SSDC Transformation Programme – Progress Report

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Purpose of the Report

1. This progress report has been prepared in accordance with the Transformation Programme Governance arrangements agreed by Full Council in April 2017 where it was agreed that the District Executive would receive quarterly updates on the progress of the council's Transformation Programme. The detailed update is attached in Appendix A, it sets out the activities undertaken and in progress and also highlights achievements within each of the work streams. This cover report provides some context and outlines the revised timeline for phases 2 and 3 which is also set out in a chart at Appendix B.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of January 2018.

Public Interest

3. The Council has embarked on an ambitious plan to totally redesign its service delivery to ensure an improved experience for the customers 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 (the savings comprise £2,541,821 reduction in staff costs, partly offset by £57,896 net increase in IT systems ongoing maintenance)

   - 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.

Recommendation

4. The District Executive is asked to note and comment on the report.

Background

5. The previous quarterly progress report was made to District Executive in October 2017. The Transformation Programme board continues to meet twice each month to resolve emerging issues and drive the programme forward. The programme is now in full delivery, there are three phases to

the programme ending in January 2019. Phase 1 which involves the repositioning of management roles and support services into the new operating model is in implementation, with a 60 day "go live window" starting on 23rd January 2018. Phases 2 and 3 have been combined, the new timeline can be found at appendix B.

Programme Status – The programme is on track and within budget to deliver expected benefits

6. The Programme Board is provided with monthly updates in the form of programme and work stream level status reports. A consolidated version of these, covering the period from October to December 2017, are at Appendix A.

7. The new operating model is being delivered in three phases:
   - Phase 1 – New management roles and support services activity
   - Phase 2 – Strategy and Commissioning activity
   - Phase 3 – Service Delivery and Commercial activity

8. Phase 1 is currently in progress and on track to deliver the expected benefits in January and April 2018 as outlined in the Business Case.

   - Support Services is on track to deliver the forecasted benefits. Appointments into role were within the required budget in October 2017.
   - Leadership and Management is also on track to deliver the required benefits with most appointments to new roles having been made in October 2017.
   - In-year saving details are finalised as exit dates for individuals are confirmed. Service budgets for 2018/19 are in development.
   - Final redundancy and pension strain figures are also being prepared as final outcomes are agreed.

Transformation Savings profile from updated July 2017 Business Case	2017/18 Target	2017/18 Projected Actual @ Dec 17		2018/19 Target	2019/20 Target	Total stated in Business Case
Phase 1	124,830	124,830		711,744		836,574
Phase 2				205,501		205,501
Phase 3				357,812	1,141,934	1,499,756
Total Incremental savings	124,830	124,830		1,275,057	1,141,934	2,541,821
Sub-total: Cumulative staff cost savings	124,830	124,830		1,399,887	2,541,821	
IT support and maintenance	-84,040	-84,040		6,025	75,935	2,080
Total Cumulative Savings 2017/18 to 2019/20						2,543,901
Less: Increase in IT costs added in 2016/17 budget						-59,976
Net Full Year Ongoing Savings						2,483,925

9. The latest updated transformation budget position is included in the progress report detailed at Appendix A. Budget monitoring is currently as at October 2017, all budgeted costs are within profile.

10. The Council's draft Medium Term Financial Plan (MTFP) incorporates ongoing assumptions for budget purposes that would see annual savings being delivered quicker than shown in the table

above. It is anticipated for budgeting purposes that the MTFP assumption will be delivered as the Council is holding a number of vacancies in advance of the implementation of the new model. This approach effectively means the savings can be delivered in line with budget assumptions and earlier than planned in the updated business case approved in April.

Phase 1 – Leadership & Management and Support Services

11. The new Leadership & Management team formed in October 2017 following an internal competitive selection process. A number of roles were not recruited which have since been marketed externally on a new microsite mysouthsomersetfuture.co.uk which was created to highlight the opportunities and ambitions of the Council. The microsite has proved to be popular in attracting candidates. Selection activities for the vacant roles are scheduled for early January 2018.

12. The Support Services are preparing to start going live with the new operating model, roles, processes and systems in January. Transition Plans are in place to move from the current roles and ways of working to the new roles and new ways of working. This transition planning is being led by the new management roles and supported by our Ignite partners. The planned "go live" window of 60 days aims to have business critical activity ready for day one and incrementally introducing new ways of working over the 60-day period. This approach minimises the risk of operational failure and allows for the steady adoption of the new technology and processes as the new teams settle into the new operating model.

