with reducing resources.

In the midst of this there was also need to preserve all that was good about Ealing as a borough and an authority. In spite of reducing resources, the Council had retained a high level of resident satisfaction. The Council now needed to take this satisfaction and develop it into direct engagement.

Further outcomes that the Council sought to achieve were highlighted. It was explained that the Council Tax increase agreed by Full Council on 20 February 2018 would allow more scope for these to happen. If the Council improved the outcomes in areas such as Adults Services' and Children in Care – then significant benefits to the public purse would be seen.

Future Ealing had now been active for 12 months. The first year had seen the retention of high quality services and the delivery of transformation. The development of transformative services had led to the introduction of the Better Lives programme, a new Homelessness Strategy and a Work & Health Employment Support programme in conjunction with the West London Alliance (WLA).

Over the 12 months, in advance of £33m of savings that had not damaged outcomes had been found. Care Quality Commission (CQC) ratings of Council run care facilities had in fact been improving in this time. The period had also seen the adoption of new digital and customer strategies and the encouragement of strong partner buy-in via the Local Strategic Partnership.

2017 had also seen a peer challenge take place at the Council. Some of the feedback received had included a recommendation to increase the pace of the transformation and resource it accordingly, and to further empower the workforce in helping transform the organisation towards a more outcome-focused approach.

Questions

The Chair thanked the officers for the introductory presentation and invited questions from Panel Members. The Chair began by making reference to the peer challenge recommendation to increase the level of pace and the level of resourcing. With limited funding available, was this possible?

The Leader of the Council stated that the Cabinet was working closely with officers to be in a position to achieve a balanced budget whilst still creating the headroom to find the monies needed to scope for further transformation. The Digital Strategy was cited as an example of transformation that required significant initial input to allow for the much larger savings outcomes that would follow in the longer term by pursuing such new ways of working. There was confidence that the capacity was there to undertake the sought after transformations within the resources available.

The Chief Executive advised that the costs of implementation were built into the overall projected costs – there would be some one-off costs but these would not render any projects untenable.

The use of Council reserves was briefly discussed. It was highlighted to the Panel that some of the draw down had been to fund temporary project capacity with the reassurance that this would not be a permanent recurring spend.

It was also highlighted that wherever possible, monies were set aside to give scope for staff development, allowing for ongoing training opportunities.

Councillor Byrne questioned the value of public engagement in the change programme. She considered that the vast majority of residents in the borough would not want to see the Council have direct involvement in the “running of their lives” and would rather that the Council just provided hands off and good value public services in an efficient way.

Councillor Mason stated that the Council had been engaging “in the spaces” in many different ways for some time – be it through education, health or affordable living. The purpose of Future Ealing was to ensure high quality for the individual – by working with residents, the Council could better provide the outcomes they sought.

Councillor Byrne stated that similarly themed local government schemes had taken place during the 1990s without much success. She felt that Future Ealing was based around constantly experimenting to see what sticks – was the Council ever going to settle down into a set approach and find a way forward?

The Leader of the Council explained that the Council needed to respond to decreasing government funding. This was fiscal climate change, and the Council could not just “batten down the hatches”. Whilst Future Ealing was not solely about addressing the Council’s finances, it remained an important facet of where the Council stood. The Council absolutely needed to be more innovative, and in doing so had to take more risks. The Leader felt that there was a healthiness in this approach, certainly more so than becoming “stuck in a rut” and refusing to face up to the challenges that could not be ignored.

The Chief Executive stated how changes external to the Council also drove the necessity for consistent innovation and changes, such as the challenges of a changing demography and population. There was recognition of the ‘annoyance’ that could be felt when innovation became tied up in “management speak”. However, the Council was making a concerted effort to get back to the roots of public service values and away from the obfuscation that could result from such programmes. Future Ealing would be built upon trust, honesty and caring about the quality of the life of the borough’s residents.

Councillor Byrne stated that after 30 years of working alongside the public sector, she had witnessed many examples of management overestimating the benefits of change. There needed to be a careful approach, and that the programme was not led with a view to selling it as the great panacea to cure all the ills brought about through funding cuts and demographic changes.

