



Annual Report of the
Chief Executive of the States of Guernsey

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1 Introduction from the Chief Executive Officer of the States of Guernsey

Public service reform is the programme of transformation to make the public service best equipped to deliver government policy outcomes in an effective and efficient way.

Our 10-year framework for improvement was endorsed by the States of Deliberation in September 2015. It has since been developed to support the political priorities in the Policy & Resource Plan endorsed by the States of Deliberation last year, and it helps deliver on the objectives of the medium-term financial plan.

The organisational improvements and changes that are covered in this report have been prioritised to have the greatest influence on our ability to meet the needs of the customers who use our services.

Over 2017 the public service reform work has been directed by four overall objectives and eight programmes that reflect our priorities. This report provides an update on the progress made and provides data to demonstrate that progress.

In addition, we have set out the priorities for public service reform during the remainder of 2018 and into 2019-20.

We can demonstrate significant progress on the goals we have set ourselves and I want to take this opportunity to highlight some of the areas of significant change covered in this update:

1. **The move to a combined counter service at Edward T Wheadon House**, meaning our customers who want to use counter services only need to go to one place for all of their transactions
2. **Increased flexibility for customers through the use of online services** – we now have even more services which can be done at any time, from anywhere, through our secure gov.gg website
3. **The launch of our customer charter now established across the organisation** – we have made clear to our customers the service they can expect so they can tell us when we are not up to the mark, and what we can expect from our customers (see section 4.4)
4. **Improved performance management data across all service areas** – now we have richer data available to us across more areas, so that we can track and report our performance more effectively

5. **Completion of the first part of the property rationalisation programme** – exiting Cornet Street and Grange Road House, on time and on budget and with minimal impact on customer service
6. **Put in place a programme to support the Health and Social Care Partnership of Purpose endorsed by the States of Deliberation in December 2017** – demonstrating that government priorities and organisational improvement and change work hand-in-hand
7. **Moved to the next stage of providing a single revenue service**, collecting social security contributions and income tax set by the States, on time and on budget, and committed to providing a more efficient and more effective service
8. **Moving to the next stage of the Future Digital Services programme** – Making sure our IT provision is robust and does what we need remains one of our greatest challenges and one that cannot be underestimated. This year we have taken a big step closer to 21st century IT provision across the States, and have a clear understanding of where and how investment is needed and the funds to do that. Our IT infrastructure is not only essential to meet the performance standards expected of us now, it is also the enabler for many of the longer-term improvements to services identified by Committees, and that we are committed to making as part of Public Service Reform.

That said, I want to be realistic. We are still in the phase of putting in place the foundations for long-term change. Our commitment to improvement is strong and consistent across the organisation; we have momentum, but have achieved more in some areas than in others.

1.1 Progress 2017-18

1.1.1 Background

Our aim is to build a single public service organisation, one that works in partnership with outside expertise, organising and delivering services centred on those who use them, and using money wisely and carefully. An organisation designed around meeting community needs, rather than expecting the customer to adapt to the public service's internal procedures and structures. One which has adopted technology and a 'one-stop, tell us once' approach to make our services easier to access and use. This outcome is *Service Guernsey*.

There are four overall *Service Guernsey* themes that support public service reform:

- Focus on organisational performance management – see sections 2 and 3
- Focus on our customers - see section 4
- Focus on value for money - see section 5
- Focus of staff satisfaction and engagement – see section 6

During 2017 and in the early part of this year, work was undertaken on eight reform programmes as detailed below.

1.1.2 Transforming Health and Social Care Services

This programme supports the model set out in the Partnership of Purpose, the Committee *for* Health & Social Care's policy letter that was unanimously approved by the States of Deliberation in December 2017. The Policy Letter contained 22 wide-ranging resolutions, which now set the roadmap for transformation over the next five to 10 years, to create an integrated health and care system, working in partnership across organisations and providing services centred on those who use them. A series of priorities have been identified for 2018 which include identifying a site and planning for the first Community Hub to be opened in 2019; the groundwork for the Partnership of Purpose; and establishing the Bailiwick Health and Wellbeing Commission along with areas of legislation, policy and objectives for Public Service Reform. These are reflected in the 2018 organisational priorities set out below (See page 6).

1.1.3 Transforming Justice and Equality Services

In June 2017, staff identified links between the transformational objectives of Public Service Reform and the aims and objectives of the Criminal Justice Strategy set out in the Policy & Resource Plan. However, further discussions highlighted difficulties in establishing transformational work streams and, having completed the 2018 Programme Priority setting process, it is clear there are no reform projects or initiatives being taken forward this year as part of the Justice Strategy work. This situation is being kept under review.

1.1.4 Transforming Education and Training Services

The States of Deliberation agreed its preferred options for the future provision of secondary and post-16 education earlier this year and work is now progressing at pace to support this. This work will also give us a fuller understanding of the opportunities for cost and service improvement that exist within the current education and training system so that we can realise short to medium term benefits in advance of those from the major transformation initiatives.

1.1.5 Supporting Government

The purpose of this programme is to support the machinery of government established following the adoption of the States Review Recommendations in 2016. It will strengthen governance in the political body and the public service, and set out a stronger approach to policy development. This will include providing stronger support for Deputies in areas such as data protection, through training and development. It will

also strengthen policy development, implementation and measurement across the States. One of the next steps will be a survey of all Deputies asking for feedback and ideas across a number of areas.

1.1.6 Revenue Services

Previously referred to as the Contributions and Tax Services Programme (CATS), the States of Deliberation approved in April 2018 to combine these two services and agreed the next phase of work.

1.1.7 Property Rationalisation

Phase one of this programme was completed in February 2018. Both primary objectives – exiting Grange Road House and Cornet Street – were achieved by the end of Q4 2017, which involved 468 staff moves, more than 1,000 pieces of furniture and 2,000 pieces of IT and phone equipment. Three final moves for staff based in Sir Charles Frossard House took place in Q1 2018. There has been specific focus on the Human Resources team who are now piloting new more mobile ways of working, requiring fewer fixed desk spaces, with a view to adopting this flexibility more widely across the organisation.

1.1.8 Future Digital Services

The ultimate objective of this project is to identify and implement a model for delivering IT to the States that can address existing technology challenges and meet our future needs. To be successful, we need to broaden States' IT-related effort and cost, moving from simply supporting government business as usual to becoming an enabler for Public Service Reform and the development of the local digital economy. After an initial engagement with the market, which ensured any commercial partnerships included opportunities for on-island providers, outline solutions were appraised in early 2018. A recommendation to take three potential suppliers and an in-house alternative model through to the detailed solutions stage was approved by the Policy & Resources Committee in March 2018.

1.1.9 People Plan

We have now completed the learning and development review and also collected and examined data to inform our review of terms and conditions. All of the People Plan projects are now in the implementation phase.

1.2 Ongoing Priorities for 2018

1.2.1 Identification of priorities

Work to develop a cohesive set of objectives for organisational change during 2018 began in September 2017. The exercise was challenging and included extensive engagement with the teams working on each of the eight reform programmes set out above, tasking them to fully define their individual and collective priorities and objectives for 2018. This was followed by a series of workshops with the Civil Service Leadership Team¹ to make sure these priorities were consistent and could be properly resourced.

We assessed potential priorities against set criteria including whether there is capability and capacity to support the work in terms of technology, human resources and finances; whether there are procurement or legislative issues to be overcome; whether they are aligned with government priorities; and whether potential benefits have been - or could be - clearly identified.

The outputs from this work highlighted three areas of concern:

- The volume of competing policy, operational and reform priorities
- A lack of capacity within the organisation, particularly in supporting and enabling functions such as transformation, technology and HR, meaning it is unlikely that all of the priorities can be delivered simultaneously, similarly the ability of resources within a specific committee area to provide the necessary input into multiple projects.
- The need to ensure activities within our service change programmes, and the enabling programmes supporting them, are properly aligned and synchronised

To mitigate these concerns, the Chief Executive set a number of specific priority outcomes for delivery in 2018.

1.2.2 Prioritised outcomes

There are 16 priority outcomes agreed for 2018. These are set out below and represent a balance of interests between our core customer groups: external service users, the political body, and the component parts of the organisation.