Phase 2 – Strategy & Commissioning and Phase 3 - Service Delivery

13. The original timeline for Phase 2 - Strategy & Commissioning services planned selection for roles to commence in February 2018 with outcomes known by May. The selection timeline for all customer facing service delivery teams in phase 3 had been scheduled to start in July 2018 with outcomes notified in November.

14. The previous update report to the District Executive informed members of the intention to bring forward and combine the timelines for phases 2 and 3. This was in response to feedback from staff and learning from the selection activity for roles in phase 1. It was clear from staff engagement that anxiety levels within workforce could be reduced by undertaking the selection process earlier so that individuals could achieve security of roles as soon as practically possible. It was also identified that many staff would wish to apply for roles in both phases 2 and 3 because within the current structure there are many existing roles that cover elements of both strategy and delivery of services. So, for ease of administration it would be less complex to combine the phases so that staff can apply for a range of roles across the functions and the selection done simultaneously.

15. The design of the functions and roles for phases 2 and 3 was brought forward and has now been completed by the Senior Leadership Team with input from new managers, allowing for consultation to commence in January 2018.

16. Outcomes for selection for all roles in phases 2 and 3 will now be known by June 2018. This revised timeframe for selection affords a longer lead-in time for the transitioning of the customer facing service delivery teams and as staff will have certainty of their roles will enable the new teams to be actively involved in the redesign of services and the development of their new ways of working. The go-live window of 90 days for service delivery teams is still intended to commence in January 2019.

17. The process redesign and technology work streams for phase 3 will still need to be undertaken over the original timeframe. It will take until January 2019 for all processes to be redesigned and the outputs to be translated into automated workflows within new systems. The new website will also require the full timeline to be properly developed with the required input from a range of stakeholders.

18. The new timelines for the work streams are outlined in Appendix B. This provides an outline of the scheduled activity. Detailed project plans have been developed and sit behind this summary.

Balancing Transformation and Business as Usual – impacts and assurance

19. The council has significant internal audit resourcing agreed with the South West Audit Partnership (SWAP) for 17/18 and 18/19. This resourcing will be used to inform the transformation of the organisation and provide assurance in terms of business continuity of performance and service delivery.

20. The Senior Leadership Team is very aware of the need to balance the organsational resources and effort effectively between the transformation programme and business operations. Managers have been engaged in identifying, within their service areas, business critical activities that must be maintained and lower priority actions that could be stopped, reduced or deferred if need be to release capacity. Performance levels are also being examined and questioned as to what minimum levels are acceptable and identifying trigger points which would prompt intervention activity. SWAP have been engaged to assist in this process, again providing managers with assurance and also to give some challenge to preconceptions of priority. The outputs from these activities will be a range of service impact assessments and an overall assessment of the cumulative impact. These will form the basis of a business continuity plan to ensure that business critical functions and essential customer needs are not compromised by the resourcing and effort directed to the delivery of the transformation programme.

21. SWAP have also been engaged to provide both support and challenge to service redesign; their invaluable insight and assurance has been sought at the very start of the redesign process. This will ensure the new ways of working in the new operating model have been considered alongside latest best practice in terms of assurance and compliance and provide a degree of confidence that future audits should not identify unknown risks associated with the new processes.

Financial Implications

22. There are no direct financial implications related to this report. The programme remains in budget and is forecast to deliver the expected financial savings.

Risk Matrix

23. A programme risk matrix is included in the report. The level of risk described is within acceptable limits. Risks are monitored regularly by the Programme Board and the High Level Steering Group.

Council Plan Implications

24. This is report is consistent with the Council Plan 2016 – 2021. Transformation is a priority of the current Plan.

Carbon Emissions and Climate Change Implications

25. There are no direct implications

Equality and Diversity Implications

26. There are no direct implications in this report. The redesign of services will require impact assessments to ensure new service delivery options meet with all relevant requirements. The assessment process will be embedded into the service redesign work stream.

Privacy Impact Assessment

27. There are no direct implications

Background Papers

Reports to District Executive and Transformation Programme Board as mentioned in this report.