

DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	TRANSFORMATION PROGRAMME UPDATE		
DATE OF DECISION:	10 NOVEMBER 2016		
REPORT OF:	CABINET MEMBER FOR TRANSFORMATION PROJECTS		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

This report provides the Overview and Scrutiny Management Committee (OSMC) with an update on the Transformation Programme as at end October 2016 and progress since the last update to OSMC in June 2016.

RECOMMENDATIONS:

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| | (i) | The Committee is requested to consider this report and note progress of the Transformation programme. |
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REASONS FOR REPORT RECOMMENDATIONS

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| 1. | 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. |
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ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
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| 2. | Not applicable. |
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DETAIL (Including consultation carried out)
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	Background
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| 3. | The Transformation Programme composition has not changed since the last OSMC update in June. |
| 4. | Since January this year, all of the programme initiatives have been reviewed to ensure that resources and plans are aligned to achieve the best outcome, with several initiatives being regrouped or consolidated. The revised programmes are: |
| 5. | Restructuring the Council (Operating Model) – this programme brings together all organisation design work relating to the launch of the new |

	<p>operating model. There are 3 phases to this programme with Phase 1 completed at the end of January:</p> <ul style="list-style-type: none"> • Service Excellence • Capita Partnership Reset including: - <ul style="list-style-type: none"> ○ Core Services ○ Digital ○ Procurement • Temporary and Permanent Staff Procurement • HR Policies and Procedures – Complete • Service Cost Recovery - Complete • Children’s and Families Service Transformation <p>These Programmes are described in the detail below.</p>
	<u>Individual Project Updates</u>
	Restructuring the Council – Operating Model
6.	Phase 1 - Project complete
7.	Phase 2 - All posts which were not part of Phase 1 but are Grade 12 or above are in scope for Phase 2, totalling 142 FTE across the whole organisation. Consultation ended for Phase 2 of the Operating Model on 7 July 2016. All positions have been interviewed for and filled where internal candidates were found to be suitable. As per policy, and agreed with Unions, any persons displaced through this process have the opportunity to apply for the remaining vacancies which will then be advertised externally.
8.	Phase 3 - The first part of the accelerated phase 3 for Digital and Business Operations has been implemented and is being handed over to business as usual. The proposed FTE reductions for IT and Digital, Supplier and Employee and Customer Experience (Business Support) has achieved 44 FTE reductions. There remains 38.95 vacant posts that are currently being recruited to and the aim is to have fully established teams within three months. The next few weeks are critical to invest the time in understanding the team skills, refreshing attitudes and reinforcing new behaviours. The extended consultation for the Financial Transaction teams has concluded, and implementation will be driven by the digital solution. With an effective digital implementation by the end of March 2017 the remaining proposed FTE reductions (17.5) should be achieved.
	Service Excellence
9.	The Service Excellence management system continues to ‘bed in’. To aid this, the Learning and Development Team are now supporting the champions by delivering the fortnightly training. Discussions are underway to see how the council’s Learning and Development programme can deliver aspects of the service excellence model so it starts to become business as usual. The Programme will be led by the new Chief Operations Officer as the Senior Responsible Officer.
10.	Supervisors continue to report positive results including how the system is helping staff feel more valued, how it has helped streamline work, drive work