It was agreed that the work being undertaken to deliver the four overall objectives should continue, as these are the basis of public service reform, namely:

1. Focus on organisational performance management – introduce high-quality monthly reporting data and use it to improve the monitoring of performance and the realisation of organisational objectives and benefits – see sections 2 and 3

¹ The Chief Executive Officer; the States Treasurer; the Chief Operating Officer; the Chief Strategy & Policy Officer; the Chief Information Officer; the Director of Transformation; the Chief Secretaries to the six principal Committees; the Managing Director of the States Trading Supervisory Board; and HM Greffier

2. Focus on our customers - redesign a targeted number of high volume transactional services, increasing accessibility and convenience, and by doing so improve the customer experience – see section 4
3. Focus on value for money - secure annually recurring revenue savings in line with the profile set out in the medium term financial plan agreed by the States, without adversely impacting outcomes for service users – see section 5
4. Focus of staff satisfaction and engagement – deliver demonstrable improvements in specific areas of concern identified in the 2017 staff survey – see section 6

In addition to these four overall objectives, the following programme or project outcomes are also a priority for 2018:

Transforming Health and Care Services Programme

5. **Strong and visible foundations to be laid for the Partnership of Purpose** by progressing the strategic development initiatives identified in the associated policy letter:
 - A Bailiwick Health and Wellbeing Commission will be successfully launched.
 - The Health Intelligence Unit will be strengthened developing more preventative strategies and proactive approaches to health care.
 - The design and launch of a ‘Guernsey Academy’ will bring together the third sector and relevant staff from within the States of Guernsey, to develop the commissioning capability across the Bailiwick and by doing so facilitate the transformation of community health and social care services.
 - Following a review of Community Services, requirements for co-location will be confirmed and a suitable site for the principal “Community Hub” identified. Planning will be sufficiently advanced to allow services to start operating from the principle Community Hub as early as practicable in 2019.
6. **The Cost and Service Improvement programme** will continue to optimise savings, avoid additional cost and improve efficiency and service quality. By doing so it is releasing the savings identified in the BDO costing and benchmarking work and ratified in the KPMG target operating model report.
7. **Health and care services ICT will be improved by** taking advantage of the opportunities presented by the upgrade to the ICT infrastructure. Significant investment in the HSC IT infrastructure has already been approved by P&R.

Transforming Education and Training Services Programme

8. **Programme identification and definition stages will have been completed** and a blueprint for the new delivery model made available.

Revenue Service Programme

9. **The programme to integrate social security contributions and income tax collection services** will put in place a single organisational structure with agreed internal reporting lines.

- 10. Two new or improved digital services will have been launched.** By increasing system and process automation these services will be faster and more efficient with the aim of becoming the “channel of choice” for customers.
- 11. The technical approach for replacing the Revenue Service IT systems will have been agreed,** and a procurement strategy defined.

Future Digital Services

- 12. The procurement phase of the Future Digital Services project will have been successfully concluded and a delivery model has been selected.** A transition plan will have been clearly defined, approved and communicated and transition planning will be sufficiently advanced to maintain the integrity of that plan. As mentioned above, the delivery of this critically important long-term project will include on-island businesses and expertise.

Joint working with Jersey

- 13. A Channel Islands Public Services Board** comprising members of the senior civil service in Guernsey and Jersey, and also involving Alderney was established in early 2018. By the end of the year that Board will have improved collaboration across the Channel Islands’ public sectors by identifying and properly resourcing opportunities for joint working aligned to the strategic and operational priorities of those public services.

Income Support

- 14. The new “Income Support” scheme, will be launched successfully** and recipients of the former housing rent rebate and supplementary benefit schemes have been moved to this new benefit system.

Waste Strategy

- 15. The implementation of the Waste Strategy will progress in line with the approved programme plan as approved by the Waste Programme Board.**

Population Management

- 16. The Population Management service will have been strengthened** following its introduction in 2017, and on-line services will have been improved. Work to improve services is ongoing and we have been engaging users of the service to make sure we change what’s needed. Increasing numbers of customers are now accessing the service via digital channels.

2 The Structure and demographics of the public service

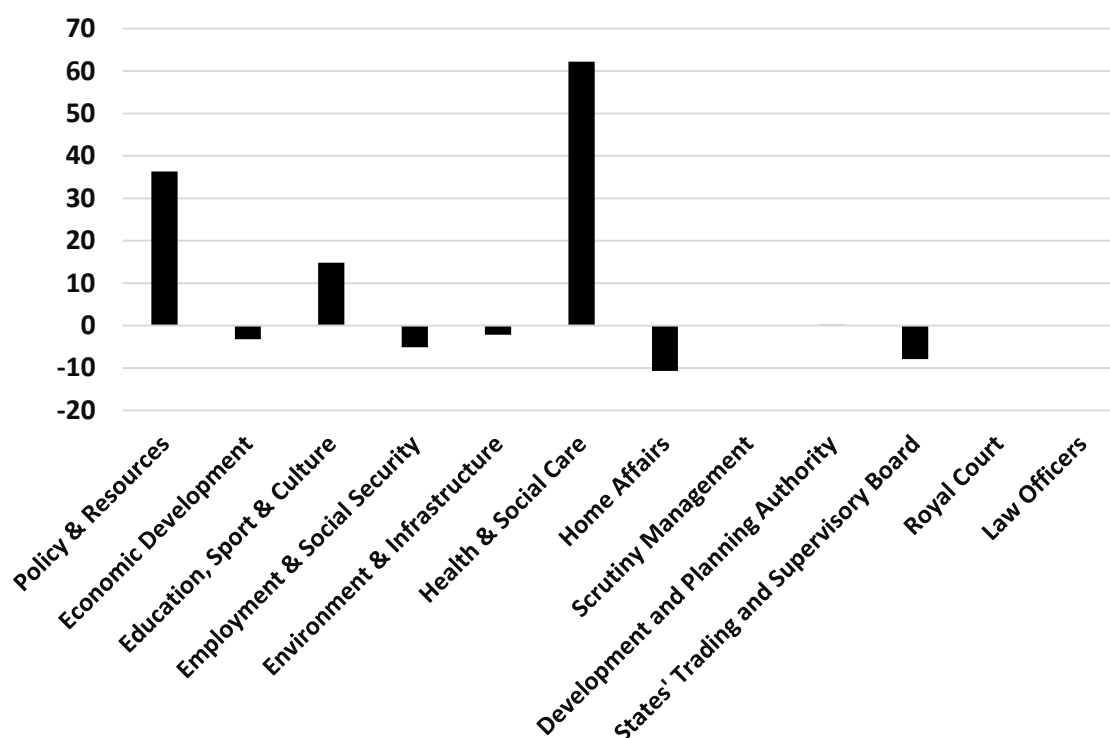
2.1 Introduction

Actively managing staffing levels and ensuring the public service is structured in a way that promotes the efficient and effective delivery of services is central to public service reform.

The average number of full time equivalents (FTEs) directly employed by the States during 2017 totalled 4,503². This is a small increase (1.9%) since the end of 2016. The increase relates to planned recruitment activity, which has been appropriately authorised and addresses specific organisational or operational pressures.

The changes in FTE numbers across service areas during 2017 are illustrated in Figure 1 below.

Figure 1 - Changes in FTE count during 2017



Staff numbers are being actively managed with frequent meetings held within service areas to evaluate all potential new recruitment.

² Average number of Full Time Equivalents (permanent, temporary, and agency) paid during 2017. For example, one member of Established Staff (full time hours 36) working an average of 18 hours a week would be included above as 0.5 FTE.

Some recruitment has been to posts that were held as part of the in-year savings targets for 2016 but are deemed essential to service delivery. A number of new posts were also agreed to support organisational and operational pressures, including an increase in the number of posts at Education (many part-time) and an increase in nursing roles (and other essential posts) within Health & Social Care.

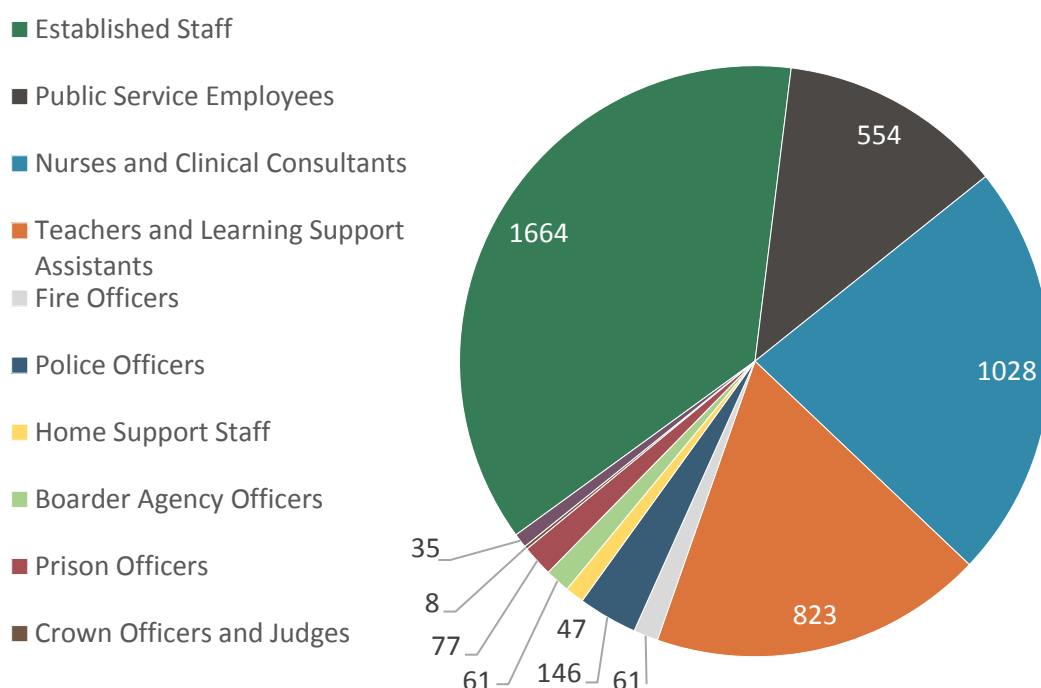
The majority of staff budgeted to the Policy & Resources Committee fulfil roles in support of committees and services across government. Increases in headcount can be attributed to the further development of these corporate functions, such as IT. However, increased staff resources have also been needed to effectively manage the Bailiwick's response to additional outside pressures, for example Brexit and the EU's General Data Protection Regulation.

