

# Transformational local government

Discussion paper  
28<sup>th</sup> March 2006

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## About this document

1. This document has been developed through discussion with an advisory group drawn from members of the Chief Information Officer Council, Chief Technical Officer Council, Service Transformation Board (STB) and Common Infrastructure Board (CIB):

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2. To find out more about the Chief Information Officer Council and Chief Technical Officer Council, please see [www.cio.gov.uk](http://www.cio.gov.uk).

## Time for a debate

**“Technology alone does not transform government, but government cannot transform to meet modern citizens’ expectations without it.... The vision...is also about making government transformational through the use of technology...”**

**From “Transformational Government – enabled by technology”  
Cabinet Office, 2005**

3. Why have we added another document to your in-tray and why should you bother to read it?
4. Put simply, we believe we are at a “tipping point”, where many strands of policy and practice are converging to give local government both the opportunity and need to change fundamentally.
5. On the positive side, we have a national policy context that is broadly sympathetic to the value of local public services and to local government’s role in leading their integration. Evidence of this includes: Ministerial commitments to devolution of power; a renewed focus on communities and neighbourhoods and the contribution of ward Members; a key role for authorities in high-priority policy areas such as adult social care, children’s services and community safety; and enhanced mechanisms for agreeing local outcomes and encouraging partnerships, such as LAAs. However, expectations about delivery are high.
6. On the other hand, authorities face rising demands from their communities to regenerate their areas, to deliver cleaner and safer streets and to provide accessible, joined-up and efficient services, often in collaboration with local partners. There are also real pressures on resources, with council tax under review, the possibility of a tight settlement in the 2007 Spending Review and difficulties in recruiting staff in core service areas such as social care and planning.
7. The challenge for local authorities is to seize the opportunities for reshaping local public services – to lead change rather than have it imposed upon them.
8. To do so, they will need to secure real benefits from the investments they have already made in areas such as community engagement, organisational and cultural change, service improvement and electronic government. They will need to challenge traditional ways of doing things, proving their worth to their communities, as well as arguing for the changes at the centre that are needed truly to empower localities.
9. In short, they will need to transform.
10. The good news is that much transformation is already taking place – customer service centres have revolutionised the way many authorities handle contact, to take one example.
11. The paper sets out a vision of what might be achieved and a framework for action, highlighting in particular the role that modern information and communications technology (ICT) can play. It is a starting point and will be followed by a process of discussion and engagement across local government and with other key stakeholders. We hope you find it valuable.

## Local government, transformation and the role of technology

12. We believe that local government has a particularly important part to play in shaping local public services on behalf of communities. Although no single organisation can deliver everything on its own, local authorities are in many ways ideally placed to articulate local needs and to offer local leadership (as documents such as the Local Government Association's *The Future is Local* have argued) because they are:

- Democratically elected, accountable and visible
- Connected to place and local people's needs and aspirations
- Endowed with powers to promote community well-being
- Used to balancing competing priorities for their areas and brokering local partnerships
- Already responsible for a high proportion of all government interactions with citizens
- Demonstrating a good (and improving) track record of delivering services on the ground

13. Sir Michael Lyons has described this role as "place-shaping".

14. There is no slick, concise definition of "transformation". However, it clearly should be defined in terms of the citizen and user of local public services, not in terms of the organisations that provide them. Our vision is that people will be able to say the following about local public services:

- "I feel a sense of engagement in local decisions and ownership of the outcomes."
- "I know who is responsible for which services and I can hold them to account."
- "I feel that local policies and services are tailored to my needs."
- "I can see that the public services are being responsive and creative in their approaches to local problems."
- "I perceive local public services as accessible, easy to use, comprehensible (I know what they can and can't do) and joined-up when they need to be."
- "I feel that local public services are doing things in the most efficient way."
- "As a business, I understand the legislation that affects me and the support available to me locally".

15. These statements are deceptively simple. They imply radical changes to the way in which public services are delivered and in the way local government and its partners are currently organised.

16. Modern technology is not the only source of transformation, but it is an important one. ICT pervades our organisations and, increasingly, the lives of our citizens.

- It can help to deliver information and services in different ways – for instance, electronically via the Internet
- It can provide a glue within our organisations and with our partners – allowing us to pass work smoothly and quickly between the different people involved in delivering a service
- It can provide information on which to base decisions – for example, on the demands citizens and businesses make on us and on our performance in response

- It can give citizens new capabilities and opportunities to take control of their lives
- It can provide opportunities for staff to work in new ways – on the move or from home, for instance
- It can help convince some groups, such as young people, that our organisations are “modern” (although at the risk of alienating others)

17. ICT therefore both stimulates and supports change. The role of the ICT professional in providing the tools and infrastructure for transformation is crucial, although exploiting ICT should be everyone’s job. We also need to remember that ICT is not an end in itself and must support wider goals, as we hope this paper will show.

## What this document is for

18. The aim of this paper is to trigger a conversation across local government about what “transformed local government”, supported by modern ICT, should look like.

19. This is a big question, so this paper provides a structure for you and your colleagues to work through during your discussions.

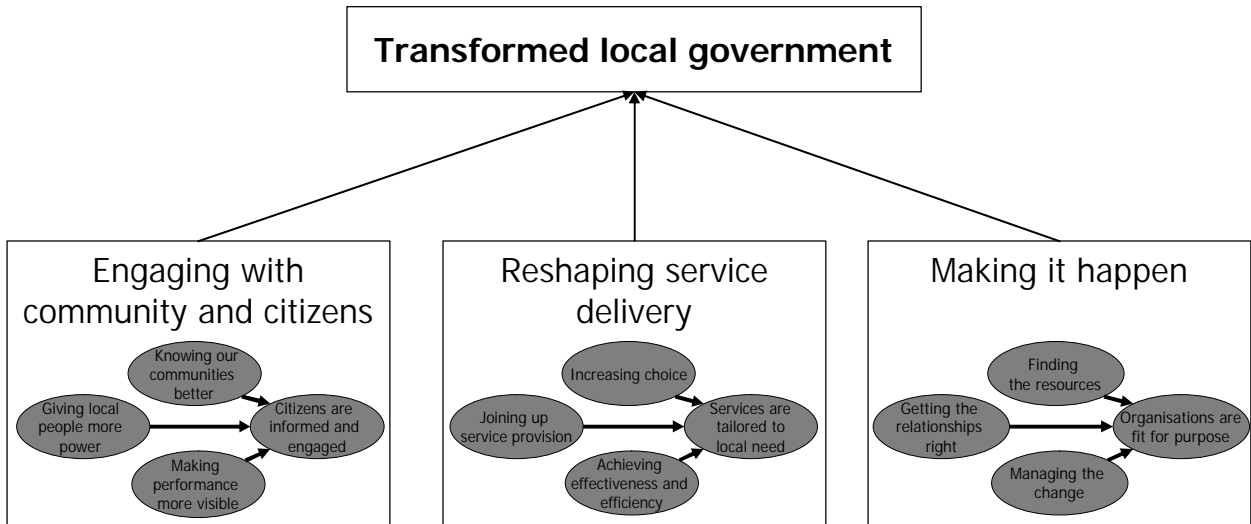
20. The paper is based on the Cabinet Office's *Transformational Government – enabled by technology* document, which was published in late 2005 and identified the key challenges of