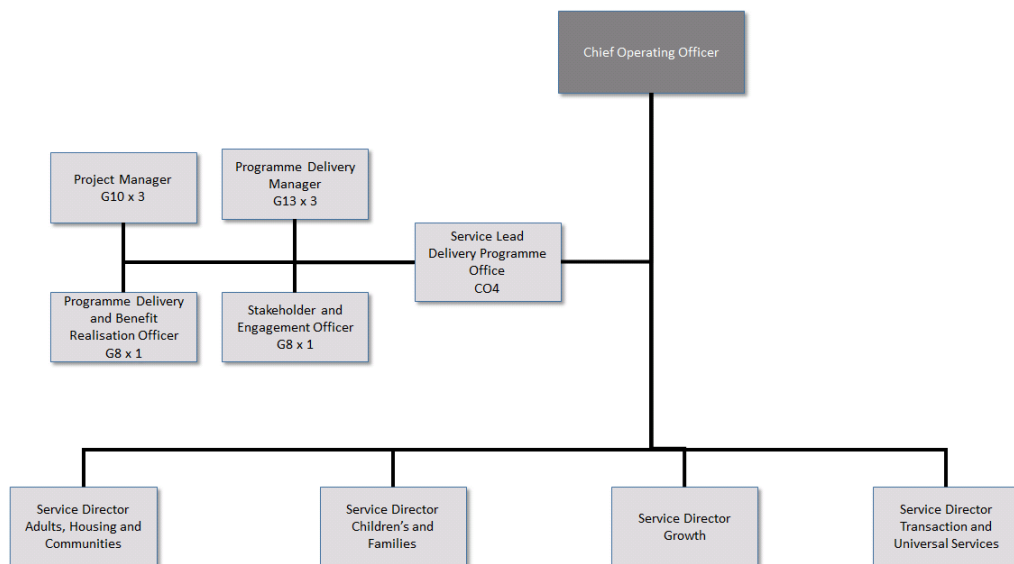
	sharing and engage staff in problem solving. This demonstrates the potential for service excellence to contribute towards facilitating the change in culture and the five behaviours (taking personal responsibility, working with and through others, embracing change, managing commercial demands, being customer oriented) the council is seeking from its staff.
11.	Standard operating procedures (SOPs) continue to be developed and reviewed as processes change due to digitisation are being reviewed. SOPs have proved particularly helpful in supporting the induction of new team members.
	Capita Partnership Reset
12.	<ul style="list-style-type: none"> • The transfer of Property Services back in-house as of 1 January 2017 remains on track. • All key leadership roles for the Partnership (Partnership Director, Finance Director and Operations Director and Director for Digital Services) have now been filled • Advisory Board now set up with the first meeting taking place on 29 November
13.	<p>Digital - Tranche 1 and 2 final Service Director packs have been completed for all areas involving FTE reduction and the sign off process is underway or complete. Tranche 3 packs nearing completion and in final review with Service Directors. Several customer journeys have now gone live including New residents parking permits, Visitors parking permit, Report a nuisance, Commercial waste quote, Purchase copy birth, death and marriage certificates and internal Business Support forms. Initial data is showing that the improved web content and forms is reducing contact and promoting channel shift to digital. Over 250 mobile devices have been deployed to staff in Environmental Health, Adults and Children's. Re-designed processes and journeys are maximising the use of mobile technology. Activity is now focusing on behaviour change within service areas. Development work currently underway includes integration of forms with back office systems, Houses in Multiple Occupation (HMO) licensing, food safety inspections, parking permit renewals and user acceptance testing of Paris Mobile.</p> <p>Learning from issues with customers being unable to reach the Contact Centre, actions are being progressed to ensure a balance between meeting customer needs, particularly for vulnerable client groups, and the requirement for channel shift.</p>
14.	<p>Procurement Savings Initiatives - The Procurement Programme was re-launched on the basis of 57 projects for implementation for the first two years of activity. These have now been refined and consolidated into 49 projects. Of these, 9 projects have progressed to formal procurement with the required Project Launch Documents (PLD) approved, and two projects have completed procurement (Benefit Sign-Off [BSO] Approved). There are currently 23 PLDs / BSOs in the pipeline for approval by the end of the calendar year.</p>
	Temporary Staff Procurement
15.	The new arrangements for the supply of temporary workers under the