2.2 The structure of the public service

The majority of staff within the public service continue to be engaged in operational roles. As illustrated in

Figure 2 below, 2,839 FTE's (63%) come from within one of the 10 staff groups that relate to specific operational roles such as nurses, teachers and police officers etc.

Figure 2 - FTE's by pay group December 2017

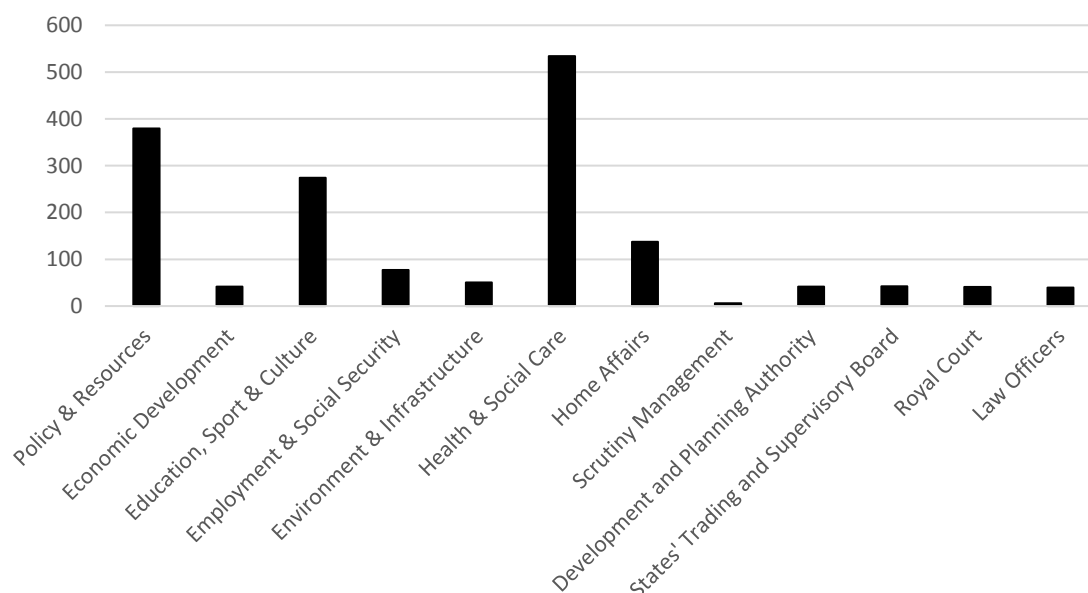


The remaining 1,664 FTEs sit within the Established Staff group. Again, many of those within this group are directly involved in providing customer-facing services such as Housing, Planning, Income Tax and Social Security. However, this staff group also includes those involved in the development of policy and strategy and approximately

300 FTEs dedicated to the provision of the core support services of HR, finance, IT and the shared services centre (the Hub).

The distribution of established staff across the organisation is shown in Figure 3 below.

Figure 3 - Established Staff by Service Area



The total number of people employed by the public service, referred to as headcount, increased from 5,179 at the end of 2016 to 5,319 in December 2017. We have seen an increase in the number of staff on reduced hours contracts, part-time posts, short-term contracts and the number of staff who, by mutual agreement, have opted for flexible contracts to provide *ad hoc* support for some service areas.

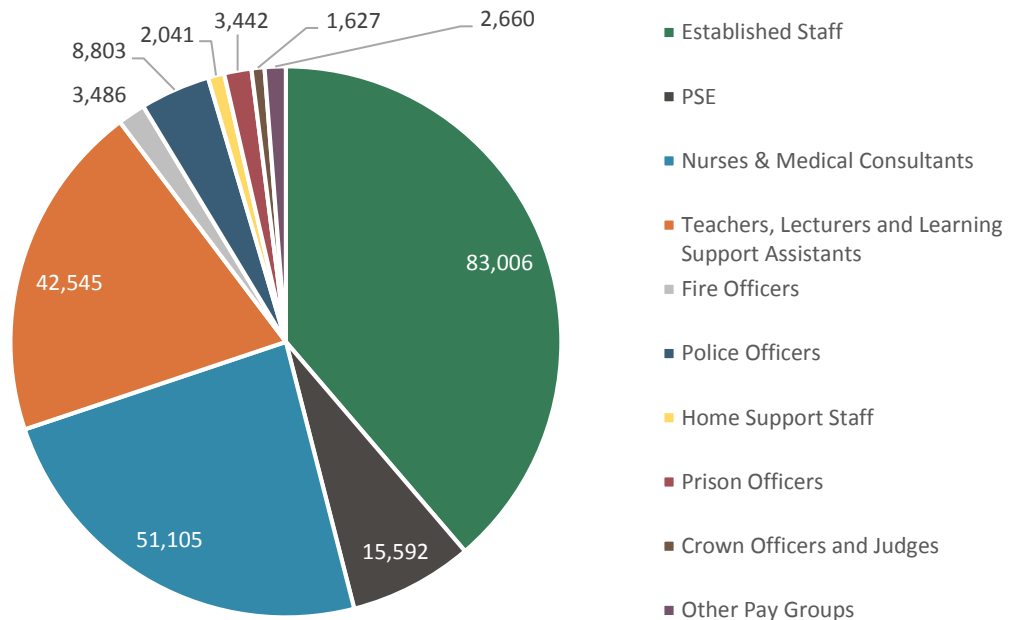
2.3 The cost of the public service

The public sector pay bill for 2017 was £217.5m. This was a small increase (0.6%) from the 2016 figure, however a reduction in real terms. When considered against the impact of a number of public sector pay awards processed during the year, the total spend demonstrates our continued efforts to keep pay costs as low as possible.

As would be expected, the distribution of pay costs across the organisation broadly mirrors the distribution of FTEs. Similarly, the majority of staff costs relate to the provision of operational services, such as healthcare, schools and law enforcement, with 80% of costs incurred in three service areas: Health & Social Care; Education, Sport & Culture; and Home Affairs.

A breakdown of the 2017 staff costs by staff group is shown in Figure 4 below.

Figure 4 - 2017 pay costs (£000's) by staff group



2.4 Agency Costs

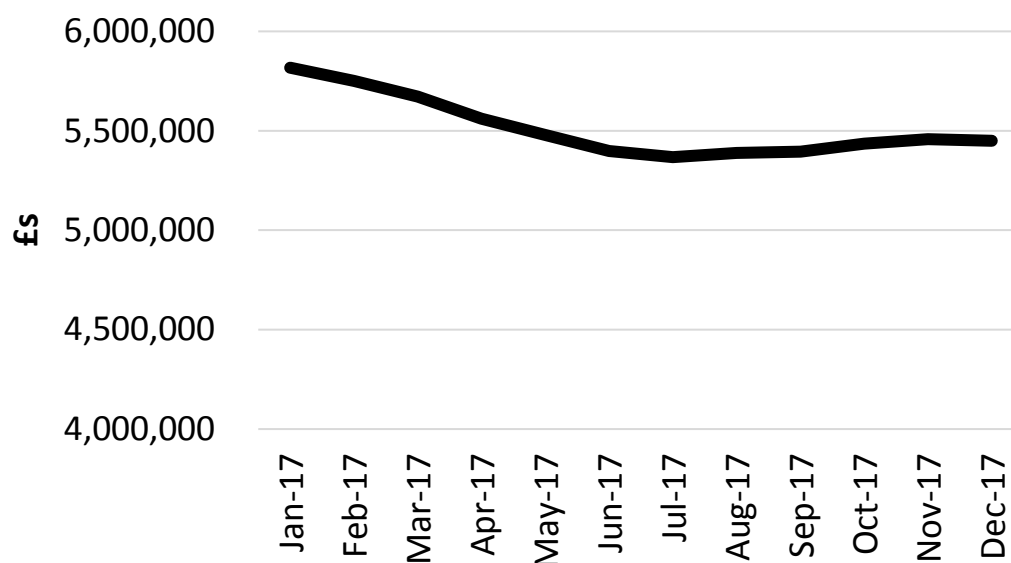
The reduction in spend on Health & Social Care agency costs continued during 2017 and is a significant success story. The 2017 total was £3.2m which compares to £5.7m and £7.9m in 2016 and 2015 respectively. In December 2017 there was an increase in nursing agency costs of 12% due to winter pressures and challenges with the retention of nurses, despite successful recruitment campaigns.

