

CAPITA

LOCAL GOVERNMENT SERVICES

contact

winter 2010 | issue eight



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Making contact

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News in brief

News stories from around the business including Swindon's awards success, Sheffield's new accreditations and a roundup of LGS' charity work.



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Joint working: driving the way forward

Contact examines whether the future of local government lies in combining services across councils.



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Capita LGS' 2010 Local Government Club

Two speakers from the recent forum elaborate on the day's discussion topics.



Welcome to the winter 2010 issue of *contact*, our client newsletter that is packed full of news from across the Capita LGS business and views from our clients and your peers in the local government arena.

It has been another busy year for us at LGS, 2010 started positively with two new contracts going live on 1 February – Charnwood Borough Council and Cherwell District Council (see below for more details). I am delighted that both councils have chosen us to be their partner and that we've had the privilege of welcoming 67 staff who transferred across to the Capita LGS business from Charnwood Borough Council. And we end the year on a high – on 15 November the decision by the London Borough of Brent to award us with a new five year contract to continue

delivering revenues and associated IT services, and deliver additional call centre services, was ratified by its Members. The new contract will commence in May 2011 and will involve the transfer of 14 posts to Capita. We are in the process of finalising this agreement.

In this issue we focus on partnership working from a number of different angles. In our feature spread we interview Joint Chief Executive of South Oxfordshire District Council and Vale of White Horse District Council, David Buckle, to get his thoughts on the merging of the two councils' services and whether he feels the joint-working approach has been successful or not (see pages 4 and 5). I'm pleased to say that our 2010 Local Government Club was a success and on pages 6 and 7 we hear from two of the speakers at the forum who presented on the themes of partnerships and savings. I'd like to thank Stephen Hughes, Chief Executive at Birmingham City Council; John Tizard, Director at the Centre for Public Service Partnerships; and David Buckle, for their contributions to this issue of *contact*.

As always, we also share our recent business news with you. You can read about our accreditations achieved at Sheffield on page 8 and our award wins at Swindon on page 3. Our charity and community involvement activities are highlighted on page 8 and, as usual, our staff have been hard at work raising money for our chosen charities and I'm really pleased to say that we have now raised over £33,000 for Macmillan Cancer Research and £12,000 for The Alzheimer's Society. I hope you enjoy reading this issue of *contact* and that you find it interesting and informative. If you would like to let us know your views on the newsletter and any of its content, please send us an email at logovservices@capita.co.uk.

Kind regards,

Mark Chapman, Capita Local Government Services Director

Recent contract wins:

Charnwood Borough Council

Commenced: 1 February 2010
Contract length: 10 years
Contract value: £22.5 million
Staff transferred across: 67
Services: revenues and benefits.

Cherwell District Council

Commenced: 1 February 2010
Contract length: five years
Contract value: £3.3 million
No staff transferred across, services are administered from our Blackburn Business Centre
Services: remote processing for council tax, business rates and benefits.

News in brief

Capita opens landmark business centre in Southampton



It's been a long time coming but after much anticipation Capita's new regional business centre in Southampton finally opened its doors in June 2010.

The building is located in Southampton's Guildhall Square and houses 600 workers across its six floors which are shared between Capita and Southampton City Council. The centre also accommodates Gateway, the Council's one stop shop, located on the ground floor.

Capita's new regional business centre, One Guildhall Square, is a local landmark in Southampton's cultural quarter

Tasked with the job of designing and building the new shared business centre in 2007, Capita Symonds has successfully created a city-centre landmark that forms part of the multi-million pound redevelopment of Southampton's Guildhall Square and the regeneration of the City's cultural quarter.

The development has also played an instrumental role in the Council's ASAP project (Accommodation Strategy Action Programme) which is integral to the future of the Council, providing a better working environment and supporting new ways of working whilst also achieving reduced accommodation costs.

Recognition for service excellence

The Swindon Capita Partnership recently enjoyed double success when it scooped up two awards, for the Best Outsourced Partnership and the Best Contact Centre Manager, at the 2010 South West Contact Centre Awards ceremony held in Bristol at the end of June.

The award for the Best Outsourced Partnership was presented to Swindon Council and Capita, in recognition of the highly successful business relationship shared between the two organisations. The award acknowledges the way that, through the partnership, Capita has transformed the customer experience by improving service accessibility and efficiency and ensuring consistently high levels of service from a multi-skilled customer service team. Swindon also continues to maintain its CCA accreditation which was first achieved in 2009.

Capita's Contact Centre Manager at Swindon, Kevin Dix, was also recognised for his achievements and hard work by winning the Manager of the Year Award (under 100 personnel).

The annual South West Contact Centre Awards were set up to recognise and reward commitment, innovation and excellence among the region's 280 contact centres and the 52,000 personnel that work in them.