	<p>contract with Hays Specialist Recruitment Limited was fully launched on the 26 September 2016 utilising a new web portal to raise requests for temporary staff. These new arrangements enable all assignments to be managed through a single system, facilitates the completion of timesheets online using any device linked to the internet and provides much improved management controls. The permanent staff recruitment service was launched on the 17 October and also utilises an upgraded web portal to handle all permanent recruitment activities.</p>
16.	<p>The benefits flowing from these improved arrangements are greater control and visibility of the recruitment activities, much improved management information and a better position to start of the delivery of reductions in expenditure. It also provides an important foundation for the continued development of the council's workforce strategy. As the bank of management information grows over the first few months dashboards outlining headline information will be made available to OSMC.</p>
17.	<p>HR Policies and Procedures – Project complete</p>
18.	<p>Service Cost Recovery this programme is in business as usual and Transformation are tracking the target benefits. Schools Transport will now be incorporated into a wider Transport initiative across the council and has been moved under the Procurement Programme for delivery.</p>
	<p>Adult Care Packages</p>
19.	<p>Following the presentation to the Transformation & Improvement Board on May 31st 2016, a pilot was set up to prove the value of the review. Phase 1 of the pilot with 225 cases (originally 220 cases) was successful and has validated the savings that can be made while proving that the backlog of cases older than 12 months can be successfully reduced. Phase 1 closed with an average saving of 7.9% on an annual spend of £2,897,415. A second phase of the pilot was given approval to proceed at the Transformation & Improvement Board on 30th August 2016. Phase 2 of the pilot showed again a saving of 7.5% from 208 cases on an annual spend of £4,528,600.</p>
20.	<p>The Transformation & Improvement Board on 11th October 2016 approved a continuation of the project with the current monitoring process to:</p> <ol style="list-style-type: none"> a. Continue to review packages older than 12 months (some 1900 cases) and look to reduce costs where appropriate. b. Clear the backlog of cases that have not been reviewed in more than 12 months including those that will become due for review in the expected project life of 6 months. c. Provide knowledge transfer and support to the existing team to upskill the team through integration with the project team to continue the work of reviewing similar packages ongoing.
21.	<p>Concierge Service Transfer to Balfour Beatty - As part of ongoing work to address reducing in costs, discussions were held with Balfour Beatty Living Places to explore the potential to integrate the Council's Concierge Service and other CCTV monitoring with the City Watch Service. A report went to Cabinet on the 19 October 2016 seeking permission to progress with the proposed TUPE of those in scope to BBLP. The transfer was agreed and formal consultation process has now commenced and will finish on the 22</p>

	November 2016. Work is also underway to amend the contract already in place with BBLP.
	Children's and Families Transformation
22.	<p>The Children and Families Transformation Programme is made up of three core projects with the aim of transforming the service:</p> <ul style="list-style-type: none"> • Reducing Demand and Cost: • A Permanent and Productive Workforce: • System Reshaping
23.	<p>Reducing Demand and Cost - This project is now in the delivery phase, and a number of initiatives have been set up to address both demand avoidance (the front door process) and demand reduction (caseload reduction and improving outcomes for children). A new front door approach has been implemented which aims at reducing the number of assessments taking place by over a third. This, when combined with strong and trained staff and processes up front, will significantly reduce the flow of demand into the social care system in Southampton. Children in Need caseloads are being reviewed and reduced on a month by month basis – which will, in time, allow a natural resizing of the service in line with reduced demand. Combined the initiatives in this project aim to reduce numbers of Looked after Children significantly over a three year period, and as a result, addressing one of the major areas of spending in SCC.</p>
24.	<p>A Permanent and Productive Workforce - This project has the high level goals of improving our staff offer, training and development of best practice amongst social workers in particular, and so recruit and retain more experienced high quality staff. This will allow the service to reduce reliance on temporary and agency workers – and so reduce spend. Management training is under way, a partnership with HAYS as a managed service provider for recruitment has allowed informed choices to be made on the basis of improved management information and through a weekly dashboard. The service aims to reduce its number of temp staff by up 85% by the end of this financial year.</p>
25.	<p>System Reshaping - This project focuses on the tactical and strategic changes which need to happen in Children and Families to keep it sustainable. Work is ongoing around presenting options for alternative models of delivery for education traded services like the Music Service or Educational Psychology. The programme is also exploring all options for increased trading with schools and other bodies across the region to increase income generation where possible. This project is also supporting the programme to set up an integrated early help offer for 0-19 year olds in the city. This will involve integrating with Health and other partners to establish a more efficient and sustainable offer bolstering early help, intervention and prevention of escalation of need with children and young people in Southampton.</p>
	Long Term Structure
26.	As reported in in the June 2016 OSMC the structure of a Programme