- **Designing services around the citizen or business**
- **Moving to a shared service culture, releasing efficiencies through standardisation, simplification and sharing**
- **Improving government’s ability to plan and deliver ICT-enabled change.**

21. This paper builds on these challenges and places them in the context of local government, under three main headings:

- **1: Engaging with citizens and communities** – to design services around citizens and businesses we need to understand what they need and want, both from asking them directly, and from making the best possible use of the information we gather through service delivery. To close the loop, we need to know how well we are performing and communicate this to our communities, so they can hold us accountable. So under this heading we have explored three themes: **knowing our communities, giving local people more power** and **making performance more visible**
- **2: Reshaping service delivery** – it is widely recognised that service delivery needs to be more joined up, so that services are more consistent and less fragmented over time and between providers. As the *Transformational Government* paper emphasised, there must be scope for greater efficiency in service delivery through standardisation and sharing. It is perhaps less obvious how these drivers fit with providing service users with more choices. So the three themes explored under this heading are: **increasing choice, joining up service provision, and achieving effectiveness and efficiency**
- **3: Making it happen** – finally the Transformational Government paper highlighted the need to get better at planning and managing ICT-enabled change, an area where central government in particular has been heavily scrutinised by Parliament and the press over the last decade. For local government some of the biggest challenges lie in finding both the money and the people to deliver change, and then working out how to work effectively with our numerous service delivery partners. Underpinning the delivery of everything described in this document lies the challenge of engaging the hearts and minds of our people. So the three themes explored under this heading are: **finding the resources, getting the relationships right, and managing the change.**

22. The framework is illustrated below. It is shown in miniature on each page to help you keep track of where you are.



23. There are many ways this wide area of discussion could be sliced. We hope that the structure we have used makes sense to you, and allows you to make progress with your thinking.

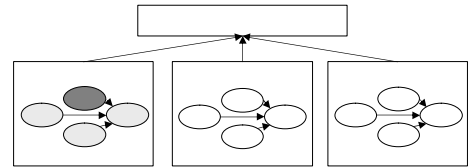
24. Each section follows the same structure:

- Why is this important?
- Where are we now?
- Where should we focus our efforts in order to transform?
- Questions for discussion

25. Relevant quotations from the Transformational Government paper are shown in blue boxes throughout.

26. By working through each section with your colleagues, you should be able to take stock of where you are now and generate ideas for where technology could help you arrive. We hope that it will also stimulate ideas about how central bodies can help transformation to work in local government. Please provide those ideas and any other comments you have to the following email address:

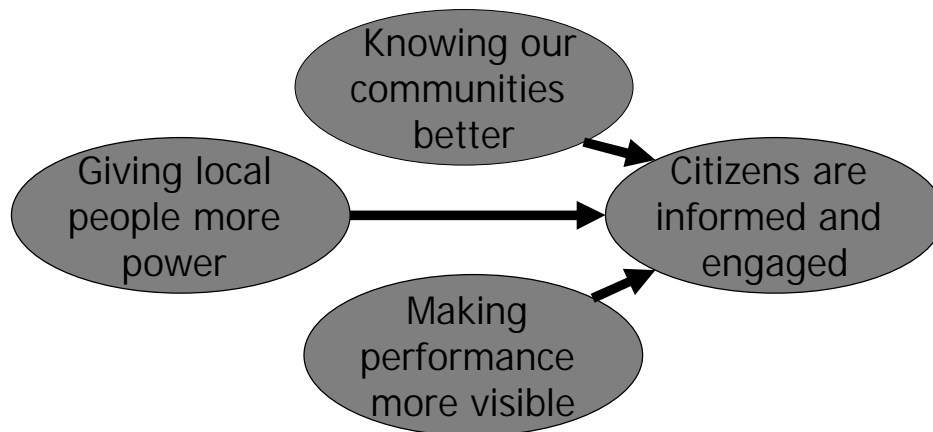
[itstrategyprojectteam@cabinet-office.x.gsi.gov.uk](mailto:itstrategyprojectteam@cabinet-office.x.gsi.gov.uk)



## Engaging with communities and citizens

27. At the heart of local government must lie an engagement with what citizens and communities want and need. This requires three things:

- That local government uses all available information to understand its locality
- That people are given the power to influence how policy and services are shaped
- That we both understand and are accountable for our performance



### Knowing our communities better

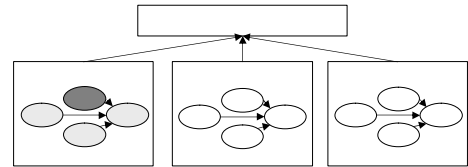
#### Why is this important?

28. Understanding our communities – of place, need, demography or interest – and the demands they make on us, such as how often they contact us and the services they request, is a vital first step to making effective decisions and allocating resources well.

29. If we lack this understanding, it is more difficult for us to argue that services must be shaped locally – that the needs of older people in Bradford, Bracknell and Bournemouth are different.

#### Where are we now?

30. We already know a great deal. Local authorities and their partners – such as the police, NHS and voluntary sector – collect and share much local information in support of community planning processes. They gather a lot of “hard” data through their day-to-day operations, as well as softer information through the contact that staff and Members have with the public. National government also provides information, for instance through the Census.



31. Modern ICT can help. Customer Relationship Management (CRM) systems, for all their imperfections, are giving an increasingly coherent picture of citizens' contact with their authority, their service demands and the authority's own performance.

32. Geographical Information Systems (GIS) are allowing service demands and other information to be mapped spatially to identify clusters of behaviour, such as crime hot spots, or patterns of resource allocation, such as repairs.

33. Meanwhile, some authorities are experimenting with private sector approaches of defining and analysing ("segmenting") customer groups as an aid to decision-making. National bodies, such as the Local Government Association, are looking at issues like customer-led performance management, with a strong emphasis on "customer intelligence".

34. Much of our intelligence remains in organisational silos, however, or in the heads of individuals, and is not yet fully used. The challenge is to share and exploit it fully.

### **35. London Borough of Hammersmith & Fulham (LBHF) Customer Segmentation**

LBHF has developed a single database of customer information from all the LBHF service areas, including Social Services, Housing and Revenues & Benefits. It combined this "Client Index" with MOSAIC socio-economic data, purchased from Experian, to divide LBHF customers into twelve segments based upon identifiers such as age, socio-economic status and housing type. LBHF has identified the main areas of residence, the main services consumed and the channel preferences of each segment group. This insight will be used to inform future decisions such as:

- How best to target and promote services to each customer segment
- Prioritisation of LBHF's face-to-face, telephone and Internet access strategies
- Prioritisation of LBHF's transformation programme budget to ensure the best return on expenditure

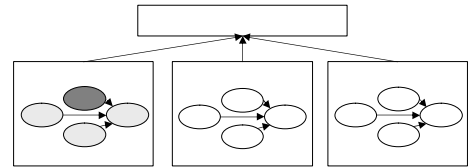
The next steps for the project are to integrate the segmentation into the performance management framework, and to share the segmentation with local partners.

