

WEST DEVON BOROUGH COUNCIL

NAME OF COMMITTEE	RESOURCES
DATE	26 MARCH 2013
REPORT TITLE	Transformation 2018 – Proof of concept work
Report of	Corporate Directors (TW & AR)
WARDS AFFECTED	ALL

Summary of report: The purpose of this report is to request up to £25,000 to enable the council to engage external assistance to prove the concept of a new operating model for future delivery of its services. South Hams District Council Executive will likewise be requested to approve the same sum of £25,000 at their meeting of the 21st March 2013, giving a total of up to £50,000.

RECOMMENDATIONS:

The Resources Committee **RESOLVES:**

- (i) that up to £25,000 from the Invest to Save fund be invested in proof of concept work to enable a business case to be developed to be presented to Council in the autumn of 2013.
- (ii) that the decision as to which organisation to engage, to deliver the proof of concept work, will be delegated to the Chief Executive.

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1. BACKGROUND

- 1.1 In 2011 the council created a transformation programme (2015) to deliver the vision set out in 'Shared Services and Beyond'. The programme has delivered over £260,000 of savings shared between West Devon Borough Council (WDBC) and South Hams District Council (SHDC) and a wide range of other achievements including a new website, the voice initiatives, customer complaints system etc.

- 1.2 In October 2012 the Peer challenge team recommended that the 2015 programme be revised to have a narrower focus and in order to give greater clarity, to incorporate the savings target originally set out in the individual service blueprints.
- 1.3 At the Resources Committee on 29 January 2013 Members acknowledged a £2.1m budget gap over the four financial years 2013/14 to 2016/17. Whilst the Council subsequently approved a budget for 2013/14 reducing the gap by £355,000, the scale of the financial challenge over the next few years remains unprecedented.
- 1.4 A report elsewhere on this agenda sets out our strategy to address the financial challenge of 2014/15 and to create a sound platform for a new transformation programme which will take us to 2018.
- 1.5 The programme is currently being designed to deliver a long term organisational vision which will prevent the need to attempt to deal with the budget gap through an annual service and financial planning process. It seeks to create financial capacity to continue to meet the council's aspiration to deliver quality services and enhance the lives and communities of West Devon
- 1.6 Since October, senior officers have been working on a revised programme, including holding an event with Committee chairs and Vice Chairs in December, middle managers in January and presenting to the JSG and to a member workshop in March.
- 1.7 In designing a revised programme officers have consulted with other pace setter councils and drawn upon their collective experiences, particularly around agile working and shared services. Officers have also considered our own experience to date in delivering significant savings through both shared services and re-engineered processes in some areas.

2. ISSUES FOR CONSIDERATION

- 2.1 The outcome of the work undertaken since October is a proposed revised programme with the aim of delivering a new sustainable operating model which will enable the two councils to:
 - retain individual identities and respond to local priorities
 - embrace new ways of working using new technology to reduce net costs, increase choice and support effective decision making
 - be flexible to the shifting public sector landscape, the changing needs of our customers and which may be provided through alternative service delivery models
 - continue to enhance lives and communities
- 2.2 The early concept work is built upon the following assumptions:

That the new operating model will –

- be designed by customer demand not professional divisions.
- increase efficiency and reduce net costs.
- be digital by default.
- provide an opportunity for the two Councils to commission different service levels.
- be future proofed in relation to any new partners and Member decisions to provide in-house or outsourced services.
- be based on an agile working, smaller workforce.

2.3 The proof of concept work will be undertaken on a representative portion of the current organisation. In simple terms it will look at the current way the systems, processes and people work and calculate the resource required against a remodelled organisation working with different systems and processes.

3. CONCLUSION

3.1 Designing a new operating model to meet these principles will require a large scale change in the way that services are currently delivered and will need significant investment. It is therefore essential that the concept and the level of anticipated savings is proven before any consideration of a detailed design and associated business case can take place.

3.2 A programme of this size will require a phased approach, the decision to invest up to £25,000 to prove the concept and help design the model is only the first phase and does not commit the council to any decision to implement such a model. A further report to enable consideration of a proposed model, the high level business case, governance of the programme and an investment strategy will come back to this committee for recommendation to council in the autumn.

4. LEGAL IMPLICATIONS

4.1 The Resources Committee is responsible for authorising budgetary expenditure.

5. RISK MANAGEMENT

5.1 The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	
Considerations of equality and human rights:	Not applicable
Biodiversity considerations:	Not applicable
Sustainability considerations:	Not applicable
Crime and disorder implications:	Not applicable
Background papers:	Peer Challenge report (date)
Appendices attached:	None

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel		
1	Financial	That the chosen supplier is unable to carry out the work within the appropriate timescales	2	2	4	<p>The procurement process is effectively managed</p> <p>The chosen supplier has proven track record of delivery</p> <p>The chosen supplier has appropriate experience</p> <p>Officers manage and work along side the supplier</p>	SMT
2	Reduction in performance	That performance is negatively impacted upon whilst the proof of concept work takes place	3	1	3	<p>Officers effectively manage the workload during this period.</p> <p>The appropriate level of internal support to the process is provided</p> <p>The appropriate level of external support to the process is provided</p>	SMT & Middle Managers
3	Do nothing	Members choose not to support the bid	5	2	10	<p>Ensure member support & understanding of the need to make the upfront investment in order to be able to design the model and move forward.</p> <p>Ensure member understanding of the risk of relying on any alternatives</p>	SMT & Lead Members

Direction of travel symbols ↓ ↑ ⇄