The Chief Executive stated that he always took a cautious approach towards embarking on big changes in ways of working. Particularly when such changes involved safeguarding scenarios. Part of ensuring the success of Future Ealing would require Councillors to ‘hold their nerve’, and make sure they do it ‘right’ rather than ‘fast’. The caution of members was understandable but there was a way to achieve

such ambitious goals whilst staying true to the public values that the Council needed to ensure it still adhered to.

Councillor Rodgers stated that he was proud to have seen the Council cope with some very severe funding cuts without it damaging service outcomes. A great example of this being the Better Lives Programme, which had managed the feat of finding nearly £8 million of savings in the past fiscal year alone whilst at the same time providing better outcomes than it had previously. Other examples of positive work in the authority included the reintroduction of the council tax support scheme and the regeneration work taking place around Copley Close.

However, he felt that there was a limit to the amount of good work the Council could undertake with this approach. He did agree with the focus, and the need to undertake such ambitious programmes given the budgetary context. Where he had a concern however, was the need for the authority to see the bigger picture, and place the programme work within a wider political and economic context.

Whilst he understood the internal focus, it did need to be placed in the wider context. He felt that the peer challenge comment suggesting the need to “Shape the future vision of Ealing as a place” was a key phrase. How could the Council help to build community wealth rather than having to watch the wealth be sucked out by neo-liberal conglomerates that did not contribute back into the local area. Cleveland in Ohio, USA and Preston in Lancashire provided good models of work being undertaken with local partner organisations and anchor businesses.

The Leader of the Council stated that LSP and WLA provided forums in which opportunities to deliver wider scale improvements for all west London residents were sought. Examples of work being undertaken to benefit the local economy were cited. During the inception of the Dickens Yard project statistics had indicated that around 70% of Ealing’s GDP was spent outside the borough. Dickens Yard was about trying to pull some of that spend back inwards.

The Morrisons supermarket on Ealing Broadway was also mentioned. It was agreed that the supermarket would employ local people from some of our more deprived areas of the borough that had seen the highest levels of unemployment – this created 200 jobs for local people.

Councillor Malcolm asked if officers had taken account of the potential negatives arising from Brexit and any other potential changes on the horizon that could have a detrimental effect on the national economy.

The Chief Executive stated that officers planned as much as they reasonably could, given that the potential impact and position of Brexit was heavy on unknowability at the present. Pushing hard on regeneration was an important response to such concerns – Ealing needed to be made an attractive a place as possible to work, as staffing would be an immediate concern in the wake of Brexit. Lower paid sectors were already seeing issues arise from this – adult social care in particular could be very hard hit.

Councillor Kate Crawford referenced the many developments taking place in North Acton. The larger developments had related S106 agreements which she considered to be very exciting. These focussed on building the workforce and delivering jobs.

Many of these new developments were ideal small businesses which could help to foster a local workforce. However, many of the agreements were generalised, where in the past they used to be more specific in their aims. She stated that she would like to see more work taking place with local councillors and officers to help in developing a greater understanding of opportunities within the local area.

Councillor Joy Morrissey expressed concern around the lack of guarantees when it came to social housing and social rent. Could there be commitments made on this? It was very important to help residents feel they had security of place, and in turn would help to create a more balanced social structure. She stated that she would also like to see more pressure placed on businesses to hire local people like that seen at the Ealing Broadway Morrisons branch. Given the many rail works taking place within the borough, she considered that it would be good to see rail companies hiring local skilled engineers to undertake such rail works.

The Leader of the Council stated that he had confidence that the Council was leading the way in many areas of innovation. For example, the Council was the first to set up its own private development company in the form of Broadway Living. There was a subset in place for social homes and these were the most affordable – though it was conceded that the definitions of “affordability” were increasingly untethered. Hard work had been taking place with registered social landlords, and the Council was leading the way on estate regeneration such as the regeneration works being seen on the South Acton Estate. The ‘Right to Buy’ scheme was also something that had to be factored into decision making and investment.

Councillor Mason stated that land was a completely broken market at present – with land value having become unrealistic – and there were problems around Council assets being sold out from underneath the Council via right to buy. The ability to deliver social stock at the rate ideally sought was considered impossible within this market – and to fix the market, the Council would require powers that it did not currently have.

