**Somerset County Council
Programme Management Office**

Technology and People (TAP) Programme

Target Outline Business Case – Executive Summary

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1. A brief statement of the theme:

The overriding aim of the TAP Programme is to contribute to savings via headcount reduction by improving organisational productivity and process efficiency using technology as the key enabler. This ultimately results in better interaction with our partners and customers. Specifically, the issues to address are:

- The need for a culture shift that encourages working styles that are more mobile, embrace technology and become more empowered and self-reliant.
- Duplication of effort, inefficient business processes and a reliance on traditional ways of working (paper based and meeting focused), supported by high levels of support roles.
- Business processes are not fully aligned to customer and partner interactions and do not support making Somerset a more digital place.
- Current technology offering is not sufficient to meet business need and inadequate data extraction does not support evidence based decision making.
- Technology that is not sufficiently robust or supported and moving away from one size fits all approach for IT equipment

2. Any relevant background information:

The TAP programme has dependencies on other MTFP themes, namely Productivity & Culture and Service Redesign. Whilst Cabinet/SLT has signed-off the ICT Strategy, in order to deliver whole-scale change to the way SCC operates and therefore a good return on investment (ROI), the TAP Programme has to address:
- Leadership and behaviours
- Strategy and business processes
- Core systems and data

The approach to managing the Programme has been approved at Core Council Board and buy-in from all Directors is required to deliver the scale and pace of change for required savings to materialise. This is important because the scope of the work will impact on the end to end process from front line to back office.

Approval has been granted to prioritise Adults Social Care service for any programme outcomes which may contribute to tangible financial saving benefits in this high spend area. The recent introduction of new Themes to tackle in-year spend in other high cost areas will also have dependencies on TAP programme outcomes. The delivery of the ICT Strategy on its own will deliver minimal savings and therefore a poor Return on investment. Initial findings based on a desk top review of Adults

Social Care services suggests that significant savings can be made if new ways of working are introduced enabled by new technology.

The full Business Case for the Programme was signed off by the TAP Board in December 2016 but will continue to be developed over the forthcoming months as part of a Quick Wins phase as assurances on initial benefit estimates and the potential scale of savings are confirmed or adjusted. These assurances will be established via a Systems Review exercise which will be initially conducted in Adults Social Care Community Teams and will look to validate the findings from the desk top exercise.

Initial findings in the desk top exercise in Adult Social Care demonstrated that there are key areas of unproductive time in Community Teams such as travel time due to having to return to base and unproductive administrative time. It is estimated that as much as 10 hours per week per front line social worker (carrying out 'assessments') could be converted into a possible £2m saving through increasing productivity. This could be achieved through allowing the same number of assessments to be done by fewer people or a higher number of assessments with the same level of people. A summary of the desk top exercise findings and the Systems Review Approach can be found in Appendix B.

The SWOne End of Contract Programme was closely aligned to the first phase of the TAP Theme which closed at the end of November 2016 and therefore the expected End of Contract saving of £1.5m has been badged within the MTFP and will form part of 17/18 savings target.

Full breakdown of the Capital and Revenue costs associated with the TAP Programme is included in the full business case and consequently the estimate of one-off investment and a savings profile has been updated and included in the final section of this Executive Summary. Costs of £1.75m are included which have already seen a 50% reduction from an original estimation as a result of a reviewing and prioritising change activity and building capacity through the wider organisation i.e. Technology Champions.

It is expected that savings will materialise across all employee cost areas (albeit focused in Adult Social Care initially) by increasing productivity through a systematic review of high-spend areas. As a baseline, employee costs budgeted for as at February 2016, are detailed in the table below and equate to £78m (excluding Learning Disability Provider Service and SWOne staff – to be revised in the next iteration) and savings have been estimated pending each system review (Appendix A). It is therefore expected that there will a number of iterations of the business case to refine the savings figures resulting from this process.

The rest of this paper will look at opportunities arising from the full deployment of the TAP Programme relating to a reduction in process, increased productivity, and therefore the potential to reduce headcount. The potential to drive out savings from transformational change, enabled by the capability that will be developed as part of the TAP Programme, is significant and is supported by the Adults desk-top review findings.

The following risks will need to be managed and are outlined in more detail in Appendix C:

- The level of change required through new ways of working to ensure that savings are realistic and achievable.
- Sustaining the change to realise long term savings.
- Duplicate savings/headcount reduction with other themes, programmes and projects.
- The level of investment to deliver the change.

It needs to be highlighted at this stage that the predicted savings are still estimates and whilst it is high risk to embed them as hard targets into MTFP calculations, the desk top exercise initial findings validated by the Systems Review approach suggest that such savings are realistic.