Capita Procurement Services, part of Capita LGS, was also recognised for its achievements – at Southampton City Council – when the Council was short listed for the Best Public Procurement Project Award in the prestigious 2010 Chartered Institute of Purchasing and Supply (CIPS) Awards held in September.

Our Procurement Service has been delivering an externally-managed procurement service – on all procurements over £100,000, excluding property services – to Southampton City Council since the beginning of our 10-year strategic services partnership with the Council in October 2007.

The Capita Procurement Team has already exceeded service expectations by achieving an impressive savings sign-off of £17 million in less than three years.



Collecting the award for the Best Outsourced Partnership at the 2010 South West Contact Centre Awards is Suzanne Avent, Operations Director for the Swindon Capita Partnership and Leon Barrett, Head of Customer Services at Swindon Borough Council

Joint working: driving the way forward

Combining the services of two rural councils with different political persuasions under a joint CEO and senior management structure: a recipe for disaster or perhaps, in light of the current challenging economic climate, pure genius instead?



In 2006 Conservative-led South Oxfordshire District Council (SODC) and Liberal Democrat-led Vale of White Horse District Council (VOWH) embarked upon the first district council joint-working partnership, with Capita LGS as its third partner, to achieve cost savings and deliver more efficient services. In 2008 it was decided that creating a joint senior management team was the way forward.

It's two years later and we caught up with the man behind it all – joint Chief Executive of SODC and VOWH, David Buckle – to get his views on the experience, finding out if he still believes that taking the joint-working approach was the best decision and how, now that the honeymoon period is over, the two councils are working together.

What were the key drivers behind the two councils choosing a joint-working approach?

'The main reason for the two councils deciding on joint working was to achieve cost savings, though other drivers such as achieving greater resilience and influence were also integral to the decision.'

'I think if the joint-working decision had been made solely for financial benefit it probably wouldn't have worked; the fit between the two councils was also very important. The political control may differ but the agendas that each council is pursuing are very similar and on top of that our ambitions, resident demographics and geographic areas are also very alike. All of that really helps instil joint working. I think pulling this off between two councils that are very different would be an incredibly challenging task.'

"The two councils are undeniably stronger together than they ever were individually; I have no doubt on that at all."

What are the benefits you have achieved so far as a result of joint working?

'We've made some significant progress in achieving cost savings to date. So far we've been able to reduce our operating costs by 6%, which equates to around £2.2million, across the two councils without any service cuts in priority areas and I believe this figure will continue to grow.'

'A large part of these savings can be attributed to the creation and restructuring of the joint senior management team which saw the team shrink from 21 people to 12, generating £950,000 in savings.'


'We've also generated an additional £1 million in savings as a result of our business process re-engineering efforts and the creation of more efficient and streamlined processes.'

'Without a doubt the two organisations have also become more resilient as a result of joint working. We said that this would happen when we were putting the proposals together but I don't think people believed us. There are more resources to draw on now so, for example, when someone who works in a small team is off sick the impact of that is much more manageable as we have a bigger pool of resources available. The two councils are undeniably stronger together than they ever were individually; I have no doubt on that at all.'

'Together the two councils have also been able to exercise greater influence, both locally and on a national scale. We have gained a reputation of being innovative and at the front of the pack, driving forward change, and this gives us a certain amount of credence when it comes to talking to outside bodies, government ministers and civil servants.'

What were the major challenges encountered in implementing joint working?

'The biggest challenge was definitely with the staff. It wasn't that they were resistant but they were understandably uncertain and nervous about their future.'



'When you're going through a change process as we are, a level of uncertainty is inevitable. It's difficult to reassure staff but we've concentrated on being very open and honest, keeping staff informed about the journey we're on.'

"Finding the right partner is the most important factor. It's a bit like getting married: it's a long-term relationship that's difficult to get out of."

'I'm always asked the question, 'Were there many political challenges?' People are fascinated by the fact that I have two different political masters working together, but that side of the joint working has been very smooth. I think the fact that we have delivered all the financial savings, and that services haven't suffered as a consequence, has reassured politicians and residents.'

'Our main logistical issue at the moment is accommodation. We're currently still based at two sites which are 12 miles apart. Resolving this will be a complicated process but from a financial viewpoint it's imperative as we're sitting on assets that are bigger than we need plus of course it's challenging to get a team to work together if it's spread across two offices.'

"... we've been able to reduce our operating costs by 6%, which equates to around £2.2 million..."

How challenging has it been maintaining the standards of each council through joint working?

'This was a big concern for politicians. While they could see how cost savings could be generated they were worried about service standards dropping. But this hasn't happened; on the contrary I can say that there are a number of services that are now significantly better than they were when we started the partnership and none that are worse. So I think we've made good progress in the last four years.'

What advice would you give to other councils considering taking a joint-working approach?

