| AGENDA ITEM 5 | **WEST DEVON BOROUGH COUNCIL** | AGENDA ITEM 5 |

NAME OF COMMITTEE	**Overview and Scrutiny**
DATE	**27 January 2015**
REPORT TITLE	**Transformation Programme Progress Report**
REPORT OF	**Strategic Lead for Transformation Programme**
WARDS AFFECTED	**All**

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.

Officer contact: Tracy Winser, Strategic Lead for Transformation Programme
Email: tracy.winser@swdevon/gov.uk – Tel: 01803 861277

1. BACKGROUND
1.1 In December 2014 the Council agreed to a revised business plan for 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 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 1b has begun for the middle management and lead specialist roles and the interviews will take place in February. The Group Managers have been appointed and the two external candidates will take up their positions at the beginning of March. The Executive Director (Head of Paid Service) will be in post from the

beginning of February and the remainder of Phase 1b recruitment will take place in March and April.

2.1.2 In order to facilitate this process the detailed organisational design will be published in February and this will include the locality officer posts.

2.1.3 The recruitment timeline remains as previously published.

2.2 *ICT*

2.2.1 There is a significant amount of work to do in this workstream over the next few months and timescales are tight, however we are currently on track against the plans. Highlights include:

- The network infrastructure to support the new accommodation has been delivered.

  - Work on data migration is on track to enable the new systems to be able to deliver the appropriate customer service.

  - Some officers have seen the Civica mobile product which we will be using and it is hoped that we will be able to demonstrate the product to Members and Staff soon.

2.3 *Accommodation*

2.3.1 The hot desk area at Kilworthy Park has been created and staff have been working in this area for some time. Feedback from those using this space has been positive.

2.3.2 The main focus for this workstream over the past few months has been at Follaton House where the second phase of the new office space is due to be delivered at the end of this month.

2.3.3 The next quarter will see the emphasis move to the identification of the accommodation hubs that will be required for staff to use as drop in opportunities in and around the borough.

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 Software to deliver Customer insight information has now been purchased to help us structure our customer access methodology and training in how to use this software has been undertaken.

2.4.3 The channel shift plan is under development and will be delivered in February. This plan will help us target cheaper forms of contact such as SMS and email to those people who want and can use it rather than trying to encourage all customers to use these types of contact.

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 are well under way and will continue until June 2015.

2.5.3 Some Support Services staff have been trained as trainers in the use of the document imaging software to ensure we are ready to deliver a paperless environment for when staff in phase 1b start working the new way.

2.6 *Finance*

2.6.1 To date, £1.91 million of the original £4.85 million budget has been spent. The costs are split £0.74 million WDBC and £1.17 million SHDC.

2.6.2 **The profiled budget for Quarter 3 (Oct – Dec 2014) is £1.71million – therefore the spend of £1.91million is currently £0.20million higher than the profiled budget.** This is mainly due to timing of payments made to refurbishment contractors being slightly earlier than expected, along with the phase 1a redundancy costs being higher than originally anticipated.

2.6.3 Council approved a revised business plan in December 2014 which took account of both predicted increased savings and costs and future reports to Overview and Scrutiny will show the monitoring position against the updated business case. The overall programme is currently on target although individual elements are both underspent and overspent.

2.6.4 Our Councils have been successful in receiving Government Transformation challenge Award funding of £700,000 to assist in delivering the programme.

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

Corporate priorities engaged:	This report relates to the future delivery of the council's four corporate priorities during a period of increasing financial constraint
Considerations of equality and human rights:	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
Biodiversity considerations:	None
Sustainability considerations:	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
Crime and disorder implications:	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	⇩	• Profile investment and the availability of resources in the context of a business plan • Explore external funding opportunities	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	2	8	⇩	• Proof of concept work has demonstrated high level business case • Detailed business case in place before committing to implementation of the Programme • Sensitivity analysis undertaken • Ongoing monitoring of costs and savings within the Programme • In recognition of uncertainty of some costs, introduce contingency sum into detailed business plan	Directors and Section 151OfficerAudit
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	⇔	• 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). • Review the level of corporate priority of the Programme against any new cost pressure	SMT
4.	Management risk	Management capacity to deliver the Programme	4	3	12	⇧	• Programme identified as the key corporate priority • Commission external support as required to ensure the Programme is delivered in line with the timetable	SMT

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		
5.	Management risk	Maintaining the shared vision for the Programme during a period of significant changes	4	3	12 ⟺	• Effective communication strategy to engage with Members, staff and other stakeholders embedded within the Programme	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 ⟺	• Create sufficient organisational capacity to achieve programme timeframes • Managing ongoing individual service performance	Directors
7.	Management risk	Loss of key staff during implementation of the Programme	4	4	16 ⟺	• Ensure effective transition plan in place	Directors
8.	Political risk	Early interest from potential partner organisations to join Programme	3	3	9 ⟺	• New partners able to join Programme but based on SH/WD model and timelines, following assessment of risk to the Programme • 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	Directors
9.	Staffing risk	Officer capacity and retention of staff morale during significant corporate change	4	3	12 ⟺	• Effective communication strategy embedded as part of the Programme • Maintain the pace of the change to ensure that key staff are not lost to the organisation	Directors

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			
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	⟷	• Support cultural change with a comprehensive corporate training and development programme and develop recruitment, induction, appraisal and performance management frameworks • Communication strategy embedded as a key element of the Programme • Procure external skills to respond to expertise or capacity gaps • Ensure new systems and processes are resilient and sustainable	Directors Directors
11.	Staffing risk	Potential Union/staff response to elements of the Programme	4	2	8	⟷	• 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 • Communicate potential staff benefits within the model such as developing skills and achieving better work/life balance through agile working	Directors