3. Concise analysis and main conclusions:

Future:

The TAP Programme will be managed as part of the Core Council Programme (CCP) and therefore inter-dependencies and opportunities with other programmes within it will be mapped. The CCP holds the strategic transformation activities for SCC which is linked to the County Plan Vision aims. This needs to align to the over-arching business strategy for the future direction of SCC.

The TAP Programme will be managed in 3 Phases. The large scale savings in the delivery of the capability will require senior leaders and managers to own and lead the changes.

A mechanism/approach to agree and ring-fence savings against the MTFP target for this programme is underway requiring support from finance colleagues to track the predicted savings across the period. The desk-top review for Adults has provided an evidenced based assurance on the achievability of the level of savings.

By 2021, the desired outcome will show a reduction in employee related costs in the region of 10% through productivity gain aligned to service redesign and will therefore, be in line with the strategic intentions of SCC to reduce cost whilst improving service provision to the people of Somerset.

Opportunity:

Contributions towards MTFP savings will be met by a reduced workforce working in a more lean and efficient way. As per the savings table in section 4, the target savings are estimated to be a recurring £7.6m by 2021/2022.

The vision for the TAP programme is:
Innovation through technology to enhance the way we work by improving processes that increase productivity, nurture talent, and create a high performing organisation able to serve our customers more effectively.
By capitalising on the opportunities from the new technology, the programme could bring about wider benefits by becoming an Employer of Choice and not only

recruiting the best but developing and retaining talent to drive the organisation forward.

It is also reasonable to expect benefits in:
- Infrastructure
- Customer experience
- Staff satisfaction
- Increased income generation e.g. the potential to offer cloud hosting to other organisations
- Economic benefits in realising the digital offer for Somerset

Barriers:

The opportunity to change the technology platform, and enable innovation in the future is already underway predicated by the early exit from the SWOne contract. The ICT Strategy supports this.

However the culture of the organisation also needs to change in order to provide the right environment for effective transformation with an empowered workforce able to change the way they work.

Support:

The TAP Programme will be supported by a dedicated Programme Team, including a Programme Manager who will track resource requirements, SME input, dependencies and benefit tracking (with Finance colleagues).

The Programme will be the enabler for transformational change through the dual approach of a targeted Systems Review and building a community of Technology Champions in services dedicated to supporting the required changes through the next phases of the programme (Quick Wins/Building Capability and Future State). The programme will be supported by the Microsoft partnership arrangement and we will maximise the opportunities to capitalise on their investment and resources available.

The people components are being supported by HR/OD Service including training, policy changes and cultural shift.
Any programme with associated headcount reduction needs to make provision for management support in terms of VR exercises and capability and development exercises.

Interdependencies:

There are interdependencies with:
- All the programmes within the Core Council Programme
- Service plans
- Current MTFP themes

Impact Assessment:

Consultation:
At this stage and given the internal focus of the recommendations, it is not expected to require public consultation. There may be internal service consultation required in later phases of the programme which would be managed internally with Human Resources/Organisational Design.

Governance/process:
Current Governance processes are in place with programme management being undertaken by the TAP Programme Board with escalation as necessary up to the Core Council Board through the Core Council Programme. In later phases of the programme, implementation decisions are likely to be service led by relevant SLT Directors following consultation with the Director of Business and Commercial Services and the relevant Cabinet Members.

Risk:
Programme risks are being monitored and are currently being validated against the RAG priority matrix before being signed off at the TAP programme boards. Approved programme level risks are recorded and monitored via JCAD after sign off. A summary of the current programme level risks and mitigation actions are included in Appendix C.

Route map:

The programme will be managed in three phases.

Transition (to 30th Nov 2016) - safe exit from SWOne and to embed the new technology platform (to 30th Nov 2016). The relevant work-streams within this phase have now been achieved.

Quick Wins/Building Capability (January 2017 onwards) – building on opportunities within existing programmes, plans and MTFP requirements supported by the Technology Champions network.