### **Where should we focus our efforts in order to transform?**

36. A first priority is to develop a better understanding of the information we already have and that we need for the future. This should include, for instance, information on local socio-demographics and service take-up, on patterns of asset use and on the outcomes we are currently achieving. Initially, we may need to focus within our own authorities, but our aim should be to map key information about our communities across organisational boundaries.

37. We must also consider the processes and ICT infrastructure we need to enable this information to be effectively managed and shared, within the context of privacy, Data Protection, Freedom of Information and security (a key concern for partners such as the NHS and Police). Strong information governance will be vital.

38. We will need to develop new approaches, such as segmentation models for customer groups and communities that reflect the needs of the public services rather than the private sector. We need to exploit the emerging tools for information consolidation and analysis, such as the "business data warehousing" and "analytics" capabilities in some CRM systems.



39. Finally, we need to foster intelligence cultures within our authorities, so that staff at all levels understand the value of capturing and managing information and are supported to do so by appropriate ICT infrastructures. We must also ensure that we find ways of presenting complex information in a manageable form and give decision-makers at all levels, including Members in their executive, representational and scrutiny roles, the support and skills to use intelligence effectively.

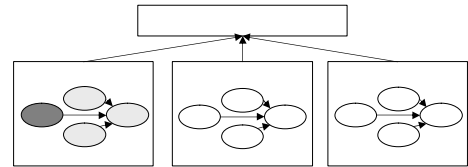
"To modernise services government needs a systematic view of what citizens and businesses...want and need."

### Questions for discussion

40. The Government wants to find new ways of coordinating and sharing existing customer and front line research. What would be the best way of doing this?

41. The Government intends to appoint Customer Group Directors for key groups such as older people. How should they work best with local government and who should be responsible for "intelligence" within authorities?

42. The Government wants to develop common standards and practice for information management. What should these look like?



## Giving local people more power

### Why is this important?

43. A sense of being unable to influence decisions may contribute to low participation in local elections and overall dissatisfaction with local government. Ministers have spoken of their desire to devolve power to Town Halls and beyond to neighbourhoods and individuals (“double devolution”).

44. Many public outcomes, such as cleaner streets, can only be achieved with the active involvement of citizens and businesses (including the young people who will be our future citizens). If services are “producer-led” and users have little say in their shape, they may be designed and delivered in ways that are inappropriate and costly as well as excluding those who need them most.

45. Meanwhile, front-line staff within our organisations (who will often be local citizens) may feel they have little power to determine the shape of the services they deliver and therefore little incentive to improve them, while we may not fully be exploiting the potential of partner organisations.

### Where are we now?

46. Local authorities already have a range of local panels and committees, where citizens and ward Members play a leading role (alongside other local bodies). We seek citizens’ views on issues of policy and service delivery through surveys, exit interviews and telephone call-backs and use techniques such as “mystery shopping”. There is a growing emphasis on learning from complaints and on building user, staff and partner feedback into service design.

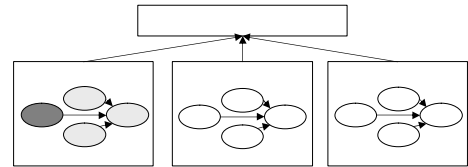
47. Modern ICT is already helping to provide information at a very local level, so that all the telephone enquiries or service requests submitted in a particular ward or locality can be analysed, for instance.

48. We are also increasingly using electronic means to engage people in decision-making and to offer new electronic voting options, encouraged by initiatives such as the e-Democracy national programme. Policy papers and planning applications are now routinely made available online to citizens and businesses. Consultation is held via the Internet and Members are participating in web discussion forums.

49. However, much of our current engagement remains fragmented and superficial and does not make a significant impact on the design of our services. Some groups remain “hard to reach” with our services. The challenge is to empower our communities, our staff and our partners much more.

### Where should we focus our efforts in order to transform?

50. We need to agree, not just internally but with our partners and local communities (including ward Members), how we can truly devolve power. What support will



neighbourhoods require from our ICT infrastructures – for instance, tools for local budgeting or for consolidating all the research carried out about an area?

51. We need to explore further the possibilities of technology to reach both a wider audience and certain “hard-to-reach” groups. How can we use developments such as web casting and email alerts to keep people actively informed of issues that affect them? Are text messaging, electronic games and the “blogs” (web logs) that some Members are now creating good ways of reaching young people? What is the potential of Digital TV to bring information and services to older people? We need to give both citizens and Members the skills and confidence to use some of these newer forms of technology-enabled engagement.

52. We need to develop new approaches to business process redesign to involve service users, front line staff and local partners (including intermediaries such as CABx) in reshaping the way services are planned and delivered and to help them exploit the potential of technology to the full.

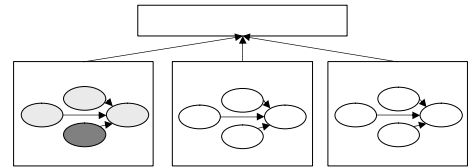
“The aim is to bring a strong and reliable customer voice into the design of individual services, and to get a better understanding of the service expectations of citizens, businesses and public servants...”

### Questions for discussion

53. The Government wants to implement new processes to engage with citizens, business and public services around ICT-enabled services. How should it do this?

54. The Government has set up a Service Transformation Board whose role is to set overarching service design principles, promote best practice, signpost the potential from technology futures and challenge inconsistency with agreed standards. How might this Board work with local government?

55. Has your authority found effective ways of increasing citizens’ engagement in decision-making and service design? What contribution could ICT make?



## Making performance more visible

### Why is this important?

56. If we do not understand how well we are performing against our key objectives, we have little chance of planning for, implementing and communicating improvement.

57. As Lyons has noted, most citizens have a poor understanding of the cost of public services. If they are consulted over issues, but perceive no action as a result, they may lose confidence in democratic processes. On the other hand, research suggests that authorities that communicate well and do what they promise can build the trust of their communities.

58. National bodies such as the Local Government Association have been arguing for more self-regulation for the sector to replace the plethora of top-down inspections and performance indicators, and are working to improve the overall reputation of local government. Moves in this direction will depend heavily on our ability to manage and communicate performance, not just to our communities, but also to central government.

### Where are we now?

59. Local government websites are used to publish performance information and strategies (often in several languages), increasing the ease with which citizens can access this kind of information.

60. We are implementing performance management frameworks that link desired outcomes, activity and achievement. We are already using ICT to create baselines for current performance, to track the flow of work through their organisations and to produce information that can feed into service improvement.

