

**Dave Greene:
Portfolio Holder for Operational Resources**

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1. Introduction

- 1.1.** This report provides a summary of the main activities that have taken place over the previous 12 months within my Portfolio.

2. Southwest One

- 2.1.** Acting as a Director within our joint venture company, Southwest One (SWo) and as Portfolio Holder for the County Council, I have been directly involved with all aspects of its operation across the past year and taken a personal interest in its development. I am proud to report that overall, SWo have continued to provide high levels of support services to its client authorities, ourselves, Taunton Deane and the Avon & Somerset Police across all service lines. We have, however, recently experienced some real challenges in implementing our new SAP information system, part of which went live on 1 April 2009. I can assure Members that every effort is being made by both SWo and also the partner authorities to resolve the problems and ensure that effective use of the system is enabled but also that we ensure our key service providers and suppliers are paid on time whilst this work progresses.
- 2.2.** Returning to the routine delivery of support services, officers within the County Council's dedicated Client Services Team have provided regular updates to Members throughout the year in the form of reports to the Audit and Resources Scrutiny Sub-Committee and the main Scrutiny Committee on all aspects of SWo service provision. From this, I am pleased to report that there have been no failures with any of our required KPIs (Key Performance Indicators) within the contract during the financial year 2008/09. Overall service has exceeded the contracted levels, and will further improve into 2009/10 but we will need to monitor the impact of the SAP implementation on the business as usual service in the early months of this financial year. It has taken some time to verify all of the measures within our KPIs, but I believe this has made for a stronger and more transparent data set overall. Officers were also able to negotiate a further performance mechanism into the contract this year in the form of 'Business Critical KPIs', which further 'prime' a handful of absolutely key performance measures over and above the checks and measures originally contracted to ensure they are delivered. Whilst we do not wish to see a contract based solely on KPIs, this work is nonetheless important to lay the proper foundation for performance management over the contract term.

- 2.3.** Members will be aware that a good deal of effort during the creation of SWo went into developing a robust legal 'framework', which would allow public sector organisations to join SWo and draw upon its services without the time, cost and risk of running their own independent procurement process. Following the receipt of detailed Counsel Opinion from Richard Mawrey QC on this aspect of our contract, I am particularly pleased to note his view that our framework is considered sound, robust and fully accessible to a wide range of public sector colleagues across the South West region. This Counsel advice can be viewed in full on the website of our colleagues within the Southwest Regional Improvement & Efficiency Partnership (RIEP), to whom I must record our thanks in respect of the overall support they have shown to the SWo partners. Staff from both IBM and the partner authorities have spoken with a range of organisations about the opportunities available to them in respect of SWo over this past year, and work to expand the client base of SWo will continue across the next year and beyond.
- 2.4.** In terms of some of the challenges we have faced in the last year, I must remind colleagues that SWo enjoyed cross-party support to approve its creation, and such support is critical to moving forward if we expect to enjoy long term success, given the central position of SWo within our organisation, our role as shareholder and the duration of our agreements in respect of contract length. Despite this overwhelming support, there have of course been difficulties for us to manage this year, not least in respect of the employment tribunal which questioned the manner in which the Authority consulted with Unison as regards the Staffing Agreement we designed for secondees entering SWo. The result of the tribunal was that the Unison claim was not upheld, but putting to one side the cost and tensions generated by a claim of this nature, and my own view that the assured employment secondment agreements we put in place for SWo staff are of high quality, I want to concentrate now on ensuring union relations in Somerset are strong and supportive moving forward.
- 2.5.** In respect of transformation activity, you will be pleased to hear that the initial five projects which are being progressed in 'Wave One' of this ambitious programme have made good progress. The 'Professional Excellence Model' (PEM) to support the training and development of SWo staff has progressed very well, and continues to develop through a dedicated team within SWo. The Wellington 'proof of concept' work, which aims to provide far better information about how customers wish to access our services has nearly completed. The major project to transform procurement activity across the whole organisation has delivered the first stage of its 'Category Planning' process, and around £50m (with £20m already signed off) of potential savings and efficiencies have now been identified across the various categories. The suite of projects related to implementing the SAP platform are considerable in terms of scale and complexity and have been tremendously challenging to deliver. We took the decision to 'go live' with the delivery of the finance and procurement aspect of SAP on 1 April, and are planning to implement the rest of the SAP modules in the summer to bring the whole system on line. Despite the very real challenges, we know that SAP is central to our transformation activity and I know that all parties are working hard at every level to make it a complete success.

