

## WEST DEVON BOROUGH COUNCIL

<b>NAME OF COMMITTEE</b>	<b>OVERVIEW AND SCRUTINY</b>
<b>DATE</b>	<b>14 OCTOBER 2014</b>
<b>REPORT TITLE</b>	<b>TRANSFORMATION PROGRAMME PROGRESS REPORT</b>
<b>REPORT OF</b>	<b>EXECUTIVE DIRECTOR (RESOURCES)</b>
<b>WARDS AFFECTED</b>	<b>ALL</b>

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**Summary of report:** In order to ensure effective scrutiny of the T18 Transformation Programme this report sets out progress to date.

**Financial implications:** There are no financial implications arising directly from this report.

**RECOMMENDATIONS:**

**That the Overview and Scrutiny Committee note progress to date on the Transformation Programme.**

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**1. BACKGROUND**

- 1.1 Last autumn the Council agreed to adopt the T18 Programme which aims to deliver a new operating model in partnership with South Hams District Council which will ensure that both Councils can continue to deliver quality services for its customers and communities.
- 1.2 Since this time considerable work has taken place to develop the Programme in detail and to ensure its successful delivery.
- 1.3 The Programme is structured with a number of workstreams and progress on these is set out below.

## **2. WORKSTREAM PROGRESS**

### **2.1 HR**

- 2.1.1 Recruitment for Phase 1a has now taken place. 70 people were in Phase 1a. 16 requested and were granted voluntary redundancy, 48% who went through the selection process secured their preferred role, and 26% secured their second or third choice. Unfortunately, we have been unable to offer posts to nine people and external recruitment is now taking place.
- 2.1.2 Phase 1a will go live on 29 September 2014 but changes will continue to take place as processes are refined and new software is implemented.
- 2.1.3 For Phase 1b which is due to go live in June 2015, the Business Development Team will continue to work closely with the ICT workstream to create the end-to-end processes, online portal and call operator scripts required to operate the New Model. The outcome of process development work will be fed into the HR workstream to inform the Organisational Design for the Customer Contact Teams.
- 2.1.4 The recruitment timeline remains broadly as previously published with a slight delay to the group management recruitment which will now take place in November.

### **2.2 ICT**

- 2.2.1 A team of both Civica and internal resources are now fully engaged in the initial software installation and development planning.
- 2.2.2 Workshops with staff across the organisation continue and feedback so far has been extremely positive both from staff and supplier. Wider demonstrations will be available for staff and Members in the near future which will show how customer requests will flow through the software.
- 2.2.3 A mobile website has been launched for those using mobile devices such as Smartphones and Tablets (30% of our users). This introduces an 'app' feel to touch screen devices and provides users with a user friendly way of interacting on small screens.

### **2.3 Accommodation**

- 2.3.1 At Kilworthy Park decanting of staff has been undertaken in preparation of works to provide a drop down/ hot desk environment in the open plan office area below the Council Chamber.
- 2.3.2 A refreshed marketing strategy is being launched for surplus office accommodation and Heads of Terms have been provided to a local business wishing to lease 1,000 sq ft of space on the ground floor.
- 2.3.3 Works to the temporary office accommodation at Follaton House for Phase 1a has been completed and staff are currently in occupation. Refurbishment of the 2<sup>nd</sup> floor office accommodation has recently commenced.

## 2.4 **Customer**

- 2.4.1 The Customer Workstream relates to the engagement required with our customers to maximise the benefits of the future operating model. These benefits are both for the customer, in terms of improved customer service and greater access to on-line services and for the Authority through reduced costs.
- 2.4.2 This workstream is in its early planning and development phase as the current emphasis is on the internally focussed elements of the Programme. However, we have now brought in additional resources to this workstream to analyse best practice from elsewhere.
- 2.4.3 During the next three months we will develop a business case for purchasing customer insight information which will help us structure our customer access methodology. It is important that we have a thorough understanding of our customers' current needs as well as their future requirements.

## 2.5 **Business Processes**

- 2.5.1 In order to reduce the number of staff required to deliver our services we need to review and re-engineer a large number of our existing processes.
- 2.5.2 This process is broken down into a number of 'sprints' when each type of activity is mapped and analysed in detail. These sprints have now started and will carry on throughout the coming months.
- 2.5.3 During the next few weeks scanning of paperwork that has been identified as being in continual use will begin, enabling staff to work in an agile way being able to see electronic images of important information.

## 2.6 **Finance**

- 2.6.1 To date, £551,636 of the £4.85 million budget has been spent.
- 2.6.2 **The profiled budget for Quarter 2 (July – September 2014) was £1,392,850 – therefore the spend of £551,636 is currently £841,214 lower than the profiled budget.** This is mainly due to timing of payments as we are not yet at the end of Quarter 2 (Sept). There will be expenditure in September that is included in the profiled Quarter 2 budget - but that expenditure is not yet included in the actual figures (as actual figures are as at 31 August 2014).
- 2.6.3 We are currently re-profiling both expenditure and savings as the decision to create an earlier Phase (Phase 1a for Support Services) was taken after the initial Business Plan was agreed. The financial benefit of Phase 1a has been over half a million pounds in savings (shared between the two Councils).
- 2.6.4 Members agreed a report in July 2014 at the Resources Committee meeting (WDBC) on 15 July and the Executive (SHDC) on 24 July to release the funding for Key Milestones 2 and 3 of the Programme.
- 2.6.5 The overall Programme is currently on target.