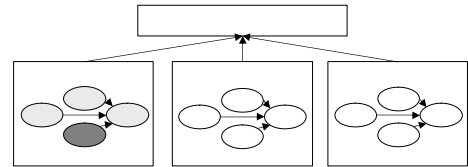
61. Members are using electronic methods, such as websites and blogs, to communicate more directly with citizens and to act as community leaders. They are developing their scrutiny role to monitor both internal performance and issues beyond their direct responsibility, such as health outcomes.

62. However, information on the performance of local services still remains difficult to piece together and understand, particularly as our delivery arrangements become more complicated. The challenge is to consolidate and simplify our approaches.

### **63. Local Strategic Partnerships and Local Area Agreements**

Local Strategic Partnerships (LSPs), involving the local authority and its health, police, voluntary, community and private sector partners in an area, are now relatively well established and Local Area Agreements (LAAs) are evolving as the mechanism for defining and coordinating activity around key shared targets.

Both LSPs and LAAs are highly dependent on the quality of information supporting them. An effective LSP, for instance, will develop its Community Strategy on the basis of robust data on its local area from a variety of sources. LAAs will succeed best where targets are based on realistic information and progress towards agreed goals, such as safer streets, can be closely monitored and communicated.



**Where should we focus our efforts in order to transform?**

64. We need to improve the way we manage performance, particularly where delivery of a service is divided across a range of internal and external partners. This may mean new contractual arrangements and SLAs and more compatible ICT systems. However, it will also require closer working arrangements, bringing together contact centre staff, service managers, contractors and users themselves, for instance, to analyse performance and plan for service improvement.

65. As a sector, we need to work with partners to develop more integrated and simpler sets of indicators that focus on outcomes (so potentially cutting across organisational boundaries) and are meaningful for citizens. We need to ensure that our scrutiny arrangements are fully supported with information and to develop ICT infrastructure that will allow us to consolidate and present performance data and track improvement at various levels – neighbourhood, local authority, regionally, nationally.

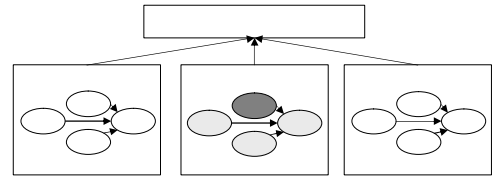
66. Finally, we need to make our performance more visible to local citizens, businesses and service users, for instance by integrating our websites, CRM systems and document management technologies (and those of our partners, where appropriate) so that people can track policy proposals or individual service requests from inception to resolution. We could also use technologies such as email and text actively to alert people to success (for instance, where an abandoned car has been removed). We must give Members the skills and support to exploit modern technology fully so that they can understand and communicate how we are performing.

“Overall this technology-enabled transformation will help ensure that...citizens feel more engaged with the processes of democratic government.”

**Questions for discussion**

67. The Government has noted that, unlike some other countries, the UK has no regular, holistic and publicised assessment of customers and their experiences of public services. It is considering the idea of a national customer satisfaction index. How would this benefit local government?

68. What is the role of ICT in making local public services more accountable and transparent? Would more integrated ICT systems and infrastructure help?

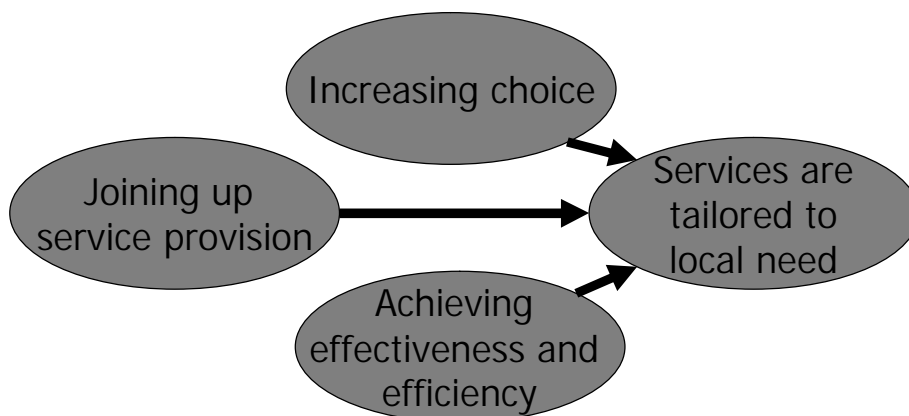


## Reshaping service delivery

69. Reshaping service delivery has three main strands:

- Increasing choice
- Joining up service provision
- Achieving effectiveness and efficiency

70. Clear communication of what you want to achieve is, again, a critical thread for successful transformation in this area.



### Increasing choice

#### Why is this important?

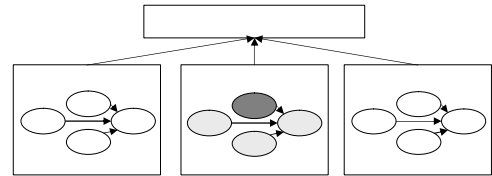
71. Choice can give people greater influence over their local services and may help raise standards of provision. Choice can be collective, with Members playing a key role in balancing priorities, or individual. It can be exercised over what is delivered, or how it is delivered, allowing individuals, for instance, to use services in ways that suit their lifestyles.

72. Individuals or communities can be given greater choice by being offered more information, new ways of accessing services (particularly important in rural areas) and more decisions over resources.

73. However, there will always be concern in the public sector to balance choice against quality, consistency and cost. Sir Michael Lyons has spoken of "enabling hard choices about local services to be made".

#### Where are we now?

74. Choice is already being extended in key service areas, such as adult social care, where authorities are taking an increasingly active role in shaping local markets and in supporting individual service users to spend personal budgets. Housing applicants are now able to use choice-based lettings systems to make bids for available properties.



75. Some authorities have experimented with online forms of “direct democracy” (such as web-based polls) to give people greater choice over certain local decisions. We are making increasing amounts of information available electronically (for instance, on local care homes) and are signposting people to other relevant organisations via their websites. In regulatory areas, such as Trading Standards, more information is helping local businesses to ensure compliance.

76. Contact centre arrangements have allowed us to extend service provision beyond traditional opening hours and to deliver services over the telephone that traditionally required a visit. Via the Internet (now commonly available in local libraries) people can download forms, submit electronic service requests and make financial transactions when and where it suits them. We are increasingly using mobile technology to take services out to the people.

77. However, much public service delivery is still determined by the requirements of service providers. The challenge is to build choice as far as possible into the way we operate.

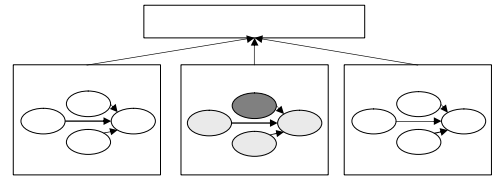
### **Where should we focus our efforts in order to transform?**

78. We need to explore the ways in which ICT can help inform and support people in making collective choices and in finding the right local balance between service quality and cost, for example. What is the value of polling people electronically on decisions that affect their neighbourhoods? How can we design this sort of polling in ways that complement the representative and decision-making role of elected Members?