Future State (January 2017 to 2021) – organisation and people led transformational change focused on opportunities arising from targeted Systems Review outcomes. The Governance during the first two phases will be via the TAP Programme which reports to the Core Council Board (which has a number of SLT Directors in attendance) and escalation reporting as necessary to the Senior Leadership Team. The future phase state phase will initially also be governed by the TAP Programme but will develop into a service led approach as the model is proven with support provided on-going on specific requirements from specialists within the Subject Matter Experts forum and Business Change team (as part of the core offer).
The Programme will be governed as follows:
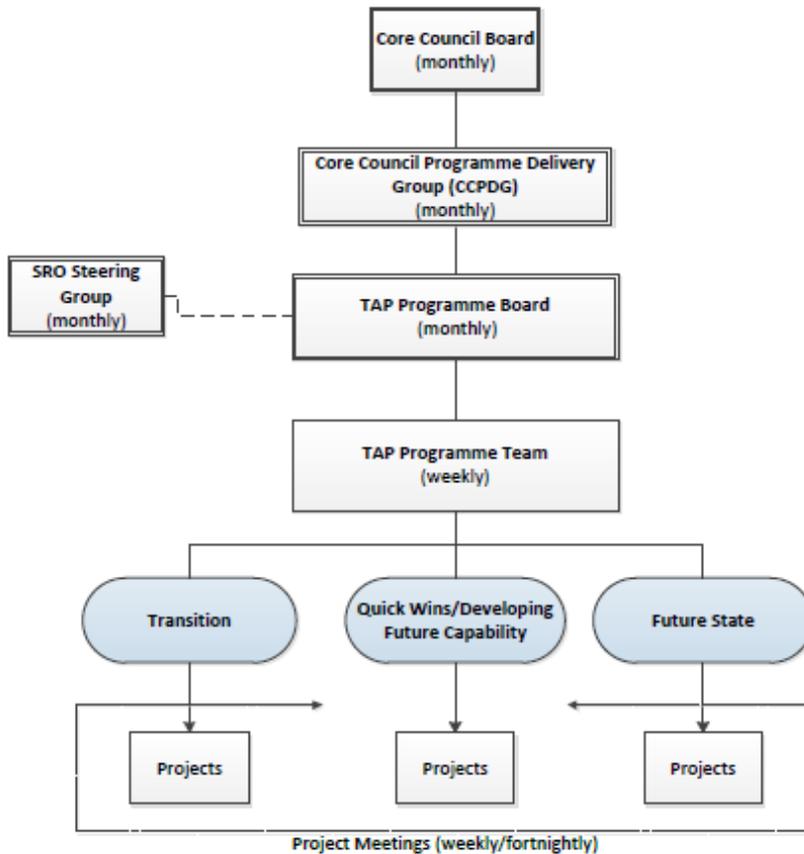
MTFP alignment:

The employee related costs figure for 2016 excluding Learning Disability Provider Service and returning SWOne services is **£78m** (see Appendix A for a breakdown of these costs). Employee related costs in future years are unknown but are likely to reduce as a result of the MTFP. Any unknown reduction in the base has not been directly accounted for in the savings profile (Section 4). The savings profile below uses a reducing balance approach to take into account the previous year's reduction in base. Savings are therefore assumed on current known staffing related costs and will be released on the principle that deployment of technology and enabling capability within services has been achieved. Therefore the current profile will need to be adjusted accordingly once the detailed planning has taken place. Finance will also need to track duplication of savings on the same budgets in line with this approach.

4. Principal recommendations:

Table 4.1 Year savings profile

There are estimated employee related cumulative savings of 10% over 3 years based on an initial budget figure of **£78m** (see Appendix A for breakdown).

The table below has been updated further to a review of Programme related costs:

	16/17	17/18	18/19	19/20	20/21	Total
Benefits						
TAP (to be confirmed)		£0.50m				£0.50m
TAP (based on staffing cost)			£1.84m	£2.67m	£2.57m	£7.08m
Total Benefits	**£0.00m**	**£0.50m**	**£1.84m**	**£2.67m**	**£2.57m**	**£7.58m**
			3%	3.5%	3.5%	10.0%
Breakdown of staff related benefits (% of % annual savings not overall)						
Business support roles (50%)			£0.92m	£1.33m	£1.29m	£3.54m
Professional and technical roles (25%)			£0.46m	£0.67m	£0.64m	£1.77m
Other corporate and transactional roles (25%)			£0.46m	£0.67m	£0.64m	£1.77m
Programme costs	-£0.57m	-£0.62m	-£0.46m	-£0.09m	£0.00m	-£1.75m
Net (Cost)/Benefit	**-£0.57m**	**-£0.12m**	**£1.38m**	**£2.57m**	**£2.57m**	**£5.83m**

At this stage the savings above are based on headcount reductions supported by an evidence based approach (as outlined above) through productivity and efficiency improvements enabled by technology, which include:

- Reduction in SWOne costs based on anticipated restructures within returning services.
- Reductions in infrastructure spend with a reduced workforce headcount e.g. training//building/IT equipment/office space reduction.
- Reduction in management time resulting from less people to manage e.g. supervision, appraisal, performance and sickness.
- Less unproductive time:
  - Travelling
  - Less down time in attending some statutory duties e.g. Court proceedings
  - Volume of meetings
- Reduction in hard copy file storage and retention
- Reduction in business support process and roles

There are estimated one-off revenue costs of £1.75m over the five years associated with delivery of the TAP Programme which have been included in the savings profile table above which has reduced from the £3.87m original estimated. This is largely staff related costs covering programme and project management, change management, business analysis and potentially some specialist resources as appropriate and has reduced by the introduction of the community of Technical Champions to disseminate new good practice as opposed to relying on buying in additional change specialists.