With regards to local employment, Councillor Mason stated the need to match the opportunities provided by employers in the borough with residents who had the relevant skills and training for the role. St George was setting up a project for young people in the borough that would provide training on engineering and other skills.

Councillor Proud enquired as to how much investment from other areas was coming into the borough. He then made reference to the Preston local economy model referenced earlier – was it likely that the nature and context of the borough would see too much ‘overlap’ with other areas to make such a standalone model viable in reality?

The Leader of the Council agreed that Ealing as a London borough faced different kinds of challenges to those seen in Preston. The Panel were advised that a WLA Prosperity Board project was being launched in the next week to promote West London as a place for investment.

The Leader stated that whilst some people may criticise the Council for attending events such as those held by MIPIM – there was a vital need to promote Ealing to the business world and to make sure the chances brought by Crossrail were fully capitalised upon. Many councils had elected to cut regeneration staff and there had

been a conscious decision at Ealing not to do this – which in hindsight had proved a wise decision. Ealing had been a leader within London in terms of what it had undertaken on regeneration works.

Councillor Mason stated that Ealing could elect to compete with other boroughs – however, as one of 33 within London that would be a difficult prospect. The challenge therefore was not to compete, but to seek the best outcomes – and these could be best found through collaborative working across all sectors, and finding benefits such as economies of scale. When councils worked together and recalibrated their outcomes, better results had been seen.

Future Working

Liz Chiles (Director of Human Resources and Organisational Development) was then invited to present on Future Ealing from a staff perspective.

Staff engagement sessions on Future Ealing had commenced in January 2017 – with regular updates, sessions with the Leader and Chief Executive and further staff briefings on Future Working having taken place since. A staff survey had been undertaken in October 2017 and a New Ways of Working (NWOW) session had been held with managers in November 2017 (with a follow up due to take place in March 2018).

Feedback from staff briefings had shown that most staff agreed on the need for an outcome-focused approach. The staff survey outcomes had proved broadly positive, and were largely in alignment with a similar survey undertaken in 2015. It was considered to be an achievement for the Council that in such a challenging environment it was “holding its ground” in terms of staff positivity.

The NWOW strategic objective was described to the Panel as being able to provide:

A flexible and agile workforce, enabled to work effectively from any location, including a smaller, cheaper new work environment, which can also function as a public service hub.

The expectations of NWOW were that virtually everyone could be a flexible worker, subject to business needs and personal circumstances – with this in mind, staff would be encouraged to work from home or away from the office as appropriate. Office space would be moved to a ratio of 10 people to every 6.5 desks available. The majority of these desks would be hot desks contained within flexible working zones.

There were also ambitions to move towards a paperless approach, and to help manage the changes the NWOW programme would provide the relevant training, development and support.

Questions

Councillor Martin made reference to agile working. The ability to work remotely through Council equipment was currently considered to be ‘patchy’ at best – what was being done to improve this?

It was advised that NWOW workshops had recognised issues around working off-site. It was agreed that if the culture change was to be enabled, staff would need to get used to hot desking, which in turn meant that they needed to be given the confidence that the equipment being rolled out to them would equip them appropriately for future working.

Councillor Martin then made reference to outcomes. As time passed focus could often shift away – how could the approach to the outcomes be maintained. Did management need to think more about how staff genuinely engaged with these?

It was advised that engagement was part of the plan. It was important that managers take on board responsibility for outcomes within their teams. This tended to be easier within front-line departments than within back office functions. There was still a long way to go but the journey was proceeding.

The Chief Executive stated that collaboration was an important value, there would be encouragement of cross-team working and the breaking down of silos mindsets.

Councillor Mahmood expressed concern that when we wanted to contact officers who were working from home, he had been advised by an officer that they would only communicate with him via email when at home – which he did not feel was satisfactory. Would this be broached?

It was advised that not all staff had all the technology required for working in a fully remote way presently. A lot of staff members now had Skype on their Microsoft Surface tablets and were making use of that.

Councillor Mahmood then asked if the Council had a policy around looking to hire locals into roles if possible in the first instance?

It was advised that for apprenticeship roles the Council looked to hire from within the borough. However, for roles within the wider Council, officers looked for the best skills and talent for wherever it could be procured. A policy to only hire staff from within the borough would not be workable.