79. We need to exploit the opportunities modern ICT gives us to personalise services more and give people greater choice over who delivers those services. For instance, how can we use the information we hold on citizens’ needs and preferences to predict the sorts of service packages that may suit them (and even to fill in their application forms in advance)? As commissioners, how can we underpin a varied market of service providers (including voluntary sector organisations) with an information and ICT infrastructure that allows us to monitor both customer satisfaction and service quality?

80. We need to use technology to increase citizen choice over the way in which services are delivered. In some cases, this will mean doing more electronically – delivering more services on our websites or on Digital TV, for instance, or offering language or sign interpreting via video-conferencing (and making sure people know these options are available!). Advances in telemedicine and “assistive technologies” should enable people to stay longer in their own homes. For the most excluded groups, however, it may mean using mobile devices to take services out to people’s homes or making a full range of information and systems available in a neighbourhood office.

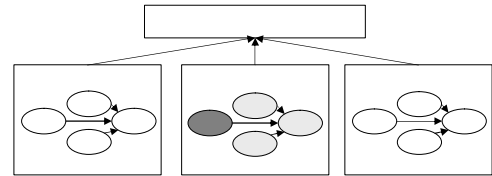
“The future of public services has to use technology to give citizens choice, with personalised services designed around *their* needs not the needs of the provider.”



### Questions for discussion

81. How can we increase the choices we offer local communities, citizens and service users?  
How can ICT help?

82. The Government wants to improve access to people on the move and without fixed phone lines, and to explore with broadcasters and other content and infrastructure providers how services can be delivered direct to people's homes via digital TV. What are the opportunities here?



## Joining up service provision

### Why is this important?

83. Citizens are unclear about and uninterested in organisational boundaries. They often experience the public services as fragmented and inconsistent, leading to poor perceptions, frustration and, occasionally (as at Soham), catastrophe.

84. Fragmented service provision is also potentially inefficient for public service organisations. They may duplicate activities and infrastructure and miss opportunities to understand their customers better and to share learning.

85. Given a future where a larger proportion of public resources will almost certainly need to be targeted at groups of people with complex needs, including children, young people and older people, integrating public service delivery more effectively will be essential.

### 86. Transforming Children's Services

The Children Act 2004 introduced a wide range of reforms to protect children, such as electronic files to track children who are at risk from abuse, neglect and social exclusion. Through the introduction of local information hubs tracking all children in the local area, it should not be possible for children to fall through gaps in the care system.

These reforms are, in many ways, the beginning of a transition towards transformed Children's Services where:

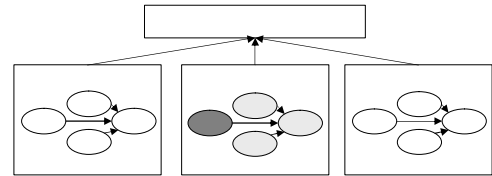
- All groups with responsibility for delivering Children's Services have clear accountability and work together effectively
- Those organisations share robust methods for collecting, managing and sharing information about children, supported by an appropriate ICT infrastructure based upon common standards
- This ensures that the health, educational attainment, behaviours, aspirations and preferences of every vulnerable child is fully understood
- The widest possible range of stakeholders, including children, parents and professionals, are involved in designing services
- The delivery of services has been reshaped to improve choice and integration in a way that is financially sustainable

These changes should ensure that Children's Services are not only transformed but also transformational, with the power to turn-around the life chances of children and young people.

### Where are we now?

87. Legislative and structural changes in areas such as Children's Services have provided invaluable experience of building public services around key customer groups, including the challenges of data sharing.

88. Many local authorities have put in place telephone and web contact handling processes that span service departments, offering customers the chance to resolve multiple enquiries



at one point of contact. CRM technology is helping us to join up disparate information about customer contact and service requests. Workflow systems are helping us join up internal processes through our organisations.

89. Web portals at local, regional and national level (including DirectGov) are helping to join up access to services across a range of public service partners. Increasing numbers of local authority contact centres and one-stop shops are housing representatives of other public or voluntary sector organisations and handling enquiries across organisational boundaries. Smart cards are allowing citizens to gain access to a range of local services.

90. Mechanisms such as Local Area Agreements are helping to streamline the policy and funding regimes for different local partners. National initiatives such as Government Connect and the increasing focus on shared services (see separate box) are encouraging the development of a common ICT infrastructure for the public services.

91. However, the success of joining up, even within our own organisations, remains patchy. The challenge is to continue joining up services in ways that citizens want.

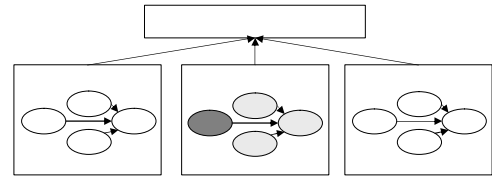
### **Where should we focus our efforts in order to transform?**

92. We need to be clearer about the benefits and limits of joining up and understand citizens' expectations better, including the trade-offs that they are willing to accept between privacy and joined up services. As public service organisations, we need to be more explicit about when and where data will be shared and the protocols for doing this. The conflicting interpretations around some areas of legislation, for example data protection, need to be clarified.

93. At a local level, we need to continue getting our own houses in order, by encouraging all departments to exploit corporate infrastructure such as the contact centre and addressing practical issues such as inconsistent opening hours within our authorities. We must find better ways of reshaping services end-to-end, not just at the first point of contact. We also need to continue investing in mobile technologies to allow our staff to take services out to the most excluded groups in a joined up way.

94. At the centre, there needs to be constant pressure on government departments to electronically enable their processes, so they can link effectively with local government, and to offer real support to mechanisms such as LAAs that should enhance local flexibility and innovation. National projects, such as Government Connect, need to maintain a constant dialogue with local authorities to ensure the infrastructure being developed meets their requirements.

95. Collectively, we need to develop our skills in handling practical tasks such as engaging staff, reshaping working patterns and dealing with differences in working cultures, decision-making structures and ICT systems between different organisations. We need to address issues such as governance, accountability, branding, financial and performance management.



"Customers expect simple access to services, with an appropriate, efficient choice of consistent entry points and with seamless handovers across the channels..."

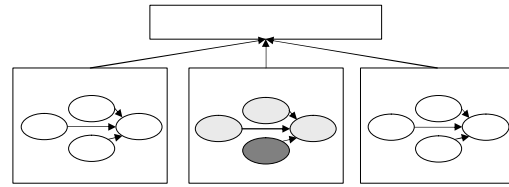
### Questions for discussion

96. The Government is planning to rationalise the 130 major call centres and more than 2,500 websites in central government alone. What scope is there to rationalise delivery channels across local government and its partners?

97. The Government is promising a renewed focus on finding and communicating a balance between privacy and more efficient services. What work would make the biggest impact locally?

98. The Government plans to develop its approaches to information assurance and identity management. What would be appropriate for local government?

