

<b>DECISION-MAKER:</b>	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
<b>SUBJECT:</b>	TRANSFORMATION PROGRAMME UPDATE		
<b>DATE OF DECISION:</b>	16 FEBRUARY 2017		
<b>REPORT OF:</b>	CABINET MEMBER FOR TRANSFORMATION PROJECTS		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
None			
<b>BRIEF SUMMARY</b>			
This paper provides the Overview and Scrutiny Management Committee (OSMC) with an update on the Transformation Programme as at end January 2017 and progress since the last update to OSMC in November 2016.			
<b>RECOMMENDATIONS:</b>			
	(i)	The Committee is requested to consider this report and note progress of the Transformation programme.	
<b>REASONS FOR REPORT RECOMMENDATIONS</b>			
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.		
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>			
2.	Not applicable.		
<b>DETAIL (Including consultation carried out)</b>			
	<b>Background</b>		
3.	The Transformation Programme composition has not changed since the last OSMC update in November.		
4.	Since January 2016, 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.	<b>Restructuring the Council (Operating Model)</b> – this programme brings together all organisation design work relating to the launch of the new operating model. There are 3 phases to this programme with Phase 1 completed at the end of January 2016:		

	<ul style="list-style-type: none"> <li>• <b>Service Excellence</b></li> <li>• <b>Capita Partnership Reset including: -</b> <ul style="list-style-type: none"> <li>○ <b>Core Services</b></li> <li>○ <b>Digital</b></li> <li>○ <b>Procurement</b></li> </ul> </li> <li>• <b>Temporary and Permanent Staff Procurement</b></li> <li>• <b>Service Cost Recovery - Complete</b></li> <li>• <b>HR Policies and Procedures – Complete</b></li> <li>• <b>Children’s and Families Service Transformation</b></li> <li>• <b>Transaction and Universal Services</b></li> </ul> <p>These programmes are described in the detail below.</p>
	<b><u>Individual Project Updates</u></b>
	<b>Restructuring the Council – Operating Model</b>
6.	<b>Phase 1</b> - Project complete
7.	<b>Phase 2</b> - Project complete
8.	<b>Phase 3</b> - The first part of the accelerated phase 3 for Digital and Business Operations has been completed. Consultation started on the 30 <sup>th</sup> January for other areas of the council such as Finance, Transactions and Universal Services and Intelligence, Insight and Communications.
	<b>Service Excellence</b>
9.	Phase 1 is on track with Champion Support sessions starting to rollout in January. The current cohort who have been trained in Service Excellence report that the methodology is helping them be more productive, collaborative and better able to identify and solve problems quickly. Service Excellence is planned to start a rollout in Children’s Services from April 2017. The CMT Information Centre board is currently being designed with rollout due to start in March.
	<b>Capita Partnership Reset</b>
10.	<b>Core Services -</b> <ul style="list-style-type: none"> <li>• Property Services transferred back in-house on the 1 January 2017.</li> <li>• Capita Southampton Limited was formally registered with Companies House.</li> <li>• The first Advisory Board meeting took place on 29 November.</li> </ul>
11.	<b>Digital</b> - The majority of final service director packs have been signed off, including a tranche 4 pack for Housing Digital Transformation. The remaining packs are currently being scrutinised to ensure the metrics, which will evidence the benefits of digital solutions, are closely linked to improved services for staff and customers.
12.	Since the last report in November, the digital journeys which have gone live include: <ul style="list-style-type: none"> <li>- Eight further forms for Business Support</li> <li>- the launch of EG (a workflow tool for business support)</li> </ul>