Remuneration and the cost of living are not the only factors affecting staff retention. Work culture and settling off-island recruits into the community are both seen as instrumental. We have re-visited relocation and rental packages but it is also important that we seek innovative new ways to provide a greater incentive to Health & Social Care staff to relocate and encourage them to stay for longer periods of time.

2.5 Overtime costs

The main employee subgroups (established staff, public service employees, teachers, and nurses) all showed decreases in overtime payment during 2017. Year on year there continues to be a significant saving on overtime, with a 6.3% reduction in the cost of overtime during 2017.

Figure 5 - 2017 rolling total overtime costs



The decreases in overtime costs have occurred mainly within the established staff and public sector employee staff groups.

2.6 Managing sickness

With a workforce as large and diverse as the States of Guernsey, it is important that the organisation continues to examine ways to minimise sickness absence wherever possible. This remains a priority area for the Senior Leadership Team, with the focus being on the proactive management of sickness absenteeism.

During the last year the HR team has focused its attention on areas of high sickness, such as public service employees, teachers and nurses. The team has also done a lot of work on better understanding reasons for absence. This found that non-work related stress, muscular-skeletal issues and flu/cough/cold are the top three.

In response, the States of Guernsey has introduced a number of initiatives aimed at reducing sickness absenteeism with a particular focus on enhancing the wellbeing of staff. This includes the 'Be a Well Being' campaign launched by the Chief Executive at the Service Guernsey staff event. We have also supported Public Health initiatives, such as working towards all government buildings being smoke free.

During the next 12 months we will continue focusing on key areas of staff sickness, and monitor if measures put in place during the last year have had an impact.

Additionally, we have changed our internal process around the administration of staff sickness benefit cheques. This reduced administration has resulted in cost reductions.

2.7 The demographics of the public service

Age & Gender

People are the public service's greatest asset. Over half of the workforce is aged between 40-59, which means that the public service can reliably draw on significant expertise and experience. Around one third of the workforce is under 40, which means we have a cohort who will provide continuity in the future.

Almost three in every five public service workers are women with female and male distributed similarly across age groups. However there is an imbalance in the numbers and percentage of women in senior positions, an issue which we are seeking to understand better.

Figure 6 – Workforce profile by age group

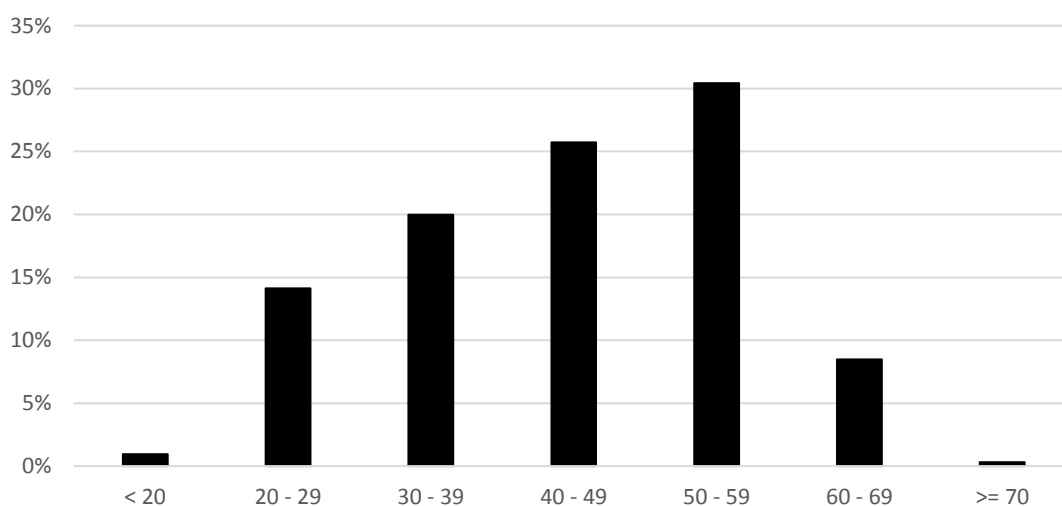


Figure 7 - Workforce profile by gender

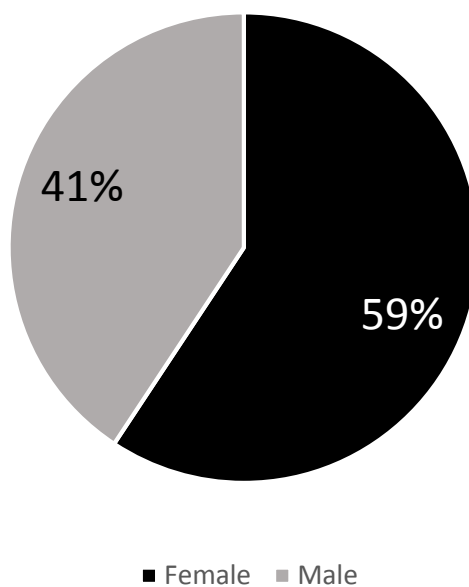


Figure 8 – Workforce profile by age group & gender

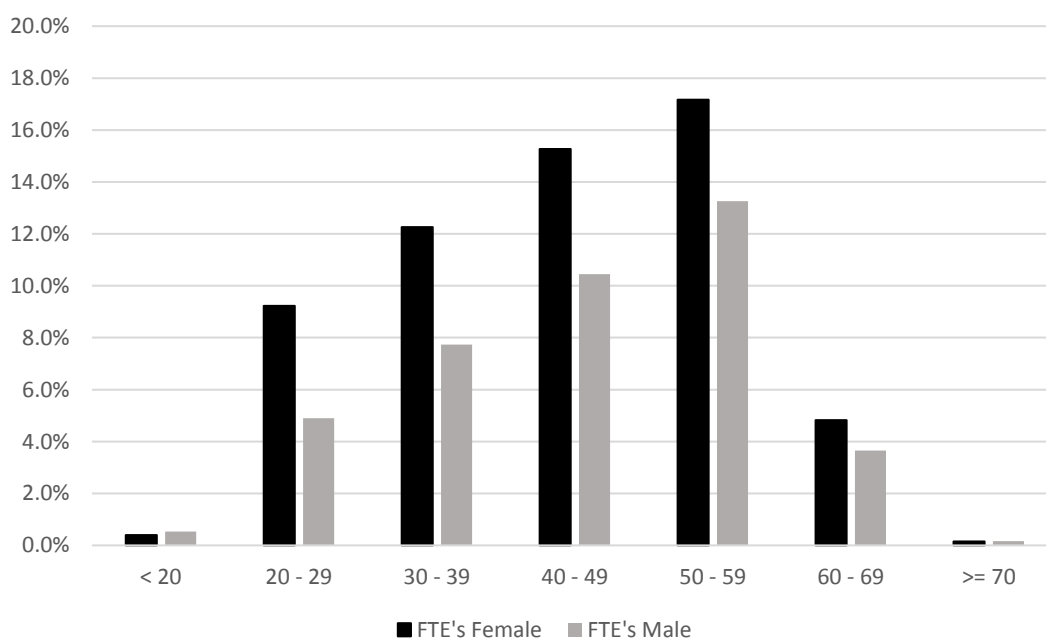
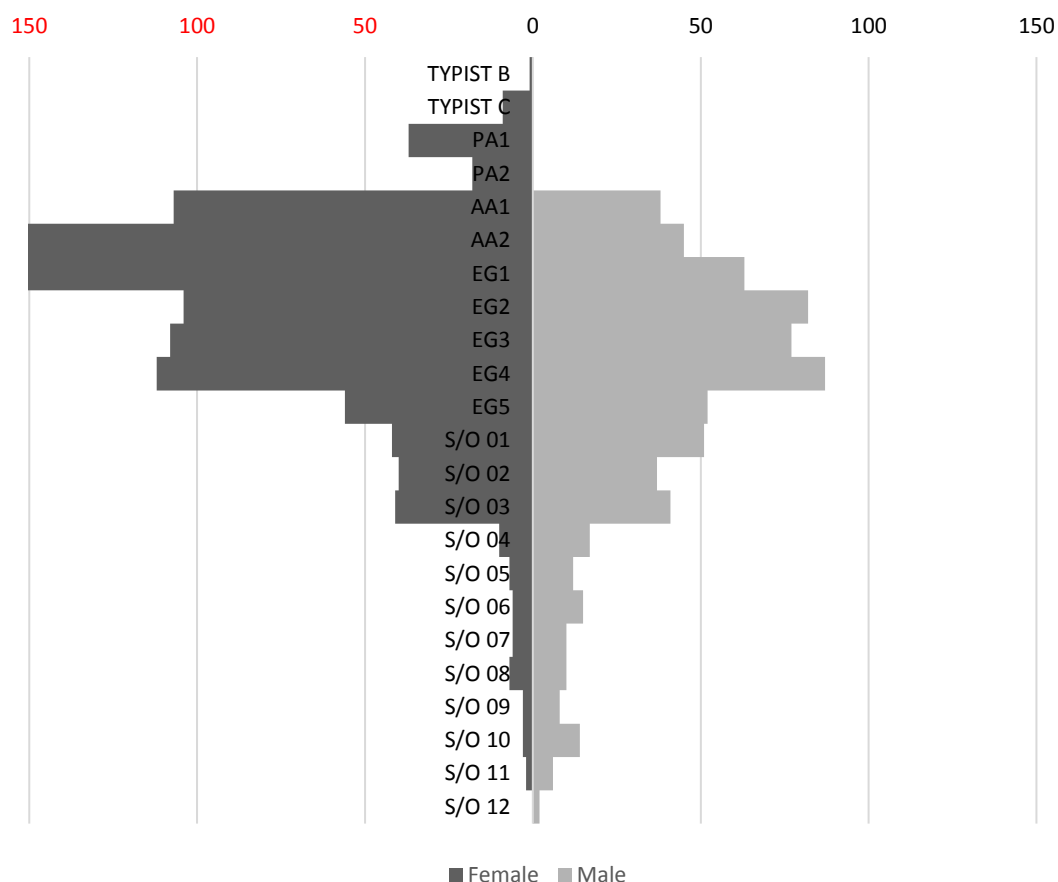