99. What successes has your authority had in joining up services internally or with external partners? How can ICT help?



## Achieving effectiveness and efficiency

### Why is this important?

100. Local public services are under constant pressure to demonstrate efficiency and fitness for purpose, hence Gershon and the Lyons Review, which in turn reflect public concern with the level of local taxation and value for money, but also public interest in having excellent local services.

101. Public service organisations have evolved organically, usually creating their own independent infrastructures and ways of working. The current debates around structure, devolution and shared services are asking what is best done at various levels – from national to neighbourhood – and whether duplication in areas such as procurement, services (internal or external) and accommodation can be reduced.

102. Meanwhile, the UK has an increasingly ICT-literate population, which, with appropriate support, could potentially “self-serve”, reducing the burden on the public services. There is also a growing recognition that organisations in all sectors create some of their own demand by inconsistent communication, lack of integration and poor delivery.

### Where are we now?

103. Our contact centres are showing improving levels of staff utilisation. The volume of electronic transactions on local authority websites is rising and national and local take-up campaigns are now underway. Many authorities are investigating newer approaches to eliminating “failure demand” and are implementing programmes of business process redesign to strip unnecessary steps from their back-office activities.

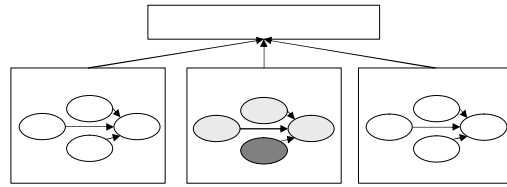
104. We are already working on a range of joint procurement and service delivery arrangements to bring in investment, expertise and challenge and to achieve greater efficiency. These include partnerships with private sector suppliers, joint county/district arrangements and partnerships with neighbouring authorities or other local public service bodies.

105. Infrastructure and support is also being developed at regional and national levels, via Regional Improvement Partnerships, Regional Centres of Excellence, as well as national programmes such as Government Connect and the Capacity Building fund.

106. However, there are concerns that the scope and pace of change will be insufficient to satisfy either our communities or Ministers. Our challenge is to take an active role in leading fundamental change.

### Where should we focus our efforts in order to transform?

107. We need to have a mature debate on approaches to achieving efficiency and effectiveness, underpinned by evidence and sophisticated models of public value and business cases that balance elements such as outcomes, citizen preferences, equity, cost and risk. We need to engage a range of organisations in these debates, including central



government departments and local authorities, and a range of people, including citizens and service managers.

108. At local level, we need seriously to challenge existing patterns of provision for services, both public-facing and internal. Given the potential of modern ICT, would it make sense for certain activities to be consolidated regionally or nationally (and their use mandated or financially encouraged by central government) in order to achieve greater economy and consistency? Are there other activities that should be decentralised even further, for instance to neighbourhood level, allowing for more local ownership and greater innovation?

109. Finally, we need to re-examine the patterns of service delivery within our own authorities. What are the real costs and benefits of delivering different services across different channels? Can we deliver more at the first point of contact? Are we providing the right basic ICT to allow staff to work efficiently? Where electronic service delivery is appropriate, could we do more to encourage take-up by working with our communications, ICT and service colleagues (and other partners) to target specific groups such as local businesses? How can we use technologies such as workflow corporately and in individual service areas to move work smoothly through our organisations and highlight blockages?

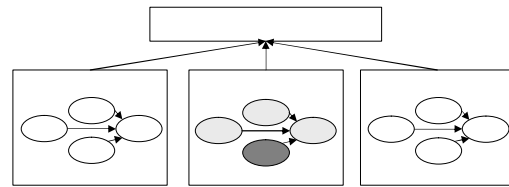
“Bodies awarding funding should presume that public service organisations only deliver good value for money when they standardise and share services with others.”

**Questions for discussion**

110. The Government is working on guidelines for the governance and funding for service sharing. Where do you think the greatest opportunities for shared services lie? How can we reconcile shared services with a local focus?

111. The Government has said that shared services are likely to feature heavily in the 2007 Comprehensive Spending Review. Are there elements of local public service infrastructure that should be mandatory?

112. The Government plans to share information on successful approaches to “channel shifting”. What information would you find useful?



### 113. Considering shared services

"Government must move to a shared services culture – in the front-office, in the back-office, in information and in infrastructure – and release efficiencies by standardisation, simplification and sharing"

Shared services, whatever their configuration, offer many potential benefits:

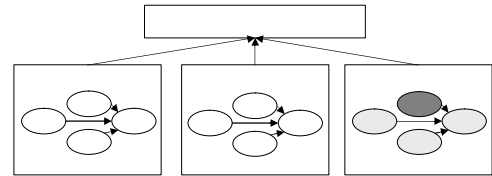
- A better and more integrated customer experience
- Reduced operational costs through economies of scale and avoiding duplication of effort
- Increased productivity through better use of people to meet demands for service
- Greater purchasing power and "clout" with suppliers
- More capacity and ability to support specialist skills
- An opportunity to realign our "front" and "back" offices

Many of these benefits are already being achieved through initiatives such as joint county-district contact centres and the collaborative procurement activities taking place in local government.

If poorly or inappropriately implemented however, shared services could conflict with many of the other objectives of local government transformation – to devolve power to communities, to deliver more responsive local services, to increase choice and personalisation, to reach excluded groups more effectively.

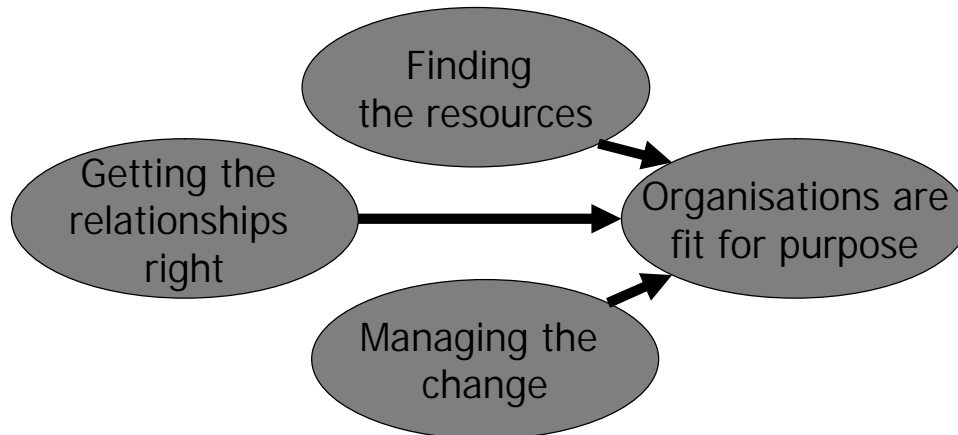
A serious debate has already started about the future landscape of local government and the part shared services have to play. This will no doubt continue with the publication of the forthcoming Local Government White Paper. We would hope the debate would consider radical changes, including potentially the transfer of some national services to local control.

