DECISION-MAKER:	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE		
SUBJECT:	PROGRAMME MANAGEMENT OFFICE UPDATE ON KEY PROJECTS		
DATE OF DECISION:	15 FEBRUARY 2018		
REPORT OF:	CABINET MEMBER FOR SUSTAINABLE LIVING		
CONTACT DETAILS			
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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 key projects as at the end of January 2018, including progress since the last update to OSMC in June 2017.

RECOMMENDATIONS:

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

REASONS FOR REPORT RECOMMENDATIONS

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. This financial year has seen the transfer of the Transformation Programme from a distinct workstream to more 'business as usual' work for each service area, supported by the Programme Management Office (PMO), IT and Procurement. Hence in future the updates will be on major programmes of work within the council, managed by the PMO.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2.	Not applicable.

DETAIL (Including consultation carried out)

	Background
3.	Since the formal Transformation Programme ended, change initiatives are managed, monitored and rolled out by the Programme Management Office. The individual project update sections below detail the current focus of each individual programme and provide an update since previous reports. The current change initiatives are detailed below.
	Restructuring the Council - Operating Model

4.	Phase 3 restructures that have been completed since June 2017 are Children and Families and Infrastruture, Planning and Development. The current position for these restructures is as follows:			

	C&F (Social Care)	C&F (Early Years and Education)	I,P&D
Previous establishment (S188)	204.63	86.16	24.4
New establishment (s188)	177.12	63.05	19.1
Reduction in posts (FTE)	27.51	23.11	5.3
Voluntary Redundancy	4.05		3
Compulsory Redundancy	2.4		1
Resignation	1		
Dismissal	1.4		
Mutual Agreement	1		
Vacancies	51.46	6.7	3.5

5.	Currently proposals are in train for Adult Social Care, Capital Assets and Emergency Planning. City Services are due to start staff consultation on their proposals on 19 February 2018. The final positon for restructures in 2017/18 will be included in a future report to OSMC.
	Digital Transformation
6.	The last update provided details of the seven digital journeys that had gone live at that time. The digital transformation programme including these seven journeys has had to be reviewed because of technical issues which meant that a number of the journeys did not function as fully as originally intended. This is being addressed through tactical fixes in the short term, and in the longer term through the strategic system replacements detailed below. In addition, the Housing Transformation project was affected by factors outside the council's control as there was a delay to a key software upgrade which would have facilitated mobile working. This is currently being addressed in discussion with the supplier.
7.	Cabinet has recently adopted a new Digital Strategy for the council. This Strategy has three main aims:

- Make contacting the council, finding information and doing business with us easier for our customers;
- Help the council run efficiently, providing staff with the right digital tools for the job; and
- Grow Southampton's economy by improving public digital

		infrastructure and showing digital leadership locally.
		The Digital Strategy will support other Strategies such as the Customer Strategy, and will guide the council's investment in technology over the next four years. During this period it is likely that the pace of technological change will continue, with the use of Artificial Intelligence – such as the use of Alexa and OK Google – to initiate and complete transactions becoming widespread.
8.		The Digital Programme now has a formal project structure in place, with regular reports to the Customer and Digital Board, chaired by the Chief Strategy Officer. The Programme includes a range of projects to radically upgrade, redesign and rationalise the council's core systems as follows: • In December 2017, Cabinet approved the upgrade of Agresso/Business World and extension of its scope to include new HR and procurement functions such as Payroll, e-recruitment and Requisitioning. This will provide a more consistent and efficient platform for the council's support services and enable the retirement of systems such as Resource Link and MyView. This project will be delivered in stages over 2018 and 2019. At present there are no savings proposals attached to this project; however, the expected benefits experienced by other councils include improvement in productivity and efficiencies. • On 27th February 2018 the council's Capital Board will be requested to consider the proposal to procure a new client case management system to replace Paris when it goes out of support in the summer of 2019. Supplier presentations are taking place on 8th and 9th February 2018. In the meantime the project to upgrade Paris to version 6.1, delivering full mobile functionality, will be completed in spring 2018. • Options for delivering a Customer Relationship Management system are being fully investigated before a recommendation is presented to Capital Board. This is to ensure that the council buys the right platform to deliver on its ambitious Customer and Digital Strategies. Visits are being made to other councils that have implemented CRM systems. • A core part of the Digital Strategy is to ensure that staff have the right device for the job that they do. As the council's accommodation needs are currently being reviewed, upgrading the equipment provided to staff will be a critical priority. The desktop refresh programme, which is predicated on a move towards flexible/wireless working for most office-based staff, is being restarted and will be focused on the many comments made in the Staff Survey about the shortcomings of the current IT provision. • The council is also preparing to make critical decisions about the future of its network, data and communications systems, including Microsoft Office and Outlook. We are in discussions about a timetable for moving to

