

SSDC Transformation Programme

Chief Executive: Alex Parmley
Lead Officer: Tracy Winser, Strategic Lead for Transformation
Andrew Gillespie, Performance and Governance Manager
Contact Details: tracy.winsler@southsomerset.gov.uk Tel 07884117861
andrew.gillespie@southsomerset.gov.uk Tel.07971111942

Purpose of Report

This report has been prepared to provide assurance to both Officers and Members about the governance arrangements for the SSDC Transformation Programme, including financial risk management.

Recommendation

That members note the revised governance arrangements of the SSDC Transformation Programme adopted by Full Council in April 2017.

Background

The Council now faces a funding gap of over £4.7 million over the next 4 years. Given the changes and challenges facing the public sector and councils in particular, it is prudent to anticipate that the savings target will grow over the coming years due to factors outside of the Council's control.

The Transformation Programme

To respond to the financial challenge this council has chosen the route of transformation to a Future Operating Model that will maximise both customer service and financial savings. The Council has embarked on an ambitious plan to totally redesign its service delivery to ensure an improved experience for the customer and the communities it serves whilst at the same time reducing the cost to the tax payer. This will be achieved through a radical change in the way our services are designed, the way service teams are structured to support service delivery and by making more use of digital technology including Electronic Document Management (EDM), workflow and web based technologies. Rather than cutting services, this is an investment based approach that will realise genuine efficiencies, whilst also realising improvements in levels of services for customers and modernising service delivery.

Implementation of the agreed business case will deliver:-

- recurring net annual savings of £2,483,925 from an investment of up to £7,448,155 (see Summary tables below)
- a 'fit for purpose' organisation that will be in a position not only to drive continuous improvement but also to generate additional income to fund and support the council's future priorities.

| Item | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ | Totals £ |
|---|----------------|------------------|----------------|--------------|------------------|
| Capital Costs | 44,995 | 1,632,789 | 413,101 | - | 2,090,885 |
| Once-off Programme Revenue Costs | 104,699 | 669,711 | 538,160 | | 1,312,570 |
| Redundancy Reserve (Target Allowance for redundancy costs & redundancies already agreed) | 534,900 | 1,933,000 | 1,576,800 | | 4,044,700 |
| Total | | | | | 7,448,155 |

| Item | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ | Totals £ |
|---|--------------|--------------|--------------|--------------|-------------|
| Ongoing Revenue Salary Savings less ongoing IT support costs | 59,975 | -625,000 | -1,222,735 | -696,165 | -2,483,925 |

Redundancy Reserve

The Redundancy Reserve should not be seen as part of the Transformation Budget but sits alongside it. Given the financial challenges the council faces, it needs to save on cost. 46% of the council's cost is formed of staff costs. Therefore, whether the Council pursues a Transformation route or cuts services, it will need to provide for a significant number of redundancies.

The Redundancy Reserve is a provision for the eventuality of redundancies. A key part of the programme is to support staff in adapting to change and being prepared for new or changed roles, with a view to minimising the number of redundancies occurring. In addition, there is strict control of recruitment during Transformation with a view to holding vacancies where ever possible. This has led to there being a significant and growing number of vacant posts in the organisation. This will also help minimise the number of redundancies.

Despite these actions, it is prudent for the Council to set aside a reserve for redundancies, given the scale of change it is making.

Risk Assessment

The programme risk assessment log, as shown in Appendix A, is maintained by the Programme Team and used to manage all risks within the programme governance arrangements. It is reviewed on a regular basis by the Programme Team and the Programme Board.

Governance

The programme governance arrangements, as shown in Appendix B:

- set out lines of responsibility and accountability within SSDC for the delivery of the programme;
- give members and officers the ability to manage their interest in the programme at the right level;
- support the programme team to deliver the required outcomes by providing resources, giving direction and by enabling trade-offs and timely decision taking;
- provide forums necessary for issue resolution;
- include clear reporting lines for members and officers so that they can fulfil their roles effectively;
- Create clearer links to the reporting cycles of Council, DX and Scrutiny Committee.