The table above demonstrates a 132% return on the revenue and capital investment by the end of 2020/21.

The expected capital investment in the programme is £3.468m, which is primarily committed against work packages with Microsoft. The remainder is shared across improvements to information management, applications and networks. The funding for this investment is being provided by a £4m capital approval that was signed off at Full Council on 18 February 2015 and a separate PSN capital approval.

The agreed ICT strategy anticipates a significant investment in the Authority's ICT systems and infrastructure. This reflects the period of SWOne tenure where there has been significant under-investment in IT. Under the new arrangements the Authority needs to get accustomed to planned, cyclical ICT investment and refresh (which was previously under the management of SWOne).

The offset to this investment is that we expect a lower ongoing cost of running our ICT services compared to the unitary charge. This is set out in the ICT strategy document. The capital investment includes £4m already approved, a further bid in 17/18 and potential future requirements.

APPENDICES

Appendix A: - Table of Employee Related Costs*:

		PAY	NI	Pension	Temp staff	Total
SCC Operating Model Figures		88,044,109	6,570,056	11,925,115	109,500	106,648,780
less DSG funded		1,321,825	58,343	82,370	0	1,462,538
less PH		1,391,500	169,800	213,200	0	1,774,500
less LDPS		19,491,000	1,154,500	3,002,300	13,100	23,660,900
TAP influenceable budget		**65,839,784**	**5,187,413**	**8,627,245**	**96,400**	**79,750,842**

*The table above has been provided by the Chief Accountant (01.07.2016) and is an initial analysis of the estimated pay budget that can be influenced by the TAP business case. The baseline employee related costs used in this business case are approximately **£78m** comprising:

£79,750,842 (as per Total above) minus £96,400 temp staff costs and approx. £2m for services that then onwards charge to capital.

Appendix B: Systems Review – Trial of approach in Adult Social Care.

Background

During August 2016, a desk top exercise was conducted in Adults services (specifically Community Teams) to provide assurance that assumptions made in the TAP Outline Business Case were realistic.

The desk top exercise used data available from other programmes running in Adults services which provided a high level view of staff numbers and roles. This was linked to data provided from the Personas pilot that suggested there is an opportunity to increase productivity by up to 10 hours per week, per full time equivalent (FTE) in the assessment process. The conclusion proposed that approximately £2m of savings could be made by utilising the technology to address the identified problem areas and conduct the same number of assessments with fewer front line social workers or increase the level of assessments with the same number of staff.

Approach

The conclusions above were based on current service data and as a result of the findings, a whole System Review has been commissioned by the Director of Adults

Social Services to prove these initial findings and involve and obtain service validation as part of an agreed service improvement plan.

The Systems Review approach contains five stages and relies on the skills and engagement of a Joint Review Team, with input from Service representatives, HROD, Finance, ICT, Business Intelligence & Performance, co-ordinated by Business Change. The approach is data driven, customer focused and offers a structured method for solving problems, calling on proven techniques.

Scope

Adult Social Care has been identified as a priority Service for the TAP Programme and the Systems Review approach will be trialled within this Service, benefitting from strong leadership and keen engagement from the Director of Adult Social Services.

Sedgemoor and West Somerset area includes the Innovation site, which has been testing new approaches to Service delivery and has an opportunity around their transformational thinking. Therefore this area will be used to trial the Systems Review approach.

Any further roll out of the Systems Review approach across SCC will be informed by learning from the trial within Adult Social Care and also priorities determined by the organisation.