	<ul style="list-style-type: none"> <li>- further deployment of over a 100 additional mobile devices</li> <li>- the launch of PARIS Mobile (which will help social care staff record information on PARIS when a remote data connection is not available)</li> <li>- re-worked PARIS forms to allow the right information to be recorded and support our statutory return of data</li> <li>- launch of a single translator service provider.</li> </ul>
13.	As many of these journeys have been launched to staff we have also been conducting a detailed training programme for directly impacted staff alongside work to support the behaviour change required to adapt to these new ways of working. The emphasis on the end to end customer journey has meant that in a number of areas we are now able to evidence the improvements of the digital solutions according to agreed metrics in the Final Service Director packs; this includes Transaction and Universal Services and Adult Mobile Working.
14.	Development work currently underway includes integration of forms with back office systems, reporting a concern, pest control appointments, Housing Transformation and piloting new ways of Adult Social Care customers receiving direct payments.
15.	<b>Procurement Savings Initiatives</b> - The Programme currently comprises 49 Projects targeting GRF and Non-GRF savings. The rolling 2 Year Savings Programme pipeline (Wave 1 Projects) is currently addressing an estimated £60 - £71M of spend, from which a total 2 yr savings target of £6.7M (all funding streams) is being forecasted. The Year 1 forecast is for a total saving of £1.7M across capital, GRF and non-GRF streams. 6 projects have been completed and passed through the Benefit Sign-Off (BSO) gateway and a further 11 projects have progressed to formal procurement with the required Project Launch Documents (PLD) approved. There are currently a further 18 PLDs being developed. Other activities include preparing and disseminating communications regarding the reset with Capita and our improved partnership with Capita.
	<b>Temporary Staff Procurement</b>
16.	Comprehensive Management Information (MI) is beginning to be gathered to identify how many assignments are being requested and how many individual temporary staff are currently working at SCC. This MI is also highlighting spend by service area, savings against the historic spend and performance against contract standards. This will in turn enable management teams to continuously monitor expenditure, focus on the areas of high expenditure and develop options to further reduce costs. Work is continuing to migrate across agencies that have yet to sign up to supply temporary workers through the agreement with Hays.
17.	<b>HR Policies and Procedures</b> – Project complete
18.	<b>Service Cost Recovery</b> - This programme has moved to 'business as usual' implementation activity with Transformation 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.
	<b>Adult Care Package Review</b>

19.	<p>The Transformation &amp; Improvement Board on 13<sup>th</sup> December approved the continuation of the project until March 2017. To date a total of 1007 cases with annual care package costs of £13.9M have been reviewed and closed since the start of the first pilot in July 2016, delivering targeted annualised savings of £861,445, plus one off benefits of £31,373. Assuming the remaining backlog of cases can deliver the same or similar savings profile as those completed to date, the full backlog review could deliver gross savings of approximately £1.2m to £1.6m a year. In order to reduce the cost of the project, the project has replaced 3 Agency team practitioners with SCC permanent staff (2.8 FTE) that are being released from the efficiencies gained through the Digital Transformation Programme in Adult Social Care. This reduction in cost will further support an increase in the project's ROI (return on investment).</p>
20.	<p><b>Concierge Service Transfer to Balfour Beatty</b> - The formal consultation process closed on the 22 November 2016. The service and TUPE transfer of 3 people commenced on the 29 November 2016. The final stage is in the setting up of remote monitoring at the City Depot which will be complete in early February 2017.</p>
<p><b>Children's and Families Transformation</b></p>	
21.	<p>The Children and Families Transformation Programme is made up of three core projects with the aim of transforming the service. The three core projects are:</p> <ul style="list-style-type: none"> <li>○ Reducing Demand and Cost</li> <li>○ A Permanent and Productive Workforce</li> <li>○ System Reshaping</li> </ul>
22.	<p><b>Reducing Demand and Cost</b> - In the November 2016 update to OSMC it was announced that a new front door approach had gone live and was projecting to reduce children's social care (CSC) assessments by 33%. Additionally it was forecast that the number of Children in Need (CiN) cases would reduce within the service to allow a re-sizing of the service in due course. Since that launch, CSC assessments have in fact reduced by 72%, and CiN cases have gone from over 1400 (in August 2016) to 944 (in December 2016) representing a 29% reduction in demand. This accelerated reduction is expected to result in the service reaching a "floor" of around 500 CiN cases by July 2017 (64% reduction) which will provide the service with the previously unavailable options of either investing this capacity in essential OFSTED readiness and improving critical KPI's, and/or reallocating resources away from CiN cases and more into Early Help and prevention activities, and/or simply reducing the number of agency and FTE positions in the service at a quicker pace to achieve greater levels of savings than outlined in the November budget. This success is bolstered by very encouraging feedback from partners on their improved referral experience as a result of speaking with a qualified social care professional at first contact. Bids for the new edge of care intensive therapeutic service were evaluated in late December 2016 and was unsuccessful with only one provider putting in a bid. A new timeline for retender will be discussed 25/01/17 and will therefore delay any awarding of contract and benefit realisation.</p>