'Finding the right partner is the most important factor. It's a bit like getting married: it's a long-term relationship that's difficult to get out of. The costs of unravelling our joint working now would be horrendous and wouldn't sit well with residents. If you and your potential partner don't trust or like each other it will probably end in tears, so test compatibility early.'

Given what you know now, would you still have gone through with it?

'Absolutely! No question about it. The two councils are better for choosing to do it. It's challenging, but the benefits far outweigh the difficulties and in my opinion joint working is the way forward – in this economic climate you have to look at your management and overhead costs and this is a pretty safe way of reducing them quite significantly.'

What are your thoughts on how Capita has fitted in as your third partner?

'Capita was the catalyst for all this really, opening our eyes to the possibilities of joint working and prompting us to consider it as a wider option. Capita showed us that it was possible to work successfully and beneficially with an outside partner.'

What does the future of joint working hold in store?

'I think the debate on joint working is going to move on over the next couple of years from joint management arrangements to joint councils. Earlier this year we saw the first two councils decide to join together – Mid Suffolk and Babergh District Councils are set to merge into a single district – and I think that is the direction of travel that local government is going in. So, I expect that the work we've done here on developing joint working will eventually be overtaken by joint councils and I hope that we are still at the forefront when that happens.'

"Capita was the catalyst for all this really...(it) showed us that it was possible to work successfully and beneficially with an outside partner."

Capita LGS' 2010 Local Government Club

On 9 September 2010 Capita LGS hosted its second annual Local Government Club, a forum created at the request of our clients to bring together Chief Executive Officers and Corporate Officers, from District and Borough Councils, to discuss current industry hot topics and share ideas and experiences. This year's event was hosted by Mark Chapman; LGS Business Director, and guest speakers included: John Tizard, Director at the Centre for Public Service Partnerships; Stephen Hughes, Chief Executive at Birmingham City Council; and David Buckle, Joint Chief Executive at South Oxfordshire District Council and The Vale of White Horse District Council.

A number of different topics were discussed, including David Buckle's thoughts on his experiences of joint working which we've looked at in greater detail in our feature article on pages 4 and 5. Here's a recap of what the other two guest speakers had to say:

Stephen Hughes, Chief Executive of Birmingham City Council



Stephen Hughes argued that the scale of reduction in spend needed is such that it cannot be met solely from more efficient processes and cheaper inputs. Instead, councils need to think about what the priority outcomes they are seeking for their residents are and which of their services are best able to create these outcomes. Even then

there would need to be some radical service redesign. Birmingham Council has been using five principles to challenge the existing pattern of service design. The first is business transformation which has been successfully applied to back office services, HR processes, administrative buildings, working methods and management, storage and retrieval of information. The Council is set to save £100 million per annum net of costs from these changes. This principle has also been applied to customer services to transform the customer experience, giving them access to how their service request is progressing, for example, and also giving the Council detailed information on service performance.

The second principle is collaboration. An example of this is the pooled budgets for delivery of mental health and learning disability services where joint commissioning with PCTs is helping to improve service and drive down cost.

John Tizard, Director at the Centre for Public Service Partnerships: The shield of partnership in austerity



The financial challenge facing the public sector is the greatest for over 80 years. No modern Government has sought to reduce public expenditure so deeply and fast as the Coalition is planning. No area of public service will be excluded – not even the NHS which will have some modest protection but is faced with the tightest financial settlement in its history.

This means that local authorities and their local public sector partners are faced with very difficult decisions. Whilst they will seek to find efficiency savings as they have done previously these alone will not close the funding gap.

As one means of ameliorating deep cuts, many local authorities and their partners are looking at a "Total Place" approach. There are significant savings to be achieved from greater partnership working across local agencies in every locality. Services can be redesigned around outcomes for citizens and communities rather than professionals or institutions. The "Total Place" pilots showed how this approach can often lead to better outcomes for lower cost.

This essential form of partnership working is not easy. There are cultural, governance, accountability and vested interests to overcome. Bold leadership can drive the necessary changes.

The public sector will not automatically look to more outsourcing to address its budget shortfalls but where it does have outsourcing arrangements it will be looking for more flexibility in contracts, greater personalised outcomes and lower margins. The private sector providers will have to change too. As George Osborne says, "We are all in this together."

New opportunities are opening up in respect of GP commissioning and there is a need to make better use of schools. The third principle is prevention. Birmingham's best example is the Brighter Futures Programme. This is an evidence-based package of targeted early interventions around children and families designed to reduce the incidence of later anti-social behaviour, mental health problems and other social difficulties that ultimately cost society more.

Fourth is the personalisation agenda. In Birmingham the biggest example is the move to direct budget payments for an increasing number of adults in the care system. This enables the Council to remove significant overheads whilst providing more bespoke care packages. But the principle is applicable to many other services.