Timescale

The predicted timeline for the trial within the Sedgemoor and West Somerset area of Adult Social Care is as follows, but has the potential to be subject to change, depending on the availability of Service representatives and SMEs as well as the breadth of problem areas identified.
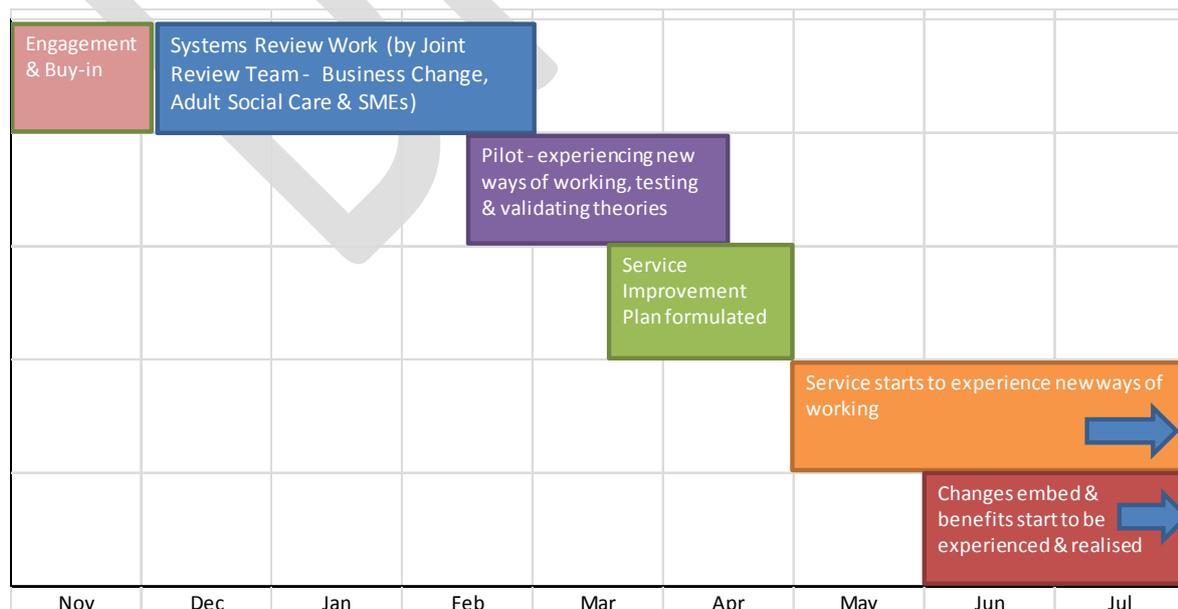
Predicted Savings

There is a target of £0.5 million of savings attributed to the 2017/18 year. The systems review process will identify the detail of these savings as it progresses (as per the above timeline).

Appendix C: - Programme level Risks

Description	Cause	Consequence	Action Description
Communications ineffective	The TAP programme is large and complex with multiple work-steams that require corporate and specific messages to be communicated at the right time, the right way to the right target audience. Communication will not be effective during a period of intense change for the organisation.	Organisational and business benefits are not realised.	Ensure communications plan is comprehensive, robust and effectively managed. Ensure appropriate change team in place to support work-steams and programme. Ensure communications are signed off at the appropriate level.
Interdependencies and conflicts of priorities across CCPs	Organisation unable to absorb the level of change across all CCPs	TAP does not deliver the expected benefits as opportunities missed to realise benefits.	Programme Manager to ensure interdependencies/linkages being made across CCPs that allow TAP to deliver the benefits by linking with other Programme Managers and attending Programme Boards. Cross cutting risk recognised at CCP level.
Insufficient resources to deliver the programme	Insufficient project and change resource available to manage the transition and transformation	Activity not delivered within the timescales, benefits not realised	Resource requirements regularly and monitored and managed effectively in line with scope.
People strategy/principles require development	All work-steams in TAP currently support the ICT strategy. The TAP programme needs a people strategy in order to align all the work-steams and activities and ensure benefits/outcomes can be appropriately measured.	Activities and outcomes with TAP remain focused on delivering technical outputs only.	Work with HR/OD Director to provide timeline to expected delivery of the people strategy, principles and plan.

Description	Cause	Consequence	Action Description
The organisation does not adopt the new/different ways of working	Organisation does not embrace the change in culture initiated by the Programme	Benefits not realised	Change Plan and approach to support change through Technology Champions and Systems Review approach.
Benefits resulting from TAP outcomes difficult to track across the business	Multiple cross cutting programmes and MTFP themes can realise benefits which could be attributed to TAP	Double counting or missing benefits attributable to TAP	TAP to work with Finance colleagues to ensure benefits tracked against expected savings projections.
Negative Business Impact due to the delivery of TAP e.g. ICT service disruption, outages and changes to processes	Delivery of the TAP Programme to deliver the benefits	TAP Programme will not deliver the benefits in the timescale expected	Forward planning with the business to highlight planned outages and disruptions where possible through the Business Support and key stakeholder network.