23.	<p><b>A Permanent and Productive Workforce</b> - Since the last OSMC update a recruitment dashboard has been set up with Hays to measure performance against our targets of reducing the number of agency workers in the service. A recruitment website and materials have been refreshed and updated, and SCC also attended a national recruitment fair in November 2016. A management training programme has been completed, and a service vision workshop was delivered to increase engagement and advocacy of the journey the service is on. This will be built upon in 2017 with the launch of the Council's Service Excellence programme in Children &amp; Families from April 2017.</p>
24.	<p><b>System Reshaping</b> - This project is concerned primarily with looking at alternative models of service delivery for the service and in establishing an integrated 0-19 early help model in conjunction with partners. Detailed analysis has been completed by many service areas including Music, translation and educational psychology. Current proposals are to explore the next step of establishing an internal trading arm within the service prior to any consideration of longer term alternative models. A paper on this will be taken to SLT for initial consideration in January. Integrated early help service is on track and task and finish groups have been established to take the approved high level operating model forward into deliverable proposals for the partnership by the end of the financial year.</p>
	<p><b>Transaction and Universal Services - Local Authority Trading Company (LATCo)</b></p>
25.	<p>On 20 December Cabinet approved the setting-up of a Local Authority Trading Company (LATCo) and the launch of a procurement programme for the management, delivery and trading of the following Council services:</p> <ul style="list-style-type: none"> <li>• Street Cleansing and Waste Management &amp; Collection;</li> <li>• Housing Operations &amp; Management and Parks &amp; Open Spaces;</li> <li>• Car Park Operations, Facilities Management and Itchen Bridge Operations;</li> <li>• Transport.</li> </ul> <p>The procurement process is targeted to commence in April/May 2017. Programme updates will be provided on an on-going basis and a final recommendation on the structure, composition and governance of the LATCO, as well as the recommended appointment of one of more partners, will be subject to formal review by Cabinet and Council prior to implementation. This is an innovative move for SCC and potentially market-shaping for public services in general.</p>
	<p><b>Other Activities</b></p>
26.	<p><b>Communications and Engagement</b> - Our Communication and Engagement Officer works closely with our Corporate Communication and Research and Insight Units, and the Capita Communications and Engagement Team to ensure that the communications and the engagement across all teams is coherent and synergistic. The Transformation Programmes are both discrete and in some areas cross-cutting or affecting multiple service areas. We are developing a transformation wide</p>