	Office 365, which will enable us to benefit from the increasingly cloud-based approach that is being adopted across most similar organisations. There are also options for fully replacing the council's fixed and mobile telephony contracts with more innovative and cost-efficient technology.
	• In support of the Digital Strategy's aim to help grow the Southampton economy, a bid has been submitted to the Government for £8M of funding to deliver a full fibre network that will bring ultrafast connectivity to the city and enable new developments such as the Central Business District. This was jointly led by the Service Director, Digital and Business Operations and the Service Lead for Economic Development and Skills and an announcement is expected in March 2018.
	• Following the appointment of a new Service Lead for Digital and Strategic IT there are many lower-visibility 'business as usual' projects and initiatives under way that will improve the experience of customers and staff, make the council more productive and enable real longer-term savings. These include installing Chrome to benefit users of Agresso, improving the performance of the desktop estate, rolling out 'Bring Your Own Device more widely and improving the Civic Centre's WiFi network.
	Procurement Savings Initiatives
9.	A procurement improvement and development programme is being implemented. This is governed by the Procurement and Contract Management Board which is chaired by the Chief Operations Officer and includes the Cabinet Member for Environment and Transport as a Board member. This programme includes the following: • An initial review of Contract Procedure Rules (completed May 2017) and a further review to test the current approach and benefits • Design and implementation of a Procurement Strategy and the Southampton First Policy, approved by Cabinet in January 2018 • Collection of officer feedback through focus groups on an annual basis to inform the redesign of the services • Implementation of a Requisitioning module in Agresso (due in April 2018) to prepare the council for the implementation of a Procure to Pay module (due in April 2019) • The design and roll-out of mandatory e-learning to drive compliance to increase savings and reduce risks to the council (due for completion in February – March 2018). This will be coupled with face-to-face targeted learning opportunities and the redesign of all processes, forms, Staff Stuff (intranet) information and communication.
10.	The improvement plan has seen a reduction in non–compliant spend for 'Sub £100k'. Compliance is important because it ensures that opportunities are maximised to ensure best value. Measures outlined above are anticipated to

		realise significant further reductions.

	HR Update

11.	Since the transfer of permanent Recruitment function to the council in June 2017, the Hays contract is wholly focused on the provision of Temporary and Agency Workers. The Client relationship is managed through regular HR client meetings, monthly monitoring of both spend and delivery and a process for escalation of concerns or queries. In the period from June 2017 to December 2017, the reduction in spend on agency staff compared to the same period the previous year was £1.99M.

12.	The following table details key metrics on delivery of the Hays service for the period July 2017 to December 2017:

	July	Aug	Sept	Oct	Nov	Dec
Shifts Filled	648	811	722	617	795	700
Shifts Unfilled	8	20	29	13	9	27
No of Shift Workers used	257	290	278	259	252	245
No of temp staff assignments filled	76	56	92	50	47	47

Reasons for shifts being unfilled are primarily due to short notice requirements or the lack of availability of ancillary staff with enhanced DBS clearance. As a result the council's Recruitment Team have undertaken targeted recruitment to increase the number of suitable and vetted staff in the Temporary Employment Agency (TEA) who can provide cover as required.

13.	The in-house recruitment team was established in July 2017 and provides an end-to-end service supporting managers through the recruitment function. From 1st January 2018, the team has also taken on responsibility for the issuing of contracts, payroll notifications and the processing of all compliance checks for new staff. Since the team was established, they have advertised over 220 posts, filled 106 posts and have a further 38 applicants waiting to start. In comparison to the service remaining with Hays, the in-house service has resulted in a cost avoidance of over £240,000.

	Adult Social Care

14.	The Adult Social Care Improvement Board has been set up to oversee the implementation of the improvement programme and the development of the adult social care service to one that is more modern and sustainable. This includes the development of strengths-based practice which will ensure people are supported to maintain their independence with the help of their

