

## Benefits Proposal

<b>Opportunity Name:</b>	Resident Focused Organisation		
<b>Opportunity Description</b>	<p>This work underpins LCC's approach to delivering services as an organisation. It aims to ensure that the Council is organised to deliver and execute on its objectives efficiently and effectively. This is achieved through optimising organisational design, reducing agency spend, reviewing the operational delivery models, developing a performance culture and exploiting supporting technology.</p> <p>This work needs to be undertaken whilst delivering significant new ways of working to improve service quality and efficiency in all other areas of LCC, in the context of building towards LGR and other policy changes.</p>		
<b>Existing MTFS lines relating to opportunity</b>	CR2 Customer Programme £400,000 CR3 Transformation Unit Efficiencies £70,000		
<b>Quantified opportunity over MTFS Financial Value</b> (net of ongoing costs and net of existing MTFS value)	Once programme is established a £2.5m p.a. run rate is expected to be achievable. Accounting for partial savings in 2026/27 this equates to an £8m saving over the MTFS	<b>Confidence level of value</b>	Medium  Significant further work on a service-by-service basis is required to fully define and enable the delivery of these savings and service improvements.
<b>Evidence behind opportunity, local levers and proposed solutions:</b>			
<p>There are four related parts to the opportunities across the operating model and a summary of how it is proposed to develop these over time are shown below:</p>			
<b>Opportunity Line</b>	<b>Proposed sequential order</b>	<b>Key next activities</b>	<b>Specific dependencies on LGR announcement</b>
Delivery Model	Understanding the delivery model will establish the starting point for the organisation to be designed	Overall operating model vision of the Authority, to guide other design activity.  Prioritised service list for review  Review the current arrangement for service delivery, covering internal versus external mix, delivery basis (e.g. geographic or resident type) and level of centralisation versus decentralisation.  Resident access options for relevant services will also be reviewed	Can help preparedness for LGR by simplifying the organisational structure and understanding how it can scale or disaggregate

Organisational Design	The delivery model and to a lesser extent the LGR announcement will inform the organisational shape around which staffing structures are to be optimised.	An operating model vision of the Authority to be built making clear role of central services and directorates  Detailed redrafting of organisational structure in light of: Opportunities identified during ER, LGR announcement and knowledge of other organisations	LGR will impact the shape of some roles which have the opportunity to be combined or need to be split
Agency	Can start as and when the resource is ready to instigate the work Areas of priority already identified	Detailed analysis and re-design of recruitment pathways  Re-specifying roles to remove certain requirements to make them easier to recruit into	Low
Efficient & Effective	Prioritise order based upon potential benefit (financial and service standard), LGR impact and resource demand on service to deliver other improvements	Leadership and management development within services to enhance the performance culture  The development and embedding of productivity and quality KPIs across all impacted teams  Set financial and service improvement targets  The embedding of a work allocation process where appropriate and not already in place  Problem solving and improving the work process including the embedding of AI and other technology	LGR may result in significant changes in leadership teams and core data systems which may pose a risk to sustainability of changes that needs mitigating

Note: there is a general consideration as to whether the LGR decision impacts decision making powers ahead of the new unitaries.

**Delivery Model:**

The majority of services, including internal, are delivered by bringing together a range of resources and expertise from within LCC and externally. This activity looks at the potential to improve performance through varying the delivery model.

Alongside financial benefits assessment will include implications for residents where proposals have direct implications.

**Organisational Design:**

Staffing spend is the second highest area of spend in the Authority at £274m. The vast majority of this expenditure delivers services for residents, either directly on the front-line or by enabling provision e.g. service locations and IT. To impact the spend on staffing will require changes to how staff delivering front line services are operating.

By analysing Oracle data investigative work has been undertaken to analyse every role (including pay, reporting lines and hierarchy) in the organisation.

What this work has found:

- High level benchmarking shows that overall LCC performs well compared to other Local Authorities
- There is limited opportunity in “layers” of the organisation in their own right. Where initial analysis pointed to this opportunity this was due to overlapping staff structures within Oracle – e.g. Libraries within Adults and Communities.
- Within each Directorate there are opportunities that this work has highlighted around
  - o Spans of managerial control
  - o Ability to combine roles
  - o Ability to remove roles
- There are considerations around the timing and detail of when to realise these opportunities based upon:
  - o The impending LGR announcement and decisions that will need to be taken about planned shape of the organisation
  - o The potential to minimise the cost of redundancies by exploring a range of mitigating measures, including managing workforce reductions through natural turnover, e.g. retirements, leavers, where appropriate.
  - o How well the current arrangements are optimised given level of budgetary responsibility and strategic change required.

**Agency:**

Through this process every invoice for agency spend has been analysed and attributed back to the department, role and level of pay incurred.