Councillor Byrne felt that attempts to move to paperless working would prove to be fruitless given her own experience of organisations trying to make it work. With regards to remote working she highlighted two key issues. Firstly, health and safety concerns – was where the staff member was working from fully investigated in this regard? Also, the increased costs to the worker – such as having to pay more for their electricity and heating. Could this be seen as a way of outsourcing costs onto the worker?

It was advised that a health and safety assessment policy was in place for staff working from home. In terms of costs, it was stated that staff had not raised this as an issue – many of the costs were offset by the benefit of not having to travel. It was reminded that staff members were not obliged to work from home if they did not wish to.

Councillor Malcolm asked if an actual project management system was going to be in place for agile working? If it was not already in operation, would future trialling of it be possible? As it was felt that it could work well in some areas for finding efficiencies.

It was advised that this was being piloted with ICT colleagues but had not been spread widely amongst staff at present – as officers were still early in the conversation.

Councillor Mann enquired as to how much could be saved through remote working. It was advised that there would not be much in the way of savings initially - but there were benefits in terms of staff welfare at present and the ability to be flexible. The new reduced offices could see monetary savings in future.

The Chair stated that whilst the ambition was to provide better outcomes with less – the staff survey had indicated that they were only at the same level of satisfaction as two years previously. Was too low a standard being set?

It was agreed that there were elements that still needed addressing – and a close watch would be kept on staff morale and welfare.

The Chief Executive stated that the developments taking place would be a tougher ask of staff than of residents. There would inevitably be some stress arising from this, especially for those whose posts would be at risk. Even those whose jobs were not at risk often had mixed feelings about the results, given that they were losing close colleagues in many instances.

Continuous Improvement and Efficiency

Kieran Read (Director of Strategy and Engagement) spoke to the Panel about plans around continuous improvement and efficiency (CIE). CIE would provide the opportunity to transform the organisation and its operating model so that it would be sustainable, fit-for-purpose and innovative in how it met the outcomes sought through Future Ealing and Modern Council.

The logic of the exercise was to prioritise the resources available to spend on delivering ongoing efficiencies – to allow this; proposals had been developed across two areas:

- Cross-cutting functional review
- Management restructure

Phase 1 of building the evidence base for CIE was about to be completed. It had commenced with initial evidence gathering in September 2017 and would conclude with the opening of consultations with affected staff from 28 February 2018.

In addition to these proposals allowing for up to £5m in medium-term financial strategy savings – it was considered that CIE would also allow opportunities around the consolidation of capacity. To review management structures across the organisation and establish where management lines were no longer viable so that layers of bureaucracy could be reduced, business processes improved and organisational resilience increased.

There were opportunities to deliver change by addressing historical anomalies in grading and structure, this would further empower the redesigning of cross-cutting

functions within the Council and enable re-configuration where necessary to provide a more modern and consistent service across the Council.

A key recommendation arising from the peer challenge had been to place further capacity within the programme management team leading on Future Ealing. Therefore, work was already underway to address the need for extra capacity within the Project Management Office (PMO) based in the Chief Executive's directorate. Strategic use would also be made of external capacity. This extra capacity would allow for further integration work and problem solving as well as monitoring. It was therefore considered that this relatively small level of investment into co-ordinating sequencing would pay dividends in helping to ensure the success of Future Ealing.

Questions

Councillor Conlan asked for further detail on the expectations and deliverables that would arise from CIE. With regards to external capacity, how many consultants were being used and what exactly would they be contributing?

It was advised that the minimum expectation was to allow the consultation process to proceed in full. There was a lot of responsibility placed upon the management side to ensure that they had credible plans in place.

There would be a mixture of external capacity investment. Work had been taking place with Ernst and Young and they had brought a lot of expertise from undertaking similar exercises previously. Their expertise would allow for a smoother process, and they would be facilitating the project management process. As time passed and the new ways of working following the consultations bedded in, there would be a shift back towards internal capacity.

Councillor Martin commented on how CIE would lead to radical change within the organisation. Was it being proposed to undertake all the necessary consultations at once? And were officers confident that this process would cover all bases? She also enquired as to how councillors could become more involved in the process as it progressed.