Figure 9 - Established Staff: Workforce pyramid - gender v pay grade



3 Focus on organisational performance

3.1 Performance focused

Historically, we have been inconsistent when collecting the right data to assist with reviewing performance against both day-to-day activity and business planning. We found that a significant amount of data was being collected across the organisation, but that its conversion to high quality management information was often limited, and its use to inform or improve decision making was patchy. We were often data rich but information poor.

Improved organisational performance management is critical to the efficient operation of the Public Service, because it supports both strategic and operational decision-making and improves transparency across services with regards to how the public service and its component service areas are performing.

3.2 Our commitments to our staff

Through the Public Service Reform framework, we made a commitment to improve organisational performance management and specifically that we would:

- Improve the quality, breadth and accessibility of performance management information to drive both strategic and operational decision making
- Improve corporate oversight and use of performance management information to drive organisational performance
- Promote a culture of continuous improvement through performance management
- Ensure that all employees are aware of - and strive to achieve - our organisational performance targets as part of their routine activities
- Establish the baseline for all Public Service Reform priorities and performance indicators to monitor improvement from these starting points
- Actively demonstrate to both internal and external observers our performance achievements in respect Public Service Reform outcomes and objectives

3.3 Progress so far

To manage performance, we need to do two things: firstly, collect the right data; and secondly, analyse and understand it in a meaningful and accessible way.

As a foundation for this, in 2016 we introduced a set of guiding principles to frame our work to improve organisational performance management:

Principle 1: Performance management - Wherever possible we should use relevant performance information to inform both operational and strategic decision making, support the identification and management of change and to promote a “learning culture”.

Principle 2: Performance reporting – We should communicate performance information in a timely way so that action can be taken. Collection processes should be quality assured in order to ensure performance information is accurate and complete and comes from an appropriate and reliable source.

Principle 3: Performance measurement – We should establish appropriate data collection systems ensuring the effort required to collect data is commensurate with the data’s value to the organisation. If necessary and where appropriate, indicators and measures may be refined in order to mitigate the cost of data collection.

Principle 4: Performance standards – We should identify and agree relevant performance standards and select appropriate indicators. Goals, targets and performance expectations should be communicated effectively to staff and relevant stakeholders.

Principle 5: Accountability and transparency – Better performance management information and measurement and better intelligence information for decision-making means that scrutiny of service performance and expenditure can be more effective.

We have also established a Data and Analysis team as a corporate service. Amongst other things, this team is responsible for the collation and analysis of data from across the organisation which is used to provide the Policy & Resources Committee with a quarterly performance update. In 2017, for the first time, we established regular formal updates to the Policy & Resources Committee where the Chief Executive, States Treasurer, Chief Operating Officer, Chief Information Officer and Chief Strategy and Policy Officer report on the performance of the organisation. This formal assurance reporting uses a range of performance indicators to provide the Committee with detailed information covering seven themes across the entirety of the public sector:

- Our finances
- Our customers
- Our people
- Governance
- Business as usual operations
- The Policy & Resource Plan
- Public Service Reform projects

In addition to the above internally-focused performance reporting, our Data and Analysis team also continue to refine and develop new statistical publications of interest to the entire island. Building on the ‘award winning’ eCensus we developed a Government Economic Model (GEM) that enables modelling of population and the economy; this is now being used in our policy development and financial modelling. In 2017 we refined the Residential Housing report to include new data showing how long properties were on the market for before sale and the initial marketing price against actual conveyance price. We published the first statistics into Relative Poverty on the Island providing much needed insight into a previously less understood area.

In 2017 we also undertook a major evaluation of how we collect and analyse data for our statement of Gross Domestic Product (GDP). Such a major review had not been undertaken for well over a decade. The eventual restatement of GDP from £2.4Bn to £2.86Bn combined with far greater clarity on the changes to GDP over the last five years provides a far more robust understanding of our economy than ever before. The joint work conducted with the UK Office of National Statistics means that we can be assured that we have a far more robust and trusted set of data on one of our most important economic indicators.

3.4 Performance focus priorities for 2018/19

Similar progress to that described above has been made in several other service areas and the focus in 2018 is to make sure this approach becomes the norm right across the organisation.

As well as ensuring every service area has as a set of bespoke indicators tailored to the services it provides, we must also complete our work to develop a set of standard performance indicators for financial performance and the level of engagement and satisfaction experienced by our customer and staff. This has been identified as an organisational priority for 2018 and the Civil Service Leadership Team has committed to ensuring effective dashboard reporting is in place across the organisation by the end of the year.

4 A focus on customer engagement and satisfaction

4.1 Customer focus

To provide the best possible service to our customers within the context of limited resources, we need to better understand our various customer groups, their needs and their preferences. Only with that understanding can we hope to meet those needs in the most effective, economic and efficient way possible.

4.2 Who are our customers?

We provide services for a wide range of people, from the most vulnerable members of our community whose health and social care we look after, to those in our business community who we work with to ensure that Guernsey is an attractive and competitive place to do business. For the purposes of Public Service Reform, we have categorised our customers into one of three very broad groups:

- Our external “customers”: those individuals, groups and businesses who access the services we provide
- The government: those elected by our community to govern the Bailiwick on their behalf
- Our internal “customers”: many of the outputs produced by one part of the Public Service are critical to the operations and services provided by another, creating a workflow between service areas.

4.3 Our customer service commitments

Through the framework for Public Service Reform we made a commitment to improve the customer focus of our services and specifically that we would:

- Have a clear understanding of our customers and their needs and expectations
- Understand and respect the differences among customers
- Ensure we engage our customers in the design and improvement of services
- Focus on our customers’ priorities

4.4 Progress so far

Establishing a stronger focus on customer value and outcomes has required greater collaboration between service areas, and more consistent co-ordination of activity with other sectors.

In order to achieve this, we have progressed activity under a number of themes that together form our customer framework:

A customer service charter for the States of Guernsey

Launched in April 2017, our Customer Charter sets out a high-level agreement between the organisation and customers which will form the basis of the standards we set in service areas. It tells customers the level of service they should expect from us as an organisation and will help us to achieve a more consistent standard of customer care across all our services.

Methods and tools for understanding customers' needs

Understanding why our customers are accessing our services and what they want those services to provide is essential. User-centred design is central to all of our major Public Service Reform programmes and we are developing new skills and capabilities within the organisation to support this.

For example, a key objective for the Revenue Service programme is to increase customer satisfaction. To achieve this the programme team has been exploring how customers currently interact with the Income Tax and Social Security Contributions services, helping to baseline the level of service and outline areas for improvement.

Analysis of customer engagement patterns, such as the most common reasons for calling or visiting, the most common complaints, what times digital services are used and what for, has also given us an invaluable insight into customer needs and behaviours.

This has helped to support the development of the integrated service and ensure that any future online services offer a user experience that is effective so that digital services become the channel of choice.

Methods and guidance for measuring performance from a customer perspective

We are piloting the use of Net Promoter Scores as a means of assessing performance from a customer perspective. Net Promoter Score, or NPS, measures customer experience and allows quality to be measured reliably from the perspective of the user. During 2018, our Customer Service Action Group (CSAG) will encourage customers who have used a service to give feedback on:

- The customer service they received from staff, focussing on the charter promises
- How accessible the people and information they needed were

- Where applicable, whether they tried to access the service or information online first
- How likely they are to recommend the service they received to their family and friends.

By the end of 2018, the organisation will have NPS data from a variety of different service areas.

Increased focus on the effective co-design of services

Co-design means collaboratively designing services or processes, engaging users in the design process, in order to find solutions to address problems, practical innovations and improvements that enhance people's lives. It makes sense then, that co-design has a significant place in our Public Service Reform programmes.