2.6.6 Our Councils' Expression of Interest for Transformation Funding was successful and we have now submitted a full bid by 1 October. The funding bid is for £700,000 (between SHDC and WDBC) Government funding to help our transformation programme which will deliver our new operating model. We also asked for a further £400,000 should Torridge District Council join our model.

**3. LEGAL IMPLICATIONS AND STATUTORY POWERS**

3.1 The Council has delegated to the Overview and Scrutiny Committee, the powers to scrutinise the T18 Programme and to provide a quality control function.

**4. FINANCIAL IMPLICATIONS**

4.1 There are no financial implications arising directly from this report.

**5. RISK MANAGEMENT**

5.1 A Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The Risk Management implications are shown at the end of this report in the Strategic Risks Template and the comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board.

**6. OTHER CONSIDERATIONS**

<b>Corporate priorities engaged:</b>	This report relates to the future delivery of the council's four corporate priorities during a period of increasing financial constraint
<b>Considerations of equality and human rights:</b>	This report updates Members on the opportunity for developing improved access to a range of council services and meeting a wide range of customer needs
<b>Biodiversity considerations:</b>	None
<b>Sustainability considerations:</b>	The emerging model is designed to ensure that both councils are sustainable in the medium term. Greater agile working linked to better use of technology should reduce the councils' carbon footprints
<b>Crime and disorder implications:</b>	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 risk	Funding availability for initial investment to implement the Programme	5	2	10	↓	<ul style="list-style-type: none"> <li>Profile investment and the availability of resources in the context of a business plan</li> <li>Explore external funding opportunities</li> </ul>	Directors and Head of Finance and Audit
2.	Financial risk	Higher than anticipated costs and/or lower than anticipated savings arising from the Programme. Key variable risk is the cost of staff redundancies.	4	3	12	↔	<ul style="list-style-type: none"> <li>Proof of concept work has demonstrated high level business case</li> <li>Detailed business case in place before committing to implementation of the Programme</li> <li>Sensitivity analysis undertaken</li> <li>Ongoing monitoring of costs and savings within the Programme</li> <li>In recognition of uncertainty of some costs, introduce contingency sum into detailed business plan</li> </ul>	Directors and Head of Finance and Audit
3.	Financial risk	Unexpected events leading to a delay in delivery which could include delays in recruitment or external cost pressures which divert funding from the Programme.	3	3	9	↔	<ul style="list-style-type: none"> <li>Use of unearmarked reserves to fund a delay in delivery of the programme. Each month of delay could cost between £50,000 at the start of the programme to £250,000 at the end (combined figure).</li> <li>Review the level of corporate priority of the Programme against any new cost pressure</li> </ul>	SMT
4.	Management risk	Management capacity to deliver the Programme	4	3	8	↔	<ul style="list-style-type: none"> <li>Programme identified as the key corporate priority</li> <li>Commission external support as required to ensure the Programme is delivered in line with the timetable</li> </ul>	SMT

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5.	Management risk	Maintaining the shared vision for the Programme during a period of significant changes	4	3	12	↔	<ul style="list-style-type: none"> <li>Effective communication strategy to engage with Members, staff and other stakeholders embedded within the Programme</li> </ul>	Directors
6.	Management risk	Managing organisational transition to the new operating model, in particular reduction in customer satisfaction and/or drop in service standards	4	2	8	↔	<ul style="list-style-type: none"> <li>Create sufficient organisational capacity to achieve programme timeframes</li> <li>Managing ongoing individual service performance</li> </ul>	Directors  Heads of Service
7.	Management risk	Loss of key staff during implementation of the Programme	4	4	16	↑	<ul style="list-style-type: none"> <li>Ensure effective transition plan in place</li> </ul>	Directors and Head of Corporate Services
8.	Political risk	Early interest from potential partner organisations to join Programme	3	3	9	↔	<ul style="list-style-type: none"> <li>New partners able to join Programme but based on SH/WD model and timelines, following assessment of risk to the Programme</li> <li>Create flexible model that enables new partners to join at different 'levels' of the model, provided there is no adverse impact on service delivery within SH/WD</li> </ul>	Directors
9.	Staffing risk	Officer capacity and retention of staff morale during significant corporate change	4	3	12	↔	<ul style="list-style-type: none"> <li>Effective communication strategy embedded as part of the Programme</li> <li>Maintain the pace of the change to ensure that key staff are not lost to the organisation</li> </ul>	Directors and Head of Corporate Services

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
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10.	Staffing risk	Securing successful implementation of major cultural change in relation to the development of skills and approaches to working arrangements within the new operating model	4	2	8	↔	<ul style="list-style-type: none"> <li>• Support cultural change with a comprehensive corporate training and development programme and develop recruitment, induction, appraisal and performance management frameworks</li> <li>• Communication strategy embedded as a key element of the Programme</li> <li>• Procure external skills to respond to expertise or capacity gaps</li> <li>• Ensure new systems and processes are resilient and sustainable</li> </ul>	<p>Directors and Head of Corporate Services</p> <p>Directors and Head of ICT and Customer Services</p>
11.	Staffing risk	Potential Union/staff response to elements of the Programme	4	2	8	↔	<ul style="list-style-type: none"> <li>• Ongoing engagement with key staff stakeholder groups and develop corporate understanding of those issues which are essential to successful implementation of the Programme and therefore must be subject to change</li> <li>• Communicate potential staff benefits within the model such as developing skills and achieving better work/life balance through agile working</li> </ul>	Directors and Head of Corporate Services