As part of this debate, we need to consider how ICT could potentially support both greater consolidation of activity and greater decentralisation. Technology-enablement may be one of the keys to developing public services that are both more locally responsive and more efficient.



## Making it happen

114. In order to make change happen, a local authority needs to identify the appropriate skills and resources available, work effectively in partnership with other organisations, and manage the accompanying (and necessary) culture change.



## Finding the resources

### Why is this important?

115. Any new vision for local public services will come to nothing unless there is a continuing investment in change and local government has the necessary skills and infrastructure to transform itself.

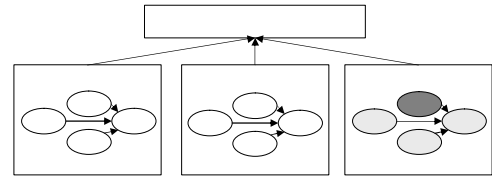
116. Change will require investment in "hard" resources such as buildings, equipment and technology. But even more important will be "soft" resources such as skilled and committed Members and staff. For real innovation to happen, staff will need time outside their day-to-day commitments to service delivery.

117. It may be possible to source some of this investment from outside local government. For example, the private sector can provide some skills and funding, central government can support the development of a national infrastructure and other local partners, including the voluntary sector, may offer specific expertise.

118. However, much of the investment will need to come from within local government itself, with the sector itself developing and sharing key skills and resources wherever possible.

### Where are we now?

119. A lot of investment has already been made in national, regional and local ICT infrastructures supported by the national e-government programme. We have created new roles, such as customer service and programme managers, with help from capacity funding.



120. We are beginning to use our purchasing power more effectively through the creation of collaborative procurement arrangements and strategic private sector partnerships. There are increasing numbers of shared service initiatives.

121. There are many formal and informal networks where we can share experience. Bodies such as the Regional Improvement Partnerships and Regional Centres of Excellence, as well as the IDeA, Solace and Socitm, are also contributing to the development of good practice.

122. However, many authorities (particularly smaller ones) already find it difficult to recruit staff in core areas such as social work and planning; and the market for emerging disciplines such as information management, business analysis and electronic delivery is very competitive. The challenge therefore is to find sustainable ways of building the skills and expertise required in the future, and to exploit our current infrastructure to its full potential.

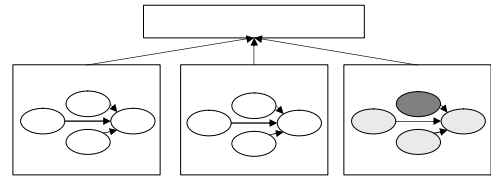
### **Where should we focus our efforts in order to transform?**

123. We need to ensure that ICT-enablement, including the effective exploitation of our current infrastructure and systems, is acknowledged as a real opportunity to do things differently and therefore part of mainstream service development. Transformation must be driven by all parts of our organisations, not just the centre. There is a real communication and engagement task here.

124. We need to focus on exploiting the potential of existing investments (such as CRM systems) and on sharing existing capabilities more widely (for instance, the project management skills available in many ICT departments or the buying skills in procurement functions). We also need to take full advantage of national initiatives. Programmes of change, including shared service initiatives, need to have clear mechanisms for benefits realisation built into their business cases from the start.

125. We need to decide how we can best pool our expertise for the collective benefit of the sector in order to avoid a growing divergence of expertise and capacity between authorities. The contribution of stronger local authorities (both financially and in terms of expertise) and the role of national bodies will be crucial and we may be able to use mechanisms such as online "talent banks" to identify and share the skills that we need.

"The number, scale and sheer difficulty of public sector projects means that public and private sector capacity to deliver this portfolio is constantly stretched."

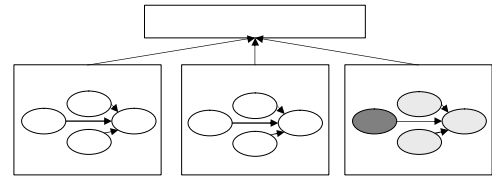


### Questions for discussion

126. Central government is talking about managing its ICT investment as an overall portfolio. What would be the advantages of this approach in local government and could it work?

127. The Government has appointed a Director of IT Professionalism and is looking to promote the further development of ICT awareness and change management skills. How could local government benefit?

128. How is your authority going to find the necessary skills and resources to improve local public services?



## Getting the relationships right

### Why is this important?

129. Although local authorities have a leading role to play, the real transformation of local public services will only happen through many different individuals and many different organisations, from all sectors, working in partnership.

130. We know partnering is hard. It depends on us being clear about our own objectives, involves a great deal of time and effort and raises very real issues of trust and control. The political dimension of partnering at a local level is also crucially important.

131. Success will depend on often very different bodies building and maintaining strong relationships, being clear about the shared outcomes they wish to achieve for their communities, managing performance transparently and handling conflict.

132. It will require different organisations to understand each other's objectives and to adjust their positions to achieve common ground.

### Where are we now?

133. We are working more corporately, often around programmes such as customer service improvement. There are successful programmes at local levels that we can learn from, including initiatives around community safety and some of the e-government partnerships.

134. Central and local government organisations are already working together on key elements of a common ICT infrastructure, such as Government Connect. Bodies such as the Chief Information Officer Council and the Service Transformation Board support this work by bringing senior central and local government decision-makers together.

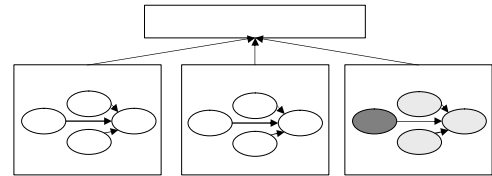
135. There is now wider experience within local government of managing partnerships with the private sector and of building flexible contractual relationships for complex and long-term programmes of change.

136. However, the success of partnerships remains patchy and partnering is still not embedded as a philosophy in our organisations. The challenge is to find ways of partnering effectively that recognise the difficulties involved.

### Where should we focus our efforts in order to transform

137. We need to work at developing more fully a culture of partnering and addressing the concerns of key local partners (for instance, the worries around security that NHS and police colleagues have over sharing sensitive data with local government). We need to use internal mechanisms such as corporate planning processes and external forums such as LSPs to focus on the benefits of sharing and to plan our investments jointly, so that, for instance, we develop converging ICT infrastructures.

138. Central and local government bodies need to work better together. Central government departments need to get better at designing national initiatives with local impact and implementation in mind, rather than treating local government as an "afterthought". We



must build our involvement in national projects, rather than acting often as sceptical bystanders.

139. We need to identify and take advantage of converging ICT standards to ensure our ICT infrastructure is able to support different organisations working in partnership. We need to continue to develop our skills as a client and to find better ways of working with the ICT industry, both locally and as a sector, challenging our ICT partners to “join up” in order to deliver technology that offers local flexibility within a framework on national standards and integration.

“It is a simple fact that we are stronger and more effective when we work together than apart.”

