# Project Closure Report

**Document Reference Information**

| | |
|---|---|
| Project | Sage |
| Project Sponsor | James Strachan |
| Programme Manager | Helen Saward |
| Version Number | v0.4 post closure board update |
| Version Date | 22nd October 2019 |

## Document Purpose

This project report is used during project closure to review how the project performed against the approved Project Approach Document (in this case Project Initiation Document) and Business Case (in this case Council report). It also supports the:

- exploration of how well the project has met its objectives and delivered against the expected benefits.

- communication of performance information (against budget, quality and time targets).

- management of assets (handing off of any assets acquired for the project).

- procurement closure – closing of any contracts.

- financial closure - confirming payment of all monies to and by SCC.

- handover of delivered products and services to users including all information necessary for ongoing use and maintenance (contractual and operational).

## 1.    Executive Summary

On 18th July 2018 the Council decided to terminate its strategic partnership with Capita. The Southampton Strategic Partnership (SSP) delivered a number of services to the council; HR and payroll (including L&D and H&S), Revenues and Benefits, Customer Services, IT, Print and Procurement. The Sage project was set up to ensure the successful and smooth transfer of services and staff from Capita to SCC by midnight on the 22nd July 2019 into 23rd July 2019, whilst maintaining service standards and also ensuring readiness of the council to receive those services. It also included preparation and planning for the future of those returned services. The Sage project commenced some time prior to a formal decision being made and initially was managed by a small group of senior managers in the council and the business case for the project was made in a confidential Council report. The financial details of that report remain confidential as they are commercially sensitive. The Sage project ends with the successful transfer of staff and services, completion of all relevant third-party arrangements and handover of any outstanding or overlapping activities. The Southampton Termination Exit Plan (STEP) project ran alongside Sage for the delivery period i.e. from the council notifying Capita of the decision to terminate the SSP contract in July 2018 to the contract ending in July 2019. The STEP project was the Capita project to ensure the smooth transfer of services to SCC. The STEP project was subject to its own governance and a separate closedown process.

Although described as two projects, they were closely linked and the PID that was produced for the STEP project including the project objectives, was used as the basis for the Sage project. The STEP governance and workstreams operated jointly between Capita and SCC although Capita were ultimately responsible for the STEP project. Governance of the STEP project was separate to Sage with Capita being responsible for the STEP project and reporting back to the wider Capita organisation. Sage governance was purely internal to SCC as it also involved the council's readiness and preparations for transfer and post- transfer activities which were not appropriate to share with Capita.

## 2.    Project Objectives

| Objective | Demonstrate how this has been achieved |
|---|---|
| Ensure the continuity of the Services or equivalent services under any transfer of the whole or part of the Services (STEP) | Service transfer took place on 23rd July 2019. All services transferred successfully and achieved continuity of service with no problems. There was no need to invoke business continuity plans (BCPs) that had been prepared by the Council. |
| Set out a well-planned and controlled process to allow the smooth transfer of the provision of Services from the Provider (Capita) back to the City Council (SCC), including people, systems, knowledge and documentation (STEP) | PID and project Gantt agreed and baselined. Change control process followed, reporting by STEP workstreams was generally adhered to.<br><br>**People** – All staff eligible for transfer under TUPE regulations transferred to SCC on 23rd July and attended work.  This totalled approx. 240 individuals. The council contested posts where relevant and this resulted in only three contested posts i.e. these posts did not transfer to the council.<br><br>**Systems** – Although systems transferred successfully to the council, the process was not always well planned or controlled as detailed information required from Capita was often delivered late and of a poor quality. All IT systems operated successfully on day 1 after transfer. |

| | **Knowledge** – The majority of knowledge was transferred to the council as required; however often it was not provided in a timely fashion. Knowledge held by members of staff has transferred with them. As expected, some instances of a lack of data or poor-quality data have arisen post-transfer for example in customer services where data was deleted, and late delivery of the personnel files for transferring employees. |
|---|---|
| | **Documentation** |
| | **Programme/Governance Documentation –** PID and Gantt in place throughout STEP project. Sage project plans in place although these could have been updated more regularly. Sage highlight report produced for board meetings. |
| | **Project working documents –** These documents were provided for all workstreams, while at times they may not have always been provided before meetings had taken place, this did not cause project delays. All information provided by Capita was uploaded to the STEP SharePoint site. |
| | **Contractual documents –** Such documents were not provided by Capita to SCC on some occasions; when provided they were not always provided in a timely fashion. Not all contractual documents were consistent across different workstreams. This led to SCC having to make late decisions and in some cases an inability for SCC to make informed business decisions. |
| | Contractual documentation for new contracts was completed appropriately including exemption requests where required. |
| | **Operational documents –** This varied across workstreams. Some workstreams were provided access to operational documents at an early stage of the project. Other workstreams had difficulty in obtaining required documents and in some cases this affected service planning activities. Structure charts and job descriptions are examples of documents which were provided with varying quality. They were not provided in a standardised manner and often led to confusion amongst those working on the project. It became apparent post-transfer that information provided by Capita managers to the Capita project was not always passed on to SCC – this caused frustration for all involved post-transfer. |
| | **People Documents –** This area of documentation was the weakest of all aspect of the projects. Although Capita met deadlines for providing information it was often incomplete or inaccurate and numerous clarifications would be required. This took time and delayed accurate budget planning. There were also disagreements regarding the impact of GDPR on the transfer and provision of employee information. In addition, the lack of transparency regarding when information was changed by Capita also caused problems within the project. |

## 3.    Project Benefits

| Expected Benefit | Achieved (Y/ N / partial) | Demonstrate how this has been achieved / why this has not been achieved / any ongoing activity |
|---|---|---|
| Financial savings (as per confidential Council report) | Y – early indications are that financial benefits will be achieved | Transferring services budget envelopes were finalised in May 2019 and are on track to meet expected savings. However, there were still some unknowns at that point, particularly in relation to employee costs, restructures and third-party contracts. Actual financial benefits cannot be measured until end of financial year; however, currently the budget is on track for all service areas. |
| Opportunity to integrate services that are currently split and to create a coherent and complementary set of services to support the council and its customers | Partial – some services have restructured to achieve this. | Services have transferred back to SCC successfully and plans are in place or are in development to restructure services in the immediate term. As is to be expected this has caused some disruption although performance remains stable.  Since completion of this project a senior management resources review has commenced and once this is concluded, the transferred services will be able to review and implement their further service development plans. The resources review was not known about at the start of this project. |

| Success Criteria | Achieved (Y/ N / partial) | Demonstrate how this has been achieved / why this has not been achieved / any ongoing activity |
|---|---|---|
| Services are able to deliver on day 1 post transfer | Y | All services operated successfully on day 1. |
| Adequate staff levels arrive for work on day 1 | Y | 100% of staff eligible for TUPE transfer reported for work on transfer day and no business continuity plans were required to be put into action. |
| Teams have working areas which they can access | Y | ID passes issued to transferring staff at welcome events on day 1 (old passes continued to operate until new ones collected). Some limited issues with access for those with additional access rights but these were addressed promptly. Alternative arrangements in place for those with planned absence on day 1. |
| Equipment required to carry out roles is available. | Y | Service delivery on transfer day was not disrupted and no P0s or P1s were reported. All equipment transferred as expected. |
| Individuals have adequate access to IT systems for their role. | Y | No reports of systems issues on day 1 or linked to Sage. All IT systems operational on day 1. |
| Customers are able to contact the council in an unaltered way. | Y | • Capita call answering KPI = 60% of calls in 