The programme governance arrangements are designed so that decision making is delegated to the most appropriate level, enabling rapid taking and implementation of decisions whilst still retaining high level support, constructive challenge and an overview.

Timescale

The programme will deliver the Future Operating Model and the associated savings by the end of December 2018.

In order to manage this process, effectively maximise benefits and minimise risks, the implementation is divided into phases. Phase 1a Leadership and Management, Phase 1b Support Services, Phase 2 Strategy & Commissioning and Phase 3 Service Delivery & Commercial.

Each phase contains an element of detailed design at the beginning, moving through consultation, interviews, selection and training for new roles. Supporting this activity will be detailed transition plans to ensure as much continuity of service provision as possible. Each phase has a target saving allocated to it based on the analysis of the organisation undertaken in the detailed business case. Monitoring of progress with delivery, the realisation of the programme benefits and the delivery of savings will be undertaken through a quarterly report to the Transformation High Level Steering Group, The Scrutiny Committee and the District Executive.

The indicative timeline can be found at Appendix C.

It is important to note that whilst the future operating model will be implemented by December 2018, there will be significant ongoing work required after this date to ensure the new ways of working are embedded into our culture and that we continue to harness the effectiveness of this new way of working to improve our service delivery.

Appendix A - Risk Assessment (May 2017)

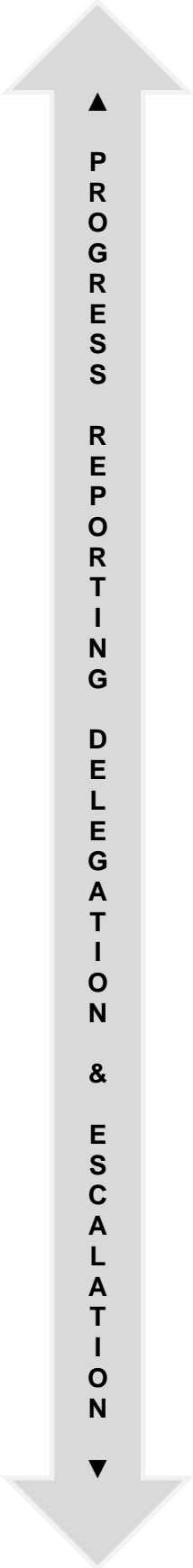
| Risk > | Score> | | Controls > | Actions > | New Score | |
|--|--------|------|---|--|-----------|-----|
| R 46 - TP budget overspends | 20 | High | C 046.1 - Detailed business case C 046.2 - Robust contractual arrangements C 046.3 - Detailed monitoring | A 46.1 - Prepare and present detailed business case A 46.2 - Contracts A 46.3 - Monitoring | 14 | Med |
| R 47 - TP Unexpected external cost | 20 | High | C 047.1 - Review level of corporate priority against the new cost pressure. | A 47.1 - Review | 14 | Med |
| R 48 - TP ICT solutions fail to deliver to expectations | 20 | High | C 048.1 - Achieve "fit for purpose", specification C 048.2 - Use "tried and tested" innovation C 048.3 - Review business continuity / disaster recovery plans | A 048.1 - Complete IT specification A 048.2 Contract monitoring to ensure the specification is delivered | 14 | Med |
| R 49 - TP Insufficient capacity to deliver the TP | 19 | High | C 049.1 - Programme identified as a key corporate priority C 049.2 - Commission external support as required to ensure the TP is delivered in line with the timetable. | A 49.1 - Procurement of external consultancy for blueprinting and detailed design stage A 49.2 – Agree revised business case including capacity for SSDC Programme Team | 14 | Med |
| R 50 - TP The shared vision for the TP during periods of significant changes is not maintained | 15 | Med | C 050.1 - Effective communication strategies to engage with members staff and other stakeholders embedded within TP. | A 050.1 - Implement Communication plan | 14 | Med |
| R 51 - TP Organisation transition to the new operating model is not managed effectively. | 20 | High | C 051.1 - Once decision taken to implement TP create sufficient organisation capacity to achieve programme timeframes. | A 051.1 - Complete programme implementation plan with Ignite | 14 | Med |