What this work has found:

- Just under £15m of annual spend exists on agency and ~72% of this is on long term cover of >1 year.
- The cost differential between agency and LCC permanent staff varies widely from being slightly cheaper for some roles to 41% more expensive for other roles
- Areas of high agency spend highlighted were already known to Leadership, however there have been sustained challenges to the recruitment of staff in those roles with significant agency premium
- At both an organisational and departmental level, there are opportunities to improve the Council’s approach to recruiting and onboarding permanent and temporary staff. If permanent recruits can be sourced the opportunity would be approaching £2 million

Improvement to be targeted include:

**Review and improve recruitment process:**

- o Review the end-to-end recruitment process to remove delays and improve the candidate experience (approvals, adverts, shortlisting, interview scheduling, pre-employment checks).
- o Review TOM for recruitment.
- o Create ‘ready-to-go’ job packs for high-volume roles (job description, advert text, interview questions, scoring).
- o Design regular campaigns for hard-to-fill roles.

**Make roles easier to fill:**

- o Review person specs - focus on what’s genuinely essential and lessen ‘experience’ requirements.
- o Introduce/review ‘grow your own’ routes into the council: work experience, interns, trainee posts, apprenticeships, supported year-in-role, return-to-practice.

- Consider market supplements / retention payments where evidence supports it (and cheaper than agency).

**Build an internal supply of staff:**

- Consider creating a managed staff pool for key roles, especially where demand is predictable.
- Put in place a structured temp to perm route for long-term agency workers where appropriate.
- Improve redeployment and internal moves so vacancies are filled faster.

**Improve onboarding and retention**

- Standardise onboarding so staff are productive quickly (first-week plan, buddying, training plan).
- Focus on early attrition, undertake analysis of why people leave in the first 3–6 months and fix causes.
- Strengthen supervision, caseload/workload management, flexible working, and development pathways in the hardest to recruit to teams.

**Efficient & Effective:**

Delivering efficiency and effectiveness improvements is a significant undertaking, taking between 3 and 12 months per area, requiring work across the activities set out below. Changes are unlikely to be limited to internal activity and changing the approach by which residents interact with services will fall within the scope of this initiative.

Through this work a holistic set of measures and KPIs need to be established which not only drive performance improvement but also highlight and drive mitigation of any risks to customer satisfaction and service levels. This is likely to be a combination of cashable savings and non-financial service performance benefits

**Enhancing the performance culture:**

Clear expectations about what 'good' looks like across all services and teams / role of the line manager, for example:

- Service standards and priorities in place (what matters most, why and by when).
- Set productivity and quality KPIs and review them routinely.
- Performance rhythm, e.g. team huddles, regular one-to-ones, and quarterly reviews.
- Train managers to have confident performance conversations and to use data to coach and support staff.
- Make continuous improvement part of day-to-day work.
- Recognise and share what works across services, so improvements spread quickly.

Develop financial and service improvement baselines and goals to establish measurable target improvements.

**Work allocation processes:**

The embedding of a work allocation process, where they do not already exist, optimises the process of distributing tasks and responsibilities amongst team members. This requires identifying the skills, strengths, and current workloads to ensure that tasks are assigned effectively.

By ensuring that tasks are assigned appropriately, considering individual strengths and workload capacity, teams can perform more efficiently and with greater focus.

**Improving the work process including the embedding of AI and other technology:**

Data collected during the staff survey have highlighted from staff opportunities and the desire to improve the effectiveness of ways of working. Key points highlighted by staff during the survey are:

- More streamlined processes including reducing the fragmentation of systems and duplications of work. This highlighted the potential of AI to support staff
- Support to further embed performance management including training and the development of digital tools to support this
- Changed ways of working in line with other opportunities presented during the Efficiency Review, including working with residents in a more preventative and proactive manner which will reduce long term demand (and work)
- More integrated working across different teams, within and outside of LCC, to reduce duplication of work and achieve more timely outcomes for residents (once again reducing work content)
- Digital tools to support staff and residents to more effectively navigate services and communication

The ER team has also taken snapshots of the potential to improve productivity across 6 different services in LCC, spanning each of the Directorates. The snapshots suggested a range of potential benefits, the weighted average productivity improvement potential across these snapshots is 14%.

Areas that typically benefit from this approach account for approximately 30% of the organisation staffing spend, which will further influence a significant amount of external expenditure.

Reduction in spend would be realised through a combination of staffing efficiencies, further agency reduction better management of third-party contracts. An additional on-going investment in technology is expected to be required.

<b>Officer Recommendation for next steps</b>	Integrate existing change activity into this single programme Develop prioritised service list for review and targeted agency work Develop overall operating model vision of the Authority, to guide design activity
<b>Newton Recommendation for next steps</b>	Complete key activities as set out in the table Stand up of programme team with right skills mix

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