In December 2017, the States unanimously approved a Policy Letter submitted by the Committee *for* Health & Social Care entitled "A Partnership of Purpose – Transforming Bailiwick Health and Care". The development of the concepts behind the Partnership of Purpose began in April 2017 and included a number of co-design elements. These forums and events helped us to obtain views and expertise on some of the main questions that need to be considered when developing the future model for health and social care in the Bailiwick. Members of the public, clinicians, representatives from the main care providers, support staff, management staff and politicians, were all involved throughout the development phase and heavily influenced the final proposals, set out in the Policy Letter.

It is essential that we now build on the co-design experience and capability developed during 2017 and ensure that this becomes the norm in all the Public Service Reform programmes.

Improving user experience on gov.gg

In an increasingly digital world, we want to use our online presence, not only via gov.gg but also through our social media accounts, to increase engagement with our customers. We are constantly evolving and responding to customer feedback and at the beginning of 2018 we delivered a major redesign and refresh of the look and feel of the gov.gg homepage and a number of well-used pages in response to this feedback. The number of 'unique' visitors to GOV.GG increased from 67,596 in January 2017 to 78,295 in January 2018 as more of our customers chose to access information and services on-line, this is a trend we only expect to increase. With plans for the future including the ongoing focus on improving the quality and coverage of digital content, and the continuous development of news sections and consultation areas, we are exploring ways to develop our customer services. By way of example in 2017 we launched a mobile app to support Social Security customers. The DIONA app allows

them to use their mobile phone to send a picture of their pay statement automatically to ESS and in the first six months has seen an 86% take-up by users. We are now working on a range of new on-line tools to support the introduction of income support.

Livestreaming is one way we are using digital platforms to better engage with the community. One of the most recent uses of this was the Committee *for* Education, Sport & Culture's presentation on the proposals for the future structure of Post 16 Education. This event was livestreamed via Facebook and saw the number of online viewers peak at 291, with the livestream reaching 10,910 islanders in total. We will continue to use livestreaming to engage with the community helping us to reach a wider audience to ensure greater community involvement.

4.5 Customer focus priorities for 2018/19

For our external customers

- *Online services* - improving existing, and introducing new, online services to increase accessibility and flexibility for service users
- *Accessibility and inclusion* – meeting the needs of disabled islanders by progressing the recommendations from the Business Disability Forum audits conducted in 2017
- *Customer charter* – introducing and using Net Promoter Scores, iPad surveys etc. to increase awareness of customer satisfaction and stimulate continuous improvement.

For government

- *Survey of Deputies* - re-run the survey last undertaken in 2015 in order to measure progress and better understand the current needs and requirements of elected Deputies. As stated above, we will look to do this from June 2018, following this update to the States.
- *Supporting government* – work will begin in earnest on this programme during 2018. The purpose is to support the machinery of government established following the adoption of the recommendations of States Review Committee in 2016. It will strengthen governance both within the political body and the public service; set out a stronger approach to policy development, implementation and measurement; and assess how to provide greater support for Deputies on issues such as data protection.

For our staff as customers of internal services:

- **Future Digital Services** – covered in more detail later in this document, our Future Digital Services programme, initiated in 2017, will transform the States of Guernsey technology infrastructure and the way we deliver IT support services to the organisation.

- **One HR** – Covered in more detail later in this document our “One HR” initiative was launched in April 2107 will transform the way HR services are delivered to the organisation.

5 Focus on value for money

5.1 Value for Money

Value for money means ensuring that taxpayers’ money is spent wisely. It is never simply about achieving the lowest possible cost or initial price. It is about getting the right balance between the needs of customers, the quality of the services they receive and the cost to the public purse of delivering them.

This balance means finding solutions that optimise the use of resources to achieve the intended outcomes. Optimal, in this context, means attaining the most desirable outcome possible given any constraints, such as limited resources of either staff or money.

5.2 Our commitments to value for money

Through the framework for Public Service Reform we made commitments to improve the value for money of public services and specifically that we would:

- Improve the quality of financial and non-financial information available to inform decisions on the allocation of resources and prioritisation of services
- Improve the budgeting processes to ensure financial resources can be allocated more effectively
- Ensure that all public servants have the skills and tools they need to deliver true value for money
- Integrate value for money principles within existing management, planning and review processes
- Establish a value for money baseline across the public service
- Publish annually an agreed set of value for money indicators

5.3 Progress so far

The management of finances across the public service is the responsibility of hundreds of budget holders at all levels. They need to be better equipped to discharge this important duty. So, in addition to financial management support through an effective and professional finance function, budget holders need both the skills and tools to undertake the role. It is essential that we develop this capability beyond simply forecasting and tracking expenditure, and strengthen the understanding of the relationships between activity and cost in all areas.

To do this we have initiated a series of measures that together will help ensure that the services we deliver can demonstrate value for money and over time develop a value for money framework.

Service-costing - stronger service costing processes will enable the organisation to understand the real cost of delivering services, and how changes in demand impact on the resources required in each service area. This will allow more informed and realistic budgets to be put in place at each service level.

We have completed service costing and benchmarking reviews in our three largest service areas, Health & Social Care, Education Sport & Culture, and Home Affairs. The next tranche of reviews covering our Information Systems, Finance and Human Resources services, are now underway and are due to conclude in July 2018. Importantly, having developed an internal capability during the earlier tranches, we are no longer reliant on external providers to deliver this critical work and the current reviews are being led by an in-house team.

Understanding service costings and what drives those costs is also essential for effective programme and project planning and the work to re-model our services to meet customer needs. It is particularly important when attempting to model the likely running costs associated with different change or transformation options and the financial benefits associated with them.

Working closely with the Welsh Assembly Government, HM Treasury and the Government of New Zealand, we are now part of the Better Business Case Network. Membership of this public-sector community of practice has given us access to shared resources and training and development opportunities where previously we were reliant on private sector providers.

Sharing our experience with other jurisdictions and learning from theirs has been hugely beneficial. As a result, we have been able to significantly improve our approach to the development of business cases by ensuring the focus is on optimising value for money. In practice this simply means:

- Establishing a clear need for intervention – a case for change
- Setting clear objectives – what we want to achieve from our investments
- Considering a wide range of potential solutions – selecting the option that meets the objectives with the optimal balance of benefits, cost and risk
- Putting the arrangements in place to successfully deliver the proposal

Through the Better Business Case Network, we have been able provide training for staff whose roles require them to use the framework, provide business case assurance, or who act as business case reviewers on our major programmes and projects. As a result, we are constantly strengthening our capability this area.

Benchmarking - is a tool used to ensure that the costs of providing services today are proportionate when compared to appropriate internal or external benchmarks. Whilst establishing meaningful external benchmarks can be challenging, it is certainly possible and we have succeeded in this for all the costing and benchmarking reviews undertaken so far. Internal benchmarking is equally important and as the number of completed reviews increases, so does the ability to compare costings across time.

Longer-term financial planning - gives us greater clarity and operational control over budgets and helps us manage risk more effectively. We have developed the first Medium Term Financial Plan for the States which has put in place a clear plan to be put in place for managing the States' finances over the next four-year period.

Informed investment in capital projects is one of the highest priorities for Government. Having greater future cost certainty will allow government to make choices and plan for revenues in a more strategic way. Our capital portfolio has been established to prioritise, scope, and coordinate delivery of our major capital investments.

The prioritisation approach used in 2017 identified and prioritised significant proposals across service areas and recognised the need to invest in projects that maintain and transform our services or that will help grow our economy.

The benefits of this approach are numerous, but fundamentally it has enabled us to:

- prioritise and co-ordinate our capital investment programme
- be transparent with our delivery partners on our investment projects and provide a longer-term direction of travel
- support the economic and efficient use of public funds, maximising the impact of our investments and developing best practice

Transparent prioritisation - with limited resources, the public service needs to make choices about which services or assets to invest in. A clear prioritisation process allows resources to be directed at the areas of highest need and which support government objectives. Prioritisation for capital investment has already been put in place, as described above, and will be refined and improved. Our costing and benchmarking reviews are also enabling us to roll-out a methodology of priority-based budgeting for revenue expenditure. Over time, as this methodology is rolled out across the organisation, it will enable evidence based decisions to be made regarding the relative priorities across different service areas. Because of the activities described above our understanding of value for money in the Guernsey public service has significantly increased. Our financial management team has been charged with testing and challenging value for money when developing or reviewing business cases, or when supporting the development of new service proposals or alternative delivery models. The "method change" element of our approach to priority based budgeting is based on challenging existing services to investigate how they can be delivered more efficiently without negatively impacting on service standards.

We are also taking steps to ensure value for money simply becomes business as usual. Since 2017, all Chief Secretaries have specific value for money outcomes included as part of their personal objectives each year. The Policy & Resource Plan establishes a much clearer link between finances and policy and brings value for money into policy development. It has a fiscal framework at its core and is fundamentally about the integration of policy and resource planning and prioritisation.