Finally, the fifth point is self-sufficiency. Helping people to help themselves and finding others – such as private and third sector volunteers or even staff-based co-operatives – to provide services that the state currently provides. There are lots of small examples, but the challenge is to scale up and make these more widespread.

Stephen also spoke about the implications for private contractors. Given that councils are looking to make savings of around 30%, the existing "cost plus" models with better management will not win contracts. Suppliers need to come up with innovative delivery models that significantly reduce cost as well as new commercial models that, for example, take risks around service outcomes instead of just outputs.

Capita LGS client forums

This year at Capita LGS we've hosted a number of client forums covering revenues, benefits and training, which are designed to bring our clients together and provide them with the opportunity to discuss topics of interest with their peers.

On 16 September we held a revenues and benefits forum in London where service experts from our client base shared their thoughts on various current industry issues. Our Assessment, Policy and Training Team (APT) hosted its inaugural training forum in London on 20 October which was aimed at helping our clients maximise the potential of their employees in this existing economic climate. The forum examined how this could be done through making the most of coaching opportunities and performance management. We were also able to provide guidance on updated benefits legislation and clients went away with a useful toolkit of ideas and desk aids to share with their staff.

These forums received positive feedback from our clients in attendance, who embraced the opportunity to openly interact in a positive environment with their respective counterparts.



New LGS website launched

Our new-look website, which is shared with Capita Software Services, was launched in January 2010 and combines the products and services of the two Capita divisions, making it easier for our customers to find related and complementary products and services.

The website incorporates greater functionality and accessibility for users, as well as a new visual identity for a fresher and more modern feel. All of Capita LGS' services can be found in the partnerships and outsourcing section.

Both businesses believe the improved website is a key element in demonstrating our commitment to making our services more dynamic and better tailored to suit our clients' specific needs. Visit www.capita-lgs.co.uk to find out more.



News in brief

Capita LGS saves local youth project from closure

After facing the threat of closure due to lack of sponsorship, the Thamesmead Youth Awareness Programme (TYAP) celebrated its re-launch in October 2009 after receiving a cheque for £22,250 from Capita LGS.

The TYAP Support Service works in North Bexley, London, where it engages with marginalised groups of young people who are at risk of becoming involved in crime or becoming the victims of crime, helping them to improve their overall quality of life.

The TYAP operates from a drop-in centre which is open six days a week and from where it runs a number of positive youth inclusion projects and also provides targeted support for young people who have been excluded from school or who have emotional and educational needs.

Capita LGS places great importance on making a positive impact in the communities in which we work, which is why the business was keen to get involved in sponsoring this initiative.



Celebrating the re-launch of TYAP, pictured here in the drop-in centre are (L-R): TYAP Service Manager, Roy Gisby; TYAP member, Rodney Aduo; Capita LGS Regional Director, Mary Swan; and the London Borough of Bexley's Deputy Leader and Cabinet Member for Schools, Adult Education and Youth Services, Cllr Simon Windle

We initially came on board with this project in April 2008, when we provided TYAP with £10,000 in funding. 'When we later found out that the TYAP drop-in centre faced closure, due to lack of funding, we agreed to further fund the project with £22,250,' said Capita LGS Regional Director, Mary Swan. 'We're delighted to be able to sponsor this Programme which is doing such sterling work with young people in the Bexley community.'

Double accreditation success for Sheffield

It's been a busy year for our Sheffield site which has recently achieved double accreditation success. In January the Revenues and Benefits Team at the strategic partnership was recognised for providing excellent customer service when it was awarded the government-endorsed Customer Service Excellence accreditation for its achievements in serving the citizens of Sheffield.

The accreditation, which was awarded after a thorough assessment only one year after

our partnership with Sheffield commenced, is a government initiative that aims to improve customer service for the public by encouraging organisations to focus on the individual needs and preferences of citizens.

'This accreditation is a great accolade for the team and proof that our investment in service innovation and training is already paying off. More importantly, it is acknowledgment that all our hard work over the past year is paying off for local citizens who are able

to reap the benefits,' said Sheffield Partnership Director for Capita, Terry Boynes.

The Partnership was later also awarded the 'two ticks' Disability Symbol Certificate by Jobcentre Plus, in recognition of its commitment to employing and empowering disabled people. This accreditation is given to companies who have agreed to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees.

Charity champions

In 2007 The Capita Group's employees chose to support Macmillan Cancer Support as the Group's corporate charity for the next few years. Since then, thanks to the hard work and enthusiasm of our staff, we have raised over £1 million for Macmillan. Capita LGS staff contributed over £33,000 to the Group's total sum raised by holding numerous fundraising events which included dress down days, bingo, raffles, slave auctions, sweep stakes, cakes sales and many other clever initiatives.

In addition to this, Capita LGS employees also chose to support The Alzheimer's Society, for which we've raised over £12,000 to date.



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