- 2.6.** Finally, I should take a moment to record some of the other successes we have enjoyed this past year in relation to SWo. Bringing together three very different organisations into one structure to support a shared services environment is a complex and time consuming exercise, but it has been done quickly and efficiently, and Service Heads are in place to take forward the new, combined teams, many of whom have been appointed from the County Council's SWo secondees. SWo have now started to appoint their own staff, thus growing the core organisation, not least through the appointment of a 'Chief Procurement Officer' who will be responsible for driving forward many of the identified savings from the category planning process. All our activity to drive and develop our SWo joint venture was recognised by the Local Government Chronicle in their recent annual awards through a shortlist in the 'Best Public/Private Partnership' category and I look forward to reporting further positive recognition into 2009/10.

3. Design and Print

- 3.1.** Design and Print (D&P) had a successful start to the new financial year and the exciting ten year business plan ahead of them. Southwest One has created an excellent working environment and has offered sustainable employment to staff and we are already seeing the benefits brought by the merging of the three locations as a single department.
- 3.2.** Costs from external suppliers have been reduced through new procurement controls which manages how goods and services are purchased to ensure that value for money is achieved and the benefits are passed on to the client.
- 3.3.** In the first year D&P benefited from investment in the design studio with new Apple Mac computers and upgrading of software, keeping the unit up to date with all the latest technologies within the industry and enabling the unit to offer clients an improved service.
- 3.4.** D&P staff have all been involved with PEM which has offered the individuals training opportunities and identifying areas of development to help better the business for both parties.
- 3.5.** Last year D&P started to experience the start of the economic downturn which meant budget constraints for clients, making it a tough end of year to improve on last years turnover. With this background in mind it was encouraging that income again was over £1 million.

4. Somerset Direct (now known as Southwest One Customer Contact)

- 4.1.** Somerset Direct is now part of the Customer Contact Team within Southwest One incorporating both the SCC and TDBC call centres. Over the past year both teams have delivered a consistently high level of service and the SCC team has met all agreed KPI's and SPI's. The SCC customer advisors have answered over 88% of calls within 20 seconds (target =80%) and 3% of calls were abandoned (target less than 5%).
- 4.2.** The 2nd floor of Deane House has been refurbished to accommodate both call handling teams and over time they will be fully cross trained to provide a greater degree of service resilience for both authorities. Although there have been some initial teething troubles with the new telephony platform the SCC staff have started to move into Deane House and they should all be fully in place by 15th May. The space they currently occupy in County Hall will then be available for reuse. The Adults and Children's call handling teams remain in Wellington House. Having two call centre locations provides a valuable business continuity option should either site fail for any reason.
- 4.3.** A number of key initiatives have been implemented or are being progressed.

The Customer Contact Team has a dedicated Training Co-coordinator and all staff have recently participated in comprehensive customer service training. To further support this all Team Leaders have had training to enable them to coach their teams to further develop their customer service skills.

A sample of calls is reviewed each month and compared against a template of agreed quality standards to support the development of the customer advisors and the service that we provide to our callers.

A Workforce Management system is being implemented so that staffing levels can be more precisely matched to the fluctuating profile of incoming calls.

An automated customer satisfaction survey system is currently being piloted on the General Enquiries line and the initial results show very high levels of satisfaction with this part of the SCC call handling service.

Significant work is taking place in preparation for the implementation of the SAP CRM system that will replace the current Northgate CRM system.