	families, communities, care technology, extra care housing and direct payments wherever possible. This leads to the best outcomes in the most cost effective way. The PMO is supporting a number of enabling projects within the improvement programme that will not only improve the service and outcomes for customers but also deliver efficiencies and savings for 2018/19.
15.	One of the main projects is the implementation of a new Target Operating Model for adult social care alongside the Phase 3 restructure. There is also ongoing project work to support delivery of improvements including direct payments, care technology, shared lives and extra care. Following a re-set of plans for 2018/19, work is underway to develop a dashboard of key indicators that will baseline current levels of activity and enable tracking of the projects to ensure benefits are realised.
16.	Adult Social Care is also the subject of regular intensive care meetings chaired by the Chief Executive which include Cabinet Members on a regular basis. This ensures that the Adult Social Care Improvement Board plans are on track and that the Board has oversight of the position on savings, improvements and efficiencies. It also ensures there is full organisational awareness, support and focus on the issues relating to Adult Social Care.
	Children and Families
17.	The Children and Families Improvement Programme is built from a number of sources including Ofsted inspection findings, learning from Case Reviews, quality assurance activity as well as projects that seek to improve the service and contribute to financial savings. An integrated Improvement Plan has been developed by the Children and Families Service to ensure that Southampton's improvement journey is clearly mapped out, with a focus on improving outcomes for children and their families. The Children and Families Improvement Board oversees the implementation of the plan and closely monitors progress.
18.	The key success measures for the programme and their progress are summarised below. • The number of Children in Need within the service is 1,050 as of December 2017. The service has focused on reviewing every case to ensure that children and families are being worked with at the appropriate level, step down or closure arrangements are being considered with management oversight to ensure safeguarding. • Looked after Children numbers continue to be very close to the target set for the service, at 519 at the end of December 2017. High-cost placements, particularly for residential arrangements, continue to be a challenge for the service particularly impacting negatively on savings targets. The service is carrying out detailed case review work to challenge the arrangements for every child. Focused foster carer recruitment is also underway to help mitigate this and provide good, local (where appropriate) and stable arrangements for children. • The development of an Edge of Care service has been completed with the service launching and taking referrals as of early January 2018. There continues to be on going work in the Front Door of the service (including MASH) to safely manage demand and this has seen an overall

	reduction in referrals to social care. Alongside this an Integrated Early Help offer for 0-19 year olds is underway with management and teams working closely together from the council and Solent NHS Trust.
19.	The Service has recently undertaken a (Phase 3) service redesign which has enabled a focus on ensuring permanent and stable staffing levels. Agency staffing in social work teams remains a challenge, with agency rate at 17% in Q3 – 2% above national average of 15%. A range of activities have been agreed by the Children and Families Improvement Board to mitigate this and aim to bring this below the national average. This concentrates on an increased recruitment focus. A project group is leading on a range of improvements engaging staff, managers, HR and trade unions.
	Proposals for a Local Authority Trading Company (LATCo)
20.	The LATCo programme launched a second best value consultation on 17 January 2018, following Cabinet's approval on 16 January 2018. The consultation will close on the 10th April 2018. A full report including consultation feedback will be presented to Full Council in May when a final decision on the formation of the LATCo is made. The programme has also held briefing sessions for all staff which have been very well attended with over 1000 individuals.
21.	The council has commissioned Essex County Council to deliver their Business Academy programme for the first phase of services that will transfer into the LATCo. These Business Academy workshops have now commenced with the aim of supporting the development of commercial skills and confidence to develop business plans. These will be reflected in the detailed report to Full Council in May 2018. A dedicated Joint Consultative Group has been established for the LATCO to facilitate collective agreement discussions with recognised trade unions. In addition all support functions within the Strategy Hub are working on the development of Service Level Agreements, planning for consultations with staff on TUPE and with Tenants and Leaseholders. Work on financial and legal planning required for the establishment and incorporation of the LATCo is also underway
	Looking Forward
22.	The future focus for the council is on: - Improvement of customer journeys - IT and Digital projects - Completion of the final set of Phase 3 proposals to implement the Operating Model - Development of agreed programmes and projects - Progressing proposals for a LATCo - Continuation of the improvement plans in Adults and Children's Social Care.
23.	The overall political and officer oversight of the Transformation Programme remains unchanged with: - Regular Cabinet Member Briefings - Customer and Digital Board and HR and OD Board, chaired by the Chief

	Strategy Officer as well the Procurement Board, chaired by the Chief Operating Officer • Capital Board chaired by Cabinet Member for Finance • Adult Social Care Improvement Board • Children and Families Improvement Board • Joint meetings of Cabinet and CMT • Escalation of issues to Cabinet and Council as and when required • Regular reports to the Overview and Scrutiny Management Committee.

RESOURCE IMPLICATIONS

Capital/Revenue

24.	The Medium Term Financial Strategy report and Capital report that will be presented at Council on the 21st February 2018 includes the implications, where known, of the transformation programme. These implications include both savings proposals and investment of capital and revenue resources.

Property/Other

25.	No implications at this stage.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

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

Other Legal Implications:

27.	None

RISK MANAGEMENT IMPLICATIONS

28.	None

POLICY FRAMEWORK IMPLICATIONS

29.	None

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

SUPPORTING DOCUMENTATION

Appendices

1.	None

Documents In Members' Rooms

1.	None

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out?	ESIAs have been completed for Transformation projects where appropriate. The need to

	produce ESIAs 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. PIAs 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.	None