### Questions for discussion

140. The Government will be doing further work on project delivery, supplier management and innovation. How could local government take advantage of this?

141. The Chief Information Officer Council is being asked to determine a consistent approach to ICT standards and architecture across government. What should local government’s contribution be?

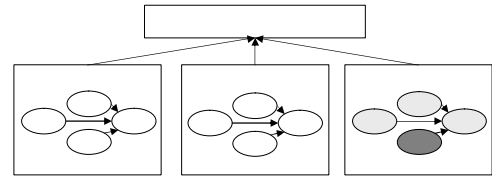
142. There are enormous changes taking place in areas like criminal justice and health (such as the Connecting for Health programme). How can local authorities, individually and collectively, engage effectively with these programmes and how does central government have to change its approach?

### 143. The Single Non-Emergency Number (SNEN) Programme

The Single Non-Emergency Number is a new service that will provide the public with direct access, via a new three-digit phone number, to community safety advice, information and action. Its introduction will provide benefits to the public by enabling better access to non-emergency services, improving delivery of non-emergency services, raising confidence in public services and improving 999 emergency services. The service will be available 24 hours a day, have multi-language features and be accessible via the Internet.

The SNEN service will be provided through partnerships between local authorities and the police in each area. It illustrates many of the themes highlighted in this report:

- It demands that a seamless service can be provided to callers that joins up police and the various local authorities in each region
- It requires the design of a new set of service delivery processes that dovetail into existing arrangements
- It will provide a hub for information sharing across the partners, providing a much better picture of community safety information to inform policy decisions
- It will provide a mechanism through which service delivery performance becomes clearer, with clear accountability
- It needs very effective change management to ensure buy-in from the many authorities involved in each partnership



## Managing the change

### Why is this important?

144. The process of reshaping local public services is particularly complex given the wide range of stakeholders involved and the challenge of defining and measuring success, but there is little indication that the pace of change will slow.

145. Transformation is dependent upon cultural and organisational change as well as technical change. Genuine progress and innovation will require trust, dialogue and engagement to ensure that change is embraced rather than merely complied with or even resisted. It will require a well-considered approach to managing risk.

### Where are we now?

146. More sophisticated approaches to sector change are already being developed, such as the e-Government programme, which combined central funding, targets and projects with local advice and support.

147. Local authorities and their partners have been developing their own skills and abilities to manage change through the many large-scale programmes that they have undertaken in recent years.

148. As we acknowledge that ICT-enabled change is about much more than hardware and software, change management is increasingly being recognised as a skill in its own right.

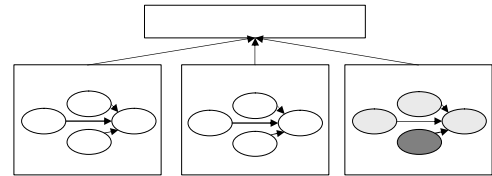
149. However, change management is still often considered a “nice-to-have” and programmes of major change can be poorly implemented. Our challenge is to have sophisticated approaches to change management in place at all levels of our authorities.

### Where should we focus our efforts in order to transform?

150. We need to find the right way of communicating a vision of the future and of “selling” the benefits of community-focused transformation to the sector. We need to consider the role of national government, national local government bodies such as the Local Government Association and of our local authorities themselves. We need to devise appropriate frameworks of governance, incentives and targets that make effective links between top-level policy and detailed implementation.

151. We need to find ways of engaging everyone, from Members to front-line staff, as well as key partners, in the process of change, for instance by focusing on major problems (how to provide coherent out-of-hours services) or opportunities (such as the London Olympics). We need to position ICT as a critical component of service development rather than as an “add-on”, so that it becomes normal, for instance, to include WiFi connections in any regeneration project.

152. We need to have a better understanding of the barriers to change and of what approaches work, drawing on research and good practice from a range of sectors. We need to examine the skills we need locally and to foster and support change agents at all levels in



our organisations, drawing, for instance, on the existing capabilities of Members, senior managers, service managers, ICT and HR professionals and front-line staff.

153. We need to refine our approaches to mitigating the risks involved – if our contact centres or ICT systems fail; if we allow the data we hold on our citizens to be misused; if our partners or shared service arrangements are unable to deliver what we want; if we get locked into technologies or contractual arrangements that go out of date – balancing these against the risk to our reputations if we do not transform and are perceived by our communities (and Ministers) as ineffective and out of touch.

“Complex reform requires consistent pressure to be applied across the whole system for a number of years. Leadership needs to be provided at several levels – by Ministers and Councillors; by Heads of Department and equivalents; by business leaders across the public sector; by CIOs; and by industry leaders – and aligned with the wider governance of the public services.”

**Questions for discussion**

154. The Government will be establishing a full governance model for Transformational Government. How should local government feature in this?

155. What skills does your authority have to manage major change? What extra support do you require?

## Conclusions and next steps

### The pivotal roles of engagement and leadership

156. At the beginning of this discussion paper, we highlighted a policy context in which the value of locality and local public services was being reasserted. We argued that local authorities needed to seize this opportunity on behalf of their communities in order to deliver better democratic engagement, better local services and better outcomes. But we also argued that local government would have to “transform” in order to succeed.

157. It will have become clear from the content of this paper that **transformation is already underway**. Authorities up and down the UK, working with a range of local, regional and national partners, are already taking advantage of the potential of ICT-enabled change to improve the way in which they interact with citizens and communities, deliver services and organise themselves.

158. However there remains plenty to do, even in the best authorities, to take full advantage of the investments of recent years. We are at the beginning of a new phase of progress and it will be a major challenge to find the skills and resources to continue developing and changing.

159. We hope this document has helped to underscore the distance that has been travelled already and the foundations that are there to be built upon. If there is one message about the future, it must surely be about the need for **engagement**:

- With **citizens, communities and businesses** so that we understand their needs and involve them in reshaping their local public services
- With **Members**, so that we can help them do their jobs better, as well as getting their support for change
- With **service departments and front line staff**, so that they are actively searching out opportunities to exploit the possibilities of ICT-enablement
- With our **ICT and other professionals**, so that they are clear about the support and infrastructure they need to provide
- With **local public service partners**, so that we can develop a joint understanding and vision for our areas and reshape our services and infrastructures to meet local needs in the most effective and efficient ways possible
- With **national government** and the **national local government bodies**, so that we can secure the national policy frameworks, infrastructure and resources that we need locally
- With other **local authorities**, so that we can share approaches, good practice and expertise
- With our **suppliers**, so that they can provide the goods and services we really require

160. In turn, ensuring that this engagement leads to transformation, steering through the many complexities to remain focussed on excellent service delivery, will be a true test of **leadership**. We believe local government is ready for it.

## Making your voice heard

161. We hope that this paper has stimulated ideas about how local government can transform and how central bodies can help. Please provide those ideas and any other comments you have to the following email address:

[itstrategyprojectteam@cabinet-office.x.gsi.gov.uk](mailto:itstrategyprojectteam@cabinet-office.x.gsi.gov.uk)