The Chief Executive advised that it was considered better to undertake the process very thoroughly in the present period to avoid having to go through such an organisational reduction regularly. The Council had been very pragmatic about its approach to the workforce over the years – however, as part of Future Ealing it was important to consider whether the strands of management across the organisation were fit for purpose going forwards.

The Director of Strategy and Engagement advised that the process would not take place all at once, but would be undertaken through at least three waves. Part of the thinking behind this would be to minimise the complexity of the changes, for example any changes within Human Resources would take place in the final wave to ensure that a full complement of HR support was available for staff affected by the earlier waves. Management would of course be looking at where existing vacancies were unfilled to try and minimise the need for reduction where possible.

The Director of Human Resources and Organisational Development advised that the consultation documents would be published in detail – and that links to these would be forwarded to members of the Panel.

Councillor Byrne questioned how much actual consultation would actually take place with staff. Was there going to be real negotiation, or would it be more a case of telling the staff what is going to happen with a sense of “take it or leave it”.

The Leader of the Council stated that there was an absolute willingness to listen to alternative proposals and amend them appropriately where it was agreed that a good idea had been suggested.

The Director of Human Resources and Organisational Development advised that management would be working very closely with the trade unions throughout the process. A meeting with them was due to take place in advance of the consultation process beginning on 28 February. As part of the process, managers were asked to come back with alternative suggestions, and sometimes these were activated where practicable.

The Leader of the Council emphasised that he and Councillor Johnson (Portfolio Holder for Finance, Performance and Customer Services) always operated an open-door policy for unions to visit them.

Councillor Byrne stated that it would have been interesting to hear directly from the unions with their reactions to the proposals. She then asked for more detail to be provided on the usage of data.

It was advised that there was a need to maximise the use of the data held, to help in understanding levels of performance and knowledge of the wider market. Some of the aspirations related to this were best set out in the customer and digital strategy. The Director of Strategy and Engagement stated that he would forward links to the Panel on this.

Councillor Morrissey stated an admiration for the diplomatic nature of the diagram in which what could be seen as essentially a period of redundancies was being addressed. However, it was felt that the vague nature of the report at present lacked detail for Panel Members to properly scrutinise.

It was advised that this section of the report had a purposeful vagueness at present due to the proximity of the timing to the consultation announcements due to take place the following week. It was only fair that affected staff received the full set of information first before moving onto wider conversations arising from the changes.

The Chair referred to ambitions around moving towards less silo working and the establishment of clearer lines of accountability. Who would own the governance and accountability around this?

It was advised that the Cabinet would hold the overall oversight, and the Corporate Board which met monthly would also have responsibility. Governance at this level had been rationalised – there had previously been standalone boards in place for many issues that had large cross-cutting elements and the same officers sat round

the table. This was not considered to be the best use of time, resources or management, so the process was rationalised down to a single project board.

Challenges and Next Steps

The Chief Executive highlighted the next steps to the Panel. The Nature of the programme would mean that projects kept being developed and worked through, throughout the process. Whilst there would still be an annual budget setting council meeting each year, there would be ongoing budgetary work throughout the year.

The Chair then thanked all the senior officers present for their attendance at the meeting and drew the item to a close.

Resolved: That

- (i) the report highlighting how the Council would achieve continuous service improvement, staff development and organisational efficiencies through the Modern Council programme be received;
- (ii) the Director of Human Resources and Organisational Development be asked to forward consultation documentation to the Panel; and
- (iii) the Director of Strategy and Engagement be asked to forward links to the Customer and Digital Strategy to the Panel.

6. Panel Operations 2017-2018 (Agenda Item 6)

The Chair advised the Panel that the draft final report would be considered at the final meeting of the Panel. He asked that if Panel Members wished to suggest recommendations for the final report, that they be fed through himself and the Scrutiny Review Officer.

It was advised that the possible external visit to Wigan Council had to be delayed due to the unavailability of convenient dates. It was suggested that a future panel could consider such a visit.

Resolved: That the Panel note the updated work programme;

7. Date of Next Meeting (Agenda Item 7)

The Panel were advised that the final meeting of the Panel would take place on 12 April 2018.

Councillor Josh Blacker, Chair.

The meeting ended at 9:20pm.