Efficiency and place based asset management

Andrew Smith, OBE

Chief Executive, Hampshire County Council

The Power of Local Government

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Hampshire County Council

iese Accelerating public sector transformation

NIEA Built Environment

Local Government Group

Agenda

1. Efficiency Programme
    - Why have one?
    - What should it look like?
    - More for less?
2. Efficiency through sharing resources
3. Place based asset management solutions
4. Connecting the thinking
    - Why efficiency is not enough
    - Cutting costs won’t get you over the line
    - What does success look like?

1. Efficiency programme

Context

- HCC reduction one of the highest possible for county councils:
    - £120m savings needed between 2011/12 – 2014/15
    - Additional service specific grant reductions, cost of change & service cost pressures
    - 1,200 fewer staff by the end of 2011/12
- Not just Efficiency
    - Include Cost Reduction
    - Include Transformation
- What will success look like?

Efficiency programme

Hampshire County Council

Approach

- Protect frontline services as much as possible
- “Four years into two”
- 25% reduction in senior management
- Voluntary staff reductions wherever possible
- Managing the political interface
- Create departmental incentives to actively participate – retention of benefits
- Maintain “good behaviours”

Efficiency programme

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Approach

- Dedicated team established internally
- Engaged key service managers & untapped talent
- Cabinet & Corporate Management Team constant updates
- Demonstrated strong delivery – early wins & then big wins
- Established robust governance & risk management
- External validation

Efficiency programme

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Key work programmes

- Corporate Services Review: cost reduction & building capacity for the future
- Shared Services: building a new business
- Modernisation of Adult Social Care: removing high cost care

Efficiency programme

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Key work programmes

- Around 20 other workstreams, including:
    - Communications
    - Democratic infrastructure
    - IT costs
    - Contract renegotiations
    - House keeping
    - Recruitment moratoria, voluntary redundancy & senior management reductions
- Get them in the right order!

Efficiency programme

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Three critical success factors

- Staff:
    - Communication & keeping staff informed
    - Morale
    - Future resilience & capacity/capabilities

- Transforming & modernising the organisation:
    - Buildings - asset sharing & reduction
    - Technology - cost reduction & business processes
    - Culture - change

Efficiency programme

Three critical success factors

Partnership working:

- Hampshire Police and Fire joint working
- Asset management pathfinder
- Shared services - buying or selling
  - develop a strategy
  - organisational capacity

2. Efficiency through sharing resources

- Move towards being a “buyer” or “seller” of services
- Boundaries becoming increasingly porous
- Productivity gains through increased volume
- Sharing vs selling
- Hampshire Constabulary, Hampshire Fire and Rescue Services and Hampshire County Council example

3. Place based asset management solutions

- Hampshire Workstyle
- Havant Public Service Plaza
- Hampshire’s Capital and Assets Pathfinder

Hampshire Workstyle

Hampshire Workstyle

- Transforming the ways of working to a flexible environment
- Number of offices reduced from 53 to 15
- Total floor area reduction of 30%-35% (20,000m2)
- Reduction in operational costs of 20%-25%
- Revenue savings at least £2m per annum
- Capital Receipts for investment: £14m
- Carbon reductions for buildings in scope: 35%-40%

Havant Public Service Plaza

- Feasibility commenced September 2008
- Completion of project May 2012 – Phase 1 completed
- £13m of investment - £5m from former DCSF
- Co-location of 440 HBC staff and 300 HCC
- Other public sector parties: Voluntary and Health
- Integrated ‘front of house’ facilities
- Flexible working ‘back office’
- Shared FM and IT

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Hampshire - Pathfinder

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Hampshire Capital and Assets Pathfinder

