

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
<b>SUBJECT:</b>	TRANSFORMATION UPDATE		
<b>DATE OF DECISION:</b>	16 JANUARY 2014		
<b>REPORT OF:</b>	HEAD OF TRANSFORMATION		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
None			

### **BRIEF SUMMARY**

This report provides an update on the progress made in relation to the council's transformation programme during the 3<sup>rd</sup> quarter of 2013/14.

### **RECOMMENDATION:**

- (i) The Committee is requested to consider and note this report.

### **REASON FOR REPORT RECOMMENDATIONS**

At the OSMC meeting in November 2013, the chair requested that OSMC receives updates and reviews on the Transformation Programme at appropriate intervals. In response, it was agreed updates will be provided on a quarterly basis, commencing January 2014. This is the update for the 3<sup>rd</sup> quarter of 2013/14 (September – December 2013).

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

None.

### **DETAIL (Including consultation carried out)**

1. This quarter (September – December 2013) started with feedback from the LGA Peer review and in relation to transformation, the key points they reflected were:
  - The council's transformation programme should be focused more on developing the organisation's expertise, skills and culture to deliver the (revised) Council Plan.
  - The initial focus on achieving significant change to form the People's Directorate is understood and appreciated.
  - The need to reduce operating and business support costs is a common thread across many council transformation programmes, i.e. maximising internal cost reduction and efficiency in order to minimise impact on front line services.
  - As the Transformation Programme develops to support the delivery of the Council Plan, there will be a need for it to become more council-wide, be

more effectively programme managed, and include culture change.

2. In response, the council's action plan commits us to:
  - Revising all current transformation programmes and agree a single, council-wide, joined-up transformation programme including cultural change, level of savings, invest to save opportunities, specific outcomes with timescales and link to internal communications and staff engagement plan.
  - Establishing a Programme Management Office (PMO) with agreed project management framework, pool of project managers and ongoing training for relevant staff
  - Agreeing HR transformation priorities, action plan and resources to build organisational resilience, including developing the right skills and competencies for the future.
  
3. The main areas of progress in this quarter have been in:
  - Creating the necessary capacity for achieving transformation
  - Developing the organisation's expertise, skills and culture through HR transformation
  - Transformation of services within the People directorate
  - Projects to reduce operating and business support costs and efficiency in order to minimise impact on front line services.
  - Work to establish a Programme Management Office (PMO) with agreed project management framework, pool of project managers and ongoing training for relevant staff
  - Work underway to develop current transformation projects into a coordinated "one council" transformation programme, including culture change, that is effectively programme managed.

#### Creating the necessary capacity for achieving transformation

4. We appointed to the fixed term post of the Head of Transformation, who joined the council in November 2013 and has taken the lead for the council's transformation programme. He will be working closely with the Council's Management Team (CMT) and Heads of Service as well as the project managers leading key transformation projects. In addition, we have recruited a Transformation Manager to provide more capacity for the transformation programme. The council is also benefiting from additional expertise provided through the LGA and the council's strategic partner, Capita.

#### Developing the organisation's expertise, skills and culture through HR transformation

5. The council's management team have considered and agreed priority projects to achieve the level of HR transformation that is urgently required. The agreed HR projects will underpin front line service delivery. The projects on pay and allowances and implementation of the local government pension scheme changes will be complemented by the following transformation projects:
  - Revision of HR policies and processes with a view to simplification, which is underway
  - Defining and Implementing a resilient HR operating model and ensuring

there are robust mechanisms to ensure establishment control

- Individual performance management
- Learning and development.