	<p>Communication Plan that ensures that we make the most of each communication with staff and residents about the impact of transformational change. Our next steps are to run roadshows to showcase both the digital transformation taking place, and the changes taking place with Service Excellence and implementing the new behaviours of SCC. We plan to take the story to those areas of the council that may not yet have been touched by the digital programme, as well as those that have, reinforcing the commitment to change and helping staff embrace and embed change.</p>
27.	<p><b>Student Project Managers</b> - We are working with Solent University and their MSc Project Management Course Leader to provide opportunities in the transformation team for students on the MSc course. Many of these students bring excellent prior experience and are looking to put the training they are getting at Solent University into practice in a 'real-world environment'. We have currently provided placements for 3 students for one day a week each. They will help our Programme and projects managers providing additional project management support while gaining valuable experience.</p>
	<p><b>Long Term Structure</b></p>
28.	<p>As reported for the June 2016 OSMC meeting, a new structure (Programme Delivery Office) is being embedded in the Council so that strategic programme and project initiatives are delivered through a central corporate function to ensure major initiatives are defined and aligned to the Council's strategic priorities and outcomes. The launch of this structure was part of the Phase 3 Digital and Business Operations Consultation and will replace the Transformation Team from April 2017. In preparation for this transition, the Service Director Finance and Commercialisation assumed responsibility for the transformation team and the new PDO from 1 February 2017.</p>
29.	<p>A new permanent Service Lead – Programme Delivery Office (Ian Crossby) joined the Council on 3 January 2017 and a Programme Delivery and Benefit Realisation Officer (Bernie Berger) joined the Council on 23 January 2017. We have also recruited internally to 2 of the Programme Manager posts (Helen Saward and Rebecca Ayres, both of whom were previously engaged in the Transformation Team) and two further internal candidates (Karen Hilleard and Jessie Gwilt) were successful in gaining Project Manager posts. Jason Evans (also an SCC officer on secondment to the transformation team) has been successful in securing the position of Stakeholder and Engagement Officer.</p>
30.	<p>We are currently recruiting externally for 1 Programme Manager and 1 Project Manager, and have also agreed a secondment arrangement for a member of staff from Children's Services to join the PDO as a Programme Manager to provide a continued dedicated focus on the change programme for this service. An interim arrangement for a dedicated resource to support Adult Services is also being considered. The structures and methodologies for effective Programme and Project Management with robust Risk Management and Benefit Realisation Management are in place and an enterprise Project Management toolset has been deployed to enable the Programme and Project Managers to plan and track their projects while providing comprehensive Executive reporting on the status, Risk Profile and progress to benefit realisation of all the projects and programmes. The tools</p>

	and operating processes that have been introduced by the Transformation team ensures a comprehensive and robust legacy is in place for the Programme Delivery Office to maintain and build on.
	<b>Current Focus/ Next Steps</b>
31.	<p>The current and ongoing focus remains as follows:</p> <ol style="list-style-type: none"> <li>1. Rolling Service Excellence out to Childrens Services; Continuing to deliver the Customer Journeys in Digital that have been signed off while preparing potential Wave 2 Digital Transformation Journeys; Completing the delivery of the Temporary and Permanent Staff Procurement with Hays; Delivering the Procurement Initiatives with Capita.</li> <li>2. Support Services with the design and rollout of the Operating Model Phase 3</li> <li>3. Continuing to develop the budget initiatives into new Programmes and Projects to deliver the remaining savings target to 2020</li> <li>4. Implementing industry standard controls and methodologies to introduce more robust programme governance and transition Transformation into BAU.</li> </ol>
32.	<p>The overall political and officer oversight of the Transformation Programme remains unchanged with:</p> <ul style="list-style-type: none"> <li>• 1:1 meetings between the Transformation Director and Cabinet Member for Transformation until April 2017</li> <li>• Monthly Transformation Improvement Board meetings</li> <li>• Escalation of issues to Cabinet and Council as and when required</li> <li>• Regular Oversight and Management Committee reporting</li> </ul> <p>The membership of Transformation &amp; Improvement Board has also been extended to include all members of the Senior Leadership Team.</p>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
33.	The revenue cost of the SCC transformation team is largely being met from the transformation programme reserve approved by Council.
<b><u>Property/Other</u></b>	
34.	No implications at this stage.
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
35.	The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.
<b><u>Other Legal Implications:</u></b>	
36.	None
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
37.	None

<b>KEY DECISION?</b>	No
<b>WARDS/COMMUNITIES AFFECTED:</b>	None directly as a result of this report
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	None
<b>Documents In Members' Rooms</b>	
1.	None
<b>Equality Impact Assessment</b>	
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 ESIsAs will be reviewed for each new project as it develops.
<b>Privacy Impact Assessment</b>	
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.
<b>Other Background Documents</b>	
<b>Equality Impact Assessment and Other Background documents available for inspection at:</b>	
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) <a href="http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=122&amp;MId=2835&amp;Ver=4">http://www.southampton.gov.uk/modernGov/ieListDocuments.aspx?CId=122&amp;MId=2835&amp;Ver=4</a>