Outline business case

Winchester One-City Strategy

Version 3.0 | Submitted: 8 December 2010

Winchester City Council

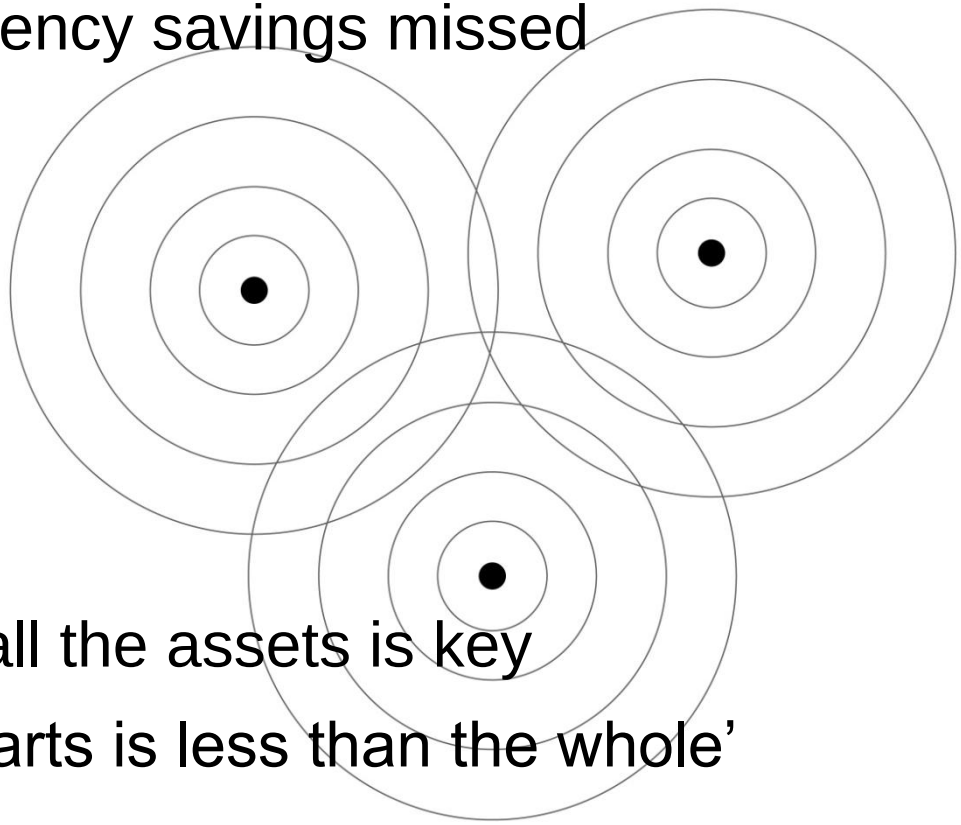
Hampshire Constabulary

Hampshire County Council

NHS Hampshire

Organisations working in isolation

- Each partner pursues own aims
- Limited overlaps and partner collaboration
- Potential efficiency savings missed



- Utilisation of all the assets is key
- ‘Sum of the parts is less than the whole’

Place based – ‘one public sector’