#### Transformation of services within the People Directorate

6. There is considerable pace and staff engagement underway to achieve transformation in many areas of the People Directorate and this has been reported previously to OSMC. As a summary, the following progress has been made in this quarter:

- Establishment of an Integrated Commissioning Unit with the Southampton Clinical Commissioning Group, well ahead of other councils, including successful appointment to key senior posts. This will enable the council and health to make efficiencies in how we commission outcomes for the same clients and in due course, aims to reduce costs for both organisations
- Consultation has begun on structural changes within Adult Social Care and progress is being made on leaning the processes for assessments and billing
- Consultation has also begun on structural changes within Children's Services. This includes the setting up of integrated education and social care teams and mainstreaming of Families Matter, so that when the programme funding ends, the successful ways of working to support families with complex problems, will be bedded in. These changes also include the setting up of a Multi Agency Safeguarding Hub (MASH) in line with good practice in other councils and to facilitate this, Property Services have made changes to accommodation plans in the North Block
- Assessing how IT can support the new roles and ways of working, including mobile and flexible working
- The project to review data input and data quality and optimising the use of PARIS is ongoing, with a new project manager to lead this critical piece of work.

#### Projects to reduce operating and business support costs and efficiency in order to minimise impact on front line services

7. The following projects were established in this quarter:

- Review of Business Support, with an experienced project manager seconded to lead this work. We expect to use the learning from other councils such as West Sussex. The intention is to establish a single, unified service for the council, managed within the Corporate Services directorate. This aims to deliver a single professional service for the council supported by appropriate technology to enable staff to use self-service via an improved intranet. The Transformation and Improvement Board has agreed the management structure and the subsequent recruitment of 3 posts for the new service in the coming weeks
- Review of Policy and Performance, with a view to establish a single, cross council team within the Transformation and Performance division.

#### Work to establish a Programme Management Office (PMO) with agreed

project management framework, pool of project managers and ongoing training for relevant staff

8. Some preliminary work has been undertaken in this quarter to audit the current position with a view to establishing a Programme Management Office (PMO) to improve the council's project management capabilities, aid better prioritisation and have an overview on outcomes achieved by projects. The audit undertaken so far includes:
- Projects being undertaken within the council
  - Skills and experience of current project managers
  - Training needs and support for project managers.

Developing current transformation projects into a coordinated "one council" transformation programme

9. We expect to present the draft Transformation Strategy and Plan in March 2014 and are currently working on consolidating the current transformation activity across the council and developing a single, prioritised and resourced programme. The transformation road map will set out key deliverables, timescales, benefits and outcomes. I will provide you more details in my next update. This "one council" transformation will aim to make an identified and significant contribution to budget gap through the delivery of:
- Agreed council wide transformation projects
  - A change in culture and behaviours that encourages "one council" team working, innovation, quality, ownership and "can do" attitude
  - Refreshed council website and the set-up of customer portals to enable digital first engagement with residents and businesses
  - Improved customer self-service using digital technology and promote a move to digital first
  - Improved customer services that embed a 'once done' culture of service delivery with reduced failure demand and back office processing
  - A modern working environment, with more cost efficient business processes to support an engaged, skilled and motivated workforce
  - Improved performance at every level
  - More effective and efficient commissioning of services and where appropriate, with partners
  - Improved sourcing of staff, procuring of services, use of IT, other digital technology and council assets
  - Simplified business and more efficient business processes across the council, building on the work done within the People directorate and other services such as libraries.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

10. Resources to support the one-council transformation of services will be provided from existing budgets and where there are no other resource available, bids for the Transformation Fund will be considered by the Transformation and Improvement Board. In the last quarter, the Board agreed bids totalling £432,000 from the Transformation Fund through invest to save to achieve :

- Additional capacity for 2 years for the transformation programme and in the first year, this will be to support the establishment of a buyers' team in the Integrated Commissioning Unit and lead the Policy and Performance Review
- Support the work being undertaken on the procurement review for items under £100,000, including changes to the Agresso system to support new policies and better procurement practices
- Advance funding to establish the new management structure for the Business Support service.

**Property/Other**

11. No implications at this stage

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

12. The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000

**Other Legal Implications:**

13. None

**POLICY FRAMEWORK IMPLICATIONS**

14. These will be defined as the work progresses.

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	None
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**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes, separately for different projects
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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