5.4 Value for money priorities for 2018/19

During 2018, we will be continuing the roll out of our costing, benchmarking and prioritisation projects across all services. The current work on the Shared Services, ISS, Finance and HR services should complete by the end of the third quarter and discussions are now commencing regarding the services to be included in the next phase.

The MTFP approved by the States in June 2017 includes targets for the delivery of savings across the four year period. During 2018, the Civil Service Leadership Team will monitor the delivery of the target budgeted for this year and plan for the savings to be delivered in 2019 and subsequent years.

6 Focus on staff engagement and satisfaction

6.1 Our commitments to our staff

We recognise the benefits of ensuring those employed by the public service are as happy, healthy and productive as they can be. We also know the benefits to the organisation of increasing the capability and capacity for change. The framework for Public Service Reform contained five commitments to:

- Strengthen individual and organisational leadership
- Proactively manage staff for performance
- Increase flexibility and mobility within the public sector workforce
- Develop the skills, capability and culture required to deliver large scale organisational change
- Engage more effectively with people in the public service

6.2 Progress so far

To create an effective public service for the future, we understand that we need to build capability in our staff. The People Plan is designed to strengthen staff capability and create an efficient and effective workforce with the capacity for change. It is also about building upon good practice, and directly addressing the problem-areas that have been identified by staff.

We launched our first organisation-wide staff survey in 2014 across all service areas to all 5,300 employees and the results of the survey (response rate 49.7%) gave us vital data for understanding staff opinion across the organisation.

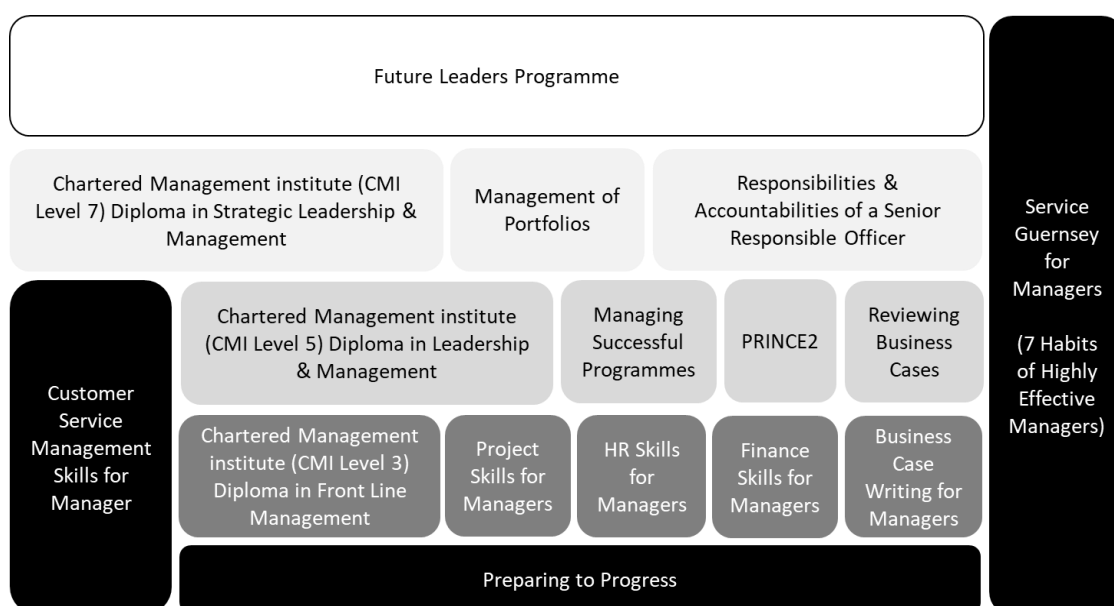
This has helped us to identify areas where we need to focus, as outlined below:

Strengthening Leadership

To have an effective organisation in the future, and to lead us through significant change, we need to strengthen existing leadership capability. We also need to meet our future requirements for senior leaders who have the right skills to continue to lead change.

The development of our leadership and management training catalogue, illustrated in Figure 10 below, accelerated significantly during 2017 and all elements of the programme are now up and running. This included pilot courses on change and transformation, for leaders and managers, with representation from a range of service delivery areas.

Figure 10 - States of Guernsey Leadership & Management Training Catalogue



Our Future Leaders Programme, launched in June, is specifically designed to ensure staff who are progressing through the organisation are equipped to deal with the challenge of leadership in an organisation that is undergoing significant reform.

Using a blend of classroom and experiential learning, the programme covers four complementary development areas: digital leadership; leading transformation; coaching skills; and developing team and self-awareness.

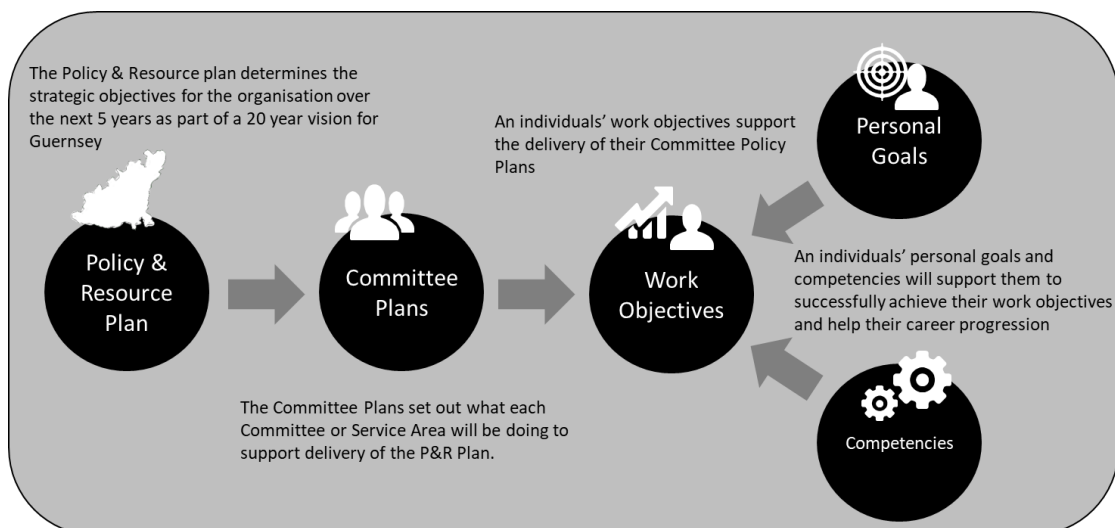
Managing people for performance

We need the right people employed doing the right jobs in the right way, to reach their full potential for themselves and for the benefit of the States of Guernsey. To do this, we need to strengthen line management capability and improve performance management, recruitment, selection and promotion across all service areas.

We made good progress in this area during 2017 and continue to do so in 2018. We launched our Personal Impact Programme (PIP) in January 2017, which means we now have a consistent approach to performance reviews approach across the organisation unless vocational development requires a bespoke approach. The PIP includes a full set of tools and techniques for managers and employees to help set work objectives, develop personal goals and monitor performance. The PIP is aligned with a competency framework for Established Staff, which sets out our expectations of our colleagues within roles and the attitude and behaviours expected. It recognises that everyone who works for the States of Guernsey has a role to play in achieving goals and each person contributes towards achieving the objectives set out in our service area business plans, Committee Plans and, ultimately, the Policy & Resource Plan.

This means that for the first time ever we have the capability to create a “golden thread” linking the personal goals and work objectives of every person who works in the public service to the delivery of the 23 policy priorities set out in the Policy & Resource Plan.

Figure 11 - Linking personal performance to organisational goals and objectives



Meeting immediate and future resourcing needs

Ensuring we have the right people with the right skills in the right place to deliver critical services continues to be vital for the organisation and is a significant challenge given our island's geography and demographics. We are recruiting in an increasingly competitive global market, particularly in areas like health care and teaching.

Since the beginning of 2017, we have seen a significant change in our approach to recruitment in areas such as health care, with greater use of digital marketing and social media to promote opportunities on the island. We have also been working hard

to improve our recruitment processes and have reduced the average time to hire by 25%. Whilst this is encouraging, we believe further improvements are both necessary and possible. Work to streamline and automate processes and further reduce the average time to hire remain a focus for 2018.

The successful recruitment of nurses has been a significant factor in the ongoing reduction of agency costs in Health & Social Care, which fell from a rolling average of £5.4m at the end of 2016 to £3.2m at the end of 2017.

There is now a focus on extending this approach to other services areas, with a priority on recruitment areas which there is considerable competition, both locally and further afield, to attract skilled resource to support vital public services.

As part of our people strategy we are increasing the emphasis on strategic workforce planning to give us a detailed understanding of our workforce requirements of the public sector for the mid to longer term. Focus previously has been on short to mid term

Better human resources - One HR

We need to ensure our human resources (HR) professionals have the capability to support our business operations efficiently and effectively, both now and in the future. We have commenced the simplification and standardisation of HR policies and procedures and recommended changes to all key policies will be with Union representation for consultation by mid-year 2018. We also need to ensure that our HR systems and processes are designed around the needs of our services and our staff.