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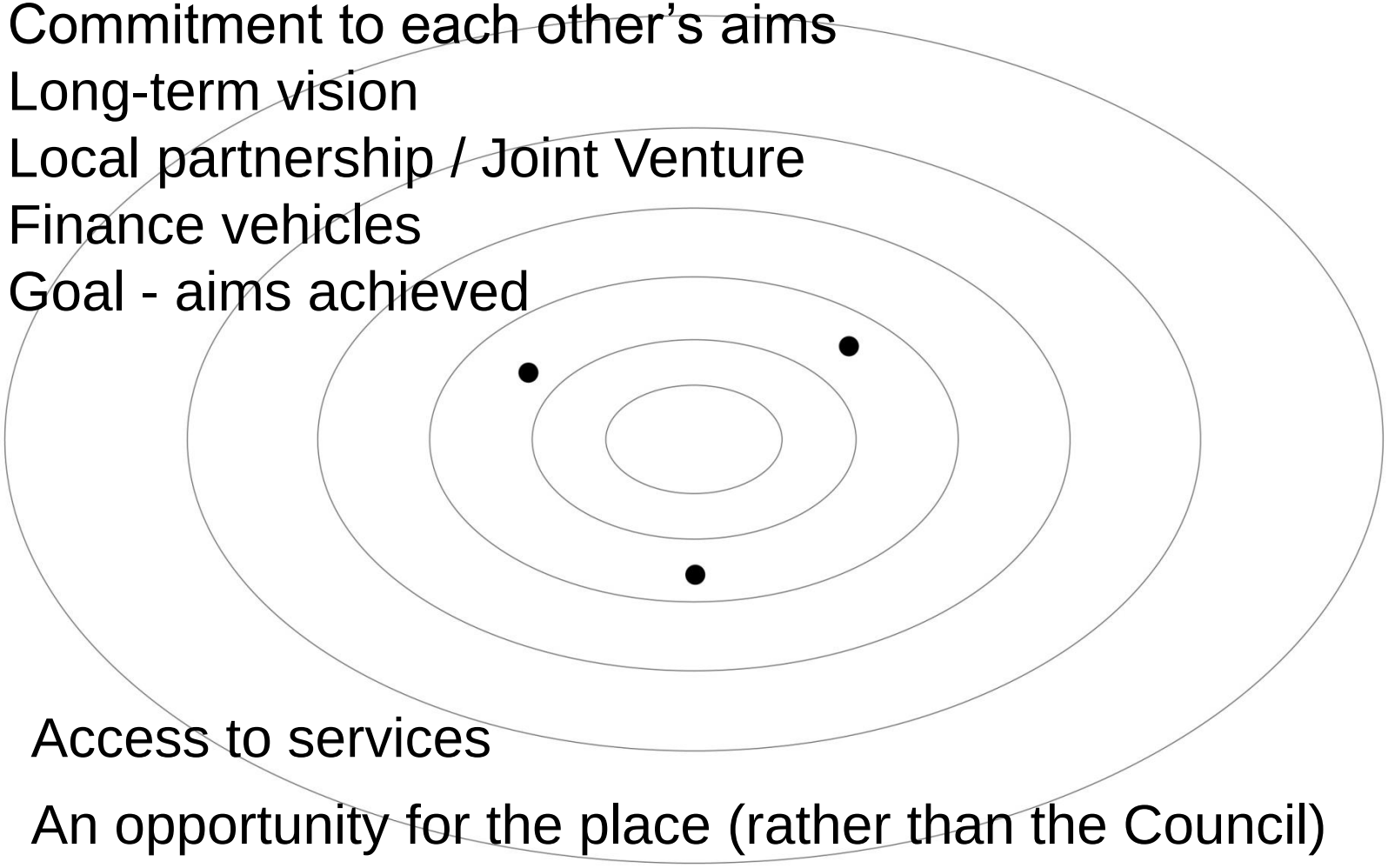
- Commitment to each other’s aims
- Long-term vision
- Local partnership / Joint Venture
- Finance vehicles
- Goal - aims achieved



- Access to services
- An opportunity for the place (rather than the Council)