| | | | | | |
|--|----|------|---|---|--------|
| | | | C 051.2 - Transition Plans | | |
| R 52 - TP Programme management arrangements are not robust or resilient. | 20 | High | C 052.1 - Maintain appropriate Member and officer TP governance arrangements. | A 052.1 - Continue to review programme governance | 14 Med |
| R 53 - TP loss of ongoing political commitment | 20 | High | C 053.1 - Ongoing liaison with members to maintain shared vision C 053.2 - Raise awareness of the scale of organisation change and the impact on both members and staff. | A.053.Create Reports, Briefings and Workshops for Members A 053.2 Devise and deliver opportunities for members and staff | 14 Med |
| R 54 - TP Reduced capacity and morale during significant corporate change | 15 | Med | C 054.1 - TP communication strategy C 054.2 - Ensure that key staff are not lost to SSDC C 054.3 - Performance monitoring C 054.4 - Supporting people through change | A 54.1 - agree KPIs for Transformation Programme | 14 Med |
| R 55 - TP New skills and approaches to work styles are not adopted | 20 | High | C 055.1 - Support cultural change with a comprehensive corporate training and development programme C 055.2 - Ensure new systems are resilient and stable C 055.3 - TP Communication Strategy | A 055.1 - Complete detailed implementation plan including values and behaviours with Ignite | 9 Low |
| R 56 - TP detailed design fails to meet data privacy/protection or access requirements | 15 | Med | C 056.1 - Privacy Impact Assessment C 056.2 - Equalities Analysis | A 056.1 - Continue to maintain relevant assessments as part of the blueprinting and detailed design process | 8 Low |
| R 57 – SSDC suffers loss of reputation through temporary increase in service delivery/performance failures | 15 | Med | C 057.1 - “Early warning” notification needed to assess and address as quickly as possible | A 057.1 – Managers will escalate unresolved issues to SLT | 9 Low |

APPENDIX B

Transformation Programme Governance Structure – from March 2017

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|---|
| Full Council: (will receive an annual report on progress) |
| District Executive: (will receive quarterly reports on progress) |
| Scrutiny Committee: (will receive quarterly reports to DX on progress) |
| High Level Steering Group: (meets quarterly) |
| <p>Programme Sponsor: Leader – Ric Pallister Chair: Portfolio Holder (Transformation) – Jo Roundell Greene ----- User Representatives: Portfolio Holders for Specific Service Delivery – as necessary Portfolio Holder Finance Peter Seib; Scrutiny Members - Sue Steele, John Clark; Other members; Sarah Dyke, Andrew Turpin, Derek Yeomans ----- Supplier Representatives: Chief Executive – Alex Parmley; Strategic Lead for Transformation – Tracy Winser Specialist professional officers as required ----- Role:</p> <ul style="list-style-type: none"> • provide a high-level strategic steer • champion the programme to internal/external stakeholders • create an environment in which the programme can thrive • set and monitor the overall direction of the programme • maintain budget control |
| Programme Team Board: (meets every two weeks) |
| <p>Programme Portfolio Holder – Jo Roundell Greene; Senior L/ship Team – Alex Parmley, Martin Woods, Ian Clarke, Clare Pestell; Strategic Lead for Transformation – Tracy Winser; Programme Manager – Mike Franks; Performance and Governance Manager – Andrew Gillespie.</p> <p>Role:</p> <ul style="list-style-type: none"> • accountable for programme design, workstream implementation and progress • authorise commitments within the existing financial procedures |
| Programme Working Group: (meets every week) |
| <p>Strategic Lead for Transformation – Tracy Winser Programme Manager – Mike Franks Performance and Governance Manager – Andrew Gillespie ----- Role:</p> <ul style="list-style-type: none"> • monitor workstream updates • review and drive progress |
| Workstream Groups (meet daily or weekly as required) |
| <p>Workstream Leads: HR - Mike Holliday/ Comms - Mary Ostler/ Service Redesign- Charlotte Jones/Finance-Jayne Beevor IT/ Dave Chubb - IT</p> <p>Role:</p> <ul style="list-style-type: none"> • plan and deliver actions as per workstream briefs |



Rectangular Snip

The Indicative Timeline