Our HR development programme “One HR” was launched in April 2017 and will transform the way we deliver HR services to the organisation. Specifically, it aims to:

- ensure HR is planning, supporting and responding to the complex needs of a rapidly changing organisation, whilst maintaining best practice
- maximise the benefit of technological solutions that we can realistically implement to create efficiency savings and optimise the customer experience
- support the delivery of our Public Service Reform commitments
- improve the working environment and professional experience for our HR staff
- support the delivery of the People Plan outcomes, using our limited resource in the most effective way.
-

6.3 People focus priorities for 2018-19

The focus in 2018 has now shifted to the changes needed to establish the new HR operating model. The automation and improvement of standard HR processes, so that employee and managerial self-service becomes the norm, is seen as a priority. This will

reduce processing times and increase the capacity of our HR professionals to deal with more complex issues where they can add the most value.

The States of Guernsey Healthy Workforce Strategy 2018-2023 focuses on initiatives that can support the health and wellbeing of all its employees, and the “be a well being” campaign has been launched across all service areas. It will help to drive healthy living and wellbeing based on the five pillars of wellbeing: culture and environment; rest and recovery; physical activity; mental and emotional health; and diet and nutrition.

In 2018 we will begin piloting the use of “pulse” surveys as part of our ongoing commitment to improve staff engagement. We have conducted two comprehensive, whole-organisation surveys in the last three years and the data we have received from these has been invaluable. However, the costs and resources needed for this traditional method of staff engagement means these surveys are a significant investment and it is impractical to undertake them more frequently.

An employee ‘pulse’ survey is a fast and frequent survey system, that does away with complex questions and is intentionally designed to be done weekly, or every few weeks. It gives a quick insight into the health of an organisation and an opportunity to act on that, we know that engaged employees are more productive, take less time off, and make customers and service users happier.

7 Enabling reform

7.1 Enabling long-term change

To help meet objectives on customer service, value for money, staff excellence and organisational performance management, we have established three underpinning work-streams across the organisation. Our digital work stream is ensuring we have the technology, skills and capabilities to deliver public services in an increasingly digital world. Our estates optimisation programme is reducing the number of sites we operate services from and our innovation and continuous improvement programme is helping us change the way that we think and work, so that we look for better ways of doing things. All three work streams are focused on enabling long-term change and transformation – reform in the truest sense. Together all three work streams are already making it possible for us to bring services together and make the provision of front-line services more accessible to the community.

7.2 Enabling digital transformation

In the Framework for Public Service Reform we set out the need to exploit the role technology can play in the way we design and deliver services. We were clear about the potential opportunities for technology to improve efficiency and reduce operating

costs whilst at the same time maintaining or actually improving the customer experience.

We were also clear about the need to ensure we have strong digital foundations in place across the organisation; address the disjointed nature of IT service provision; make sure our technology infrastructure is fit for purpose; and ensure we have staff with the skills and capabilities needed to run a “digital” organisation.

Central to this, and the primary focus of our digital work stream to date, is ensuring the public service is supported by a fit for purpose IT function that supplies IT services, across the public service, to a consistently high standard and in a way that optimises value for money.

Making sure our IT provision is robust and does what we need remains one of our greatest challenges and one that cannot be underestimated. This year we have taken a big step closer to 21st century IT provision across the States, and have a clear understanding of where and how investment is needed and the funds to do that. Our IT infrastructure is the enabler for many of the longer-term improvements to services that we are committed to making.

Phase one of this work, the consolidation of IT systems and services into a single, integrated function responsible for the provision and management of IT services was completed in 2017. The transition to this new model was not without its difficulties; however, we have now been able to establish, for the first time, a holistic view of the condition of States IT infrastructure and the scale of the challenge we face to deliver on our digital aspirations. Major recovery and upgrade programmes across the Committee *for* Education Sport and Culture, Home Affairs and Health and Social Care have either been completed in 2016/17 or are now in delivery. This challenge is significant, but the creation of the Information Systems and Services (ISS) function means that for the first time, we are also able to effectively prioritise resources to areas where technology upgrades are most urgently needed and will make the biggest difference to our staff and service users.

Phase two of this work, establishing a delivery model for our future requirements for information systems and services, is well underway and is being delivered through the Future Digital Services project. To be successful, this will need to deliver a fundamental broadening of States’ IT-related effort and cost from just supporting Government business as usual to become a key enabler for Public Service Reform and supporting the development of the local digital economy. After an initial engagement with the market, which ensured any commercial partnerships included opportunities for on-island providers, outline solutions were appraised in early 2018. A recommendation to take three potential suppliers through to the detailed solutions stage, and to continue to develop an in-house alternative model, was approved by the Policy & Resources Committee in March 2018.

7.3 Estates Optimisation

One of the most significant and visible changes made last year was delivery of a hard target set against our estate optimisation objectives, to exit two office accommodation sites by the end of 2017 and make them available for re-purposing or disposal. Moving operations from the Income Tax office in Cornet Street and the Education Office in Grange Road House and moving the probation service out of rented accommodation was a significant undertaking.

Part of this was about saving money, and reducing maintenance costs, but there are wider benefits as well. Neither Cornet Street nor Grange Road House lent themselves particularly well to collaborating with colleagues internally on those sites and the workspaces the teams from these buildings now occupy are a significant improvement. The project has also enabled the creation of collaborative workspaces for the HR, IT and Finance communities that weren't previously available. As a result, we have been able to deliver changes to working practices that would not have been possible before. It also provided the opportunity for us to group together certain customer facing services so our customers have fewer places to visit.

A number of the Public Service Reform initiatives now underway, including the creation of the principal community hub, as part of the Transforming Health and Care Services Programme, will ensure further rationalisation of the estate. However, we must keep improving and maximise value from the States' substantial and diverse land and property portfolio. As our digital capabilities mature and change the way we design and deliver services our property requirement will change and we must be ready to adapt.

To achieve this there needs to be considerable change in the way we manage, operate and service the properties we own and occupy. Work to develop a cohesive estates strategy was completed earlier this year. If implemented, the strategy will improve clarity of roles and responsibilities regarding the States' Estate. It will also provide better management information ensuring informed decision making can take place relating to the allocation and disposal of properties.

7.4 Innovation and creative thinking

"By 2026, Guernsey aspires to be a leading innovative and entrepreneurial community."³ To help drive this change we must move away from thinking innovation is driven from the 'centre'. Innovation means allowing staff to feel empowered and accountable and cannot be achieved without experimentation and failure.

During 2017 there was a significant increase in the use of innovation tools and techniques in our reform programmes, along with the use of customer focused service

³ Digital Sector Strategic Framework, States of Guernsey

design, co-creation. An “Innovation toolkit” has been launched via the Digital Greenhouse website and, supported by specific training, aims to give staff guidance on how they and their teams can develop a culture of continuous improvement.

The staff led “Innovation Lab” meets on a monthly basis and provides an opportunity to develop thinking and ideas in an open-minded space. Alongside this, a new exciting development and opportunity to motivate and encourage innovation comes with the launching of the ‘Bright Ideas’ fund in 2018. Specifically, this is aimed at providing teams across the organisation access to small amounts of funding to develop ideas for innovative service improvements.

8 Summary

This update details headline achievements over the last 18 months and prioritised objectives over the next 12. What it can’t convey easily is the tangible difference to the culture and ethos of Guernsey’s Public Sector in 2018. We committed to a programme of reform with a realistic understanding that it would be a long-term commitment. We understood that clear opportunities to minimise waste and increase efficiency had been explored with the Financial Transformation Programme and further efforts to ensure an organisation fit for the future could only be achieved by real transformational change in the way we provide services. This means benefiting from and taking full advantage of new technologies, proactively using data and information and by challenging our processes, our decision-making and our leadership. The States of Guernsey is by far the largest employer in the Bailiwick and covers a hugely diverse range of service delivery - there is not one single solution to future proofing our public services. Whilst the reward will be significant there are few quick fixes, and alongside our reform programme we must still respond to external pressures and increased demand, such as Brexit and GDPR. It is therefore necessary, particularly in light of these pressures, to map and understand how digital advancements will impact our workforce requirements and equally very rapidly change our future technology needs. Reviewing our policies and modernising our approach as an employer, reducing our property footprint by taking full advantage of our estate and reviewing service provision - in the way we are doing with a new Revenue Service and Health and Social Care within Partners of Purpose - are so significant. We need to be realistic and honest in our approach to achieving our vision; investment in service design is equally critical to hard savings. We must not be short sighted or short term in our visioning. Our Reform does not ‘tinker round the edges’ instead we are achieving short term efficiency and more importantly laying foundations for the sustainable provision of Public Service that our community needs in the future. While Public Service Reform remains a long-term commitment, during the last 18 months we have seen that is also very much the here and now in terms of how government operates.