Hampshire's Pathfinder – Winchester Case

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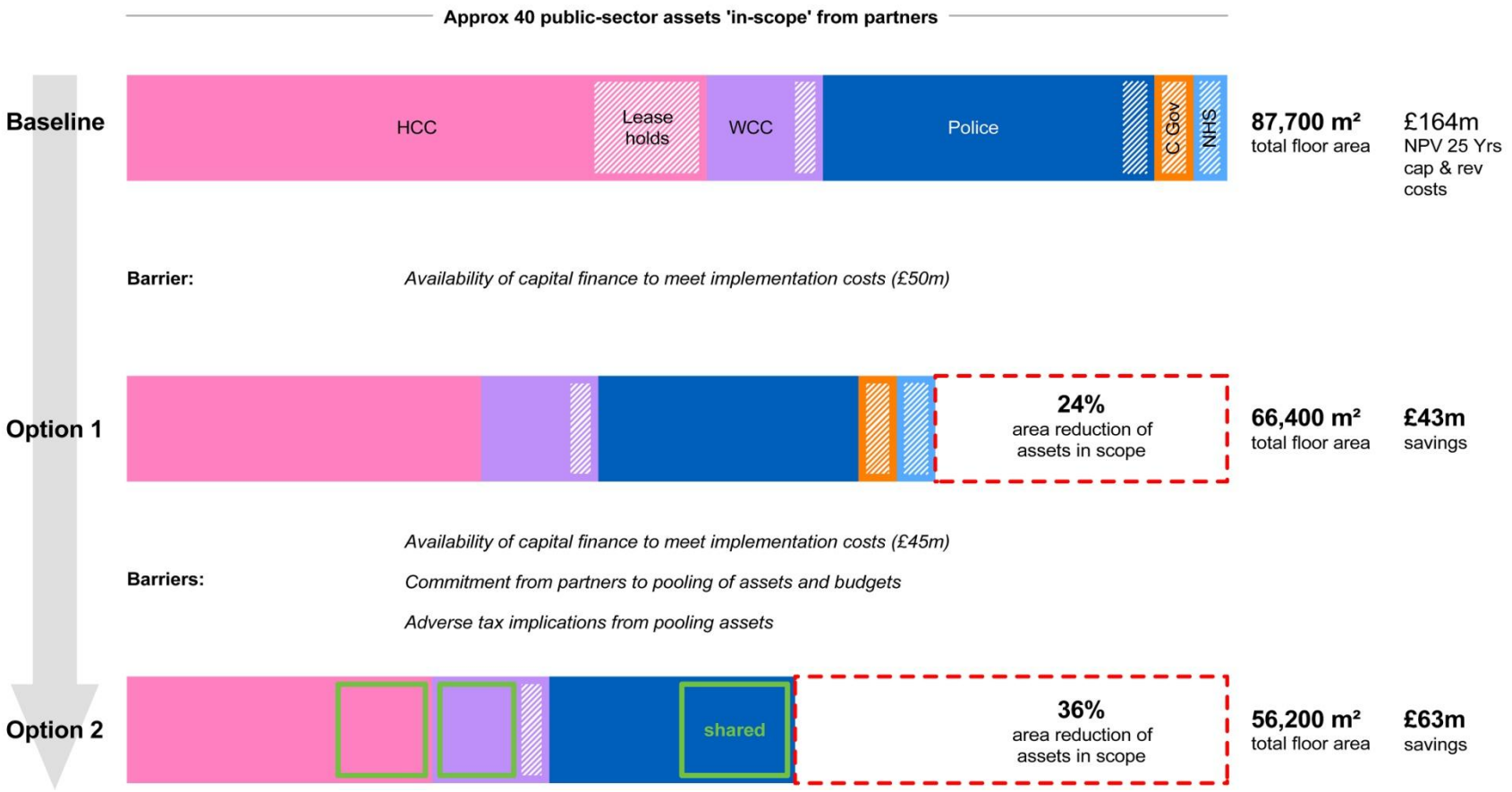

What have we learnt?

- Cast the net wide and work with the willing, but don't forget the other partners as opportunities arise
- Set the strategy but be prepared to work incrementally
- Don't expect a 'big bang'
- Reflect on the successes and use them to gather momentum
- Size matters – smaller projects are just as important for their partners
- Public sector understanding is key

……the national picture

- Announcement from Secretary of State on 5 August
- Wave 2 Pathfinders – further 15 areas; 1/3 of all Councils covered (Waves 1 and 2)
- Central government involvement
- Place-based asset management - requires maturing of attitudes – not a technical problem
- Will it happen without incentive funding? - discuss

4. Connecting the thinking

What success looks like?

- Efficiency, cost reduction and transformation
- Asset rationalisation
- Sharing and improvement of services

What would success look like for you?

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"OK, now that we all agree, let's all go back to our desks and discuss why this won't work."

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Thank You