Delivery Office to ensure programme and project initiatives delivered through this central corporate function will be defined and aligned to the Council's strategic priorities and outcomes is being embedded. The structure below was part of the Phase 3 Digital and Business Operations Consultation and is now the final structure. The Programme Delivery Office through the permanent Service Lead – Programme Delivery Office will, from April 2017, report to the Chief Operations Officer. This will ensure that the role of the Programme Delivery Office to deliver the change programmes that support the council's strategic objectives is linked to the strategic and operational arms of the council. We are implementing the controls and methodologies that will provide better visibility of progress to outcomes and deliverables, Risk Management, Benefit Realisation tracking. We are also improving the Programme and Project Management capability including Benefit Management and Business Change skills and expertise to the benefit of the staff and SCC in managing and implementing change to start transitioning Transformation into 'business as usual' (BAU) activity.

27.



28.

Recruitment of the Service Lead – Programme Delivery Office is currently underway with interviews to take place Mid November 2016.

Current Focus/ Next Steps

29.

- The current and ongoing focus remains as follows:
1. Bedding in the Operating Model through Service Excellence and change management; Continuing to deliver the Customer Journeys in Digital that have been signed off while preparing additional Customer Journeys that as new opportunities are uncovered to streamline and improve service provision and experience through deploying digital technology; Completing the delivery of the Temporary and Permanent Staff Procurement with Hays; Delivering the Procurement Initiatives with Capita; Developing the projects to deliver the savings target in Transaction and Universal Services, Housing and Adults.
 2. Design and rollout of the Operating Model Phase 3

	<p>3. Continuing to develop Programmes to deliver the remaining savings target to 2020</p> <p>4. Implementing industry standard controls and methodologies to introduce more robust programme governance and transition Transformation into BAU.</p>
30.	<p>The overall political and officer oversight of the Transformation Programme remains unchanged with:</p> <ul style="list-style-type: none"> • 1:1 meetings between the Transformation Director and Cabinet Member for Transformation • Monthly Transformation Improvement Board • Escalation of issues to Cabinet and Council as and when required • Regular Overview and Management Committee reporting <p>The Transformation & Improvement Board has been extended to include the Senior Leadership Team.</p>

RESOURCE IMPLICATIONS

Capital/Revenue

31.	The revenue cost of the SCC transformation team is largely being met from the transformation programme reserve approved by Council.
32.	The primary current capital investment for the work described above is £0.5m for Firmstep investment (£0.25m) and Mobile Device investment (£0.25m) in relation to the Digital (Part 1) programme. In August 2016 a paper was submitted to Transformation and Improvement Board and Capital Board to support the Digital Programme. The amount approved was £3.3m.

Property/Other

33.	No implications at this stage.
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

34.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
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Other Legal Implications:

35.	None
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POLICY FRAMEWORK IMPLICATIONS

36.	None
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KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report

<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	ESIAs have been completed for Transformation projects where appropriate. The need to produce ESIA's will be reviewed for each new project as it develops.
Privacy Impact Assessment	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	PIAs have been completed for Transformation projects where appropriate. PIA's will be reviewed for each new project as it develops.
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)
1.	Implementing the Council Strategy 2014 – 2017 (Item 81) http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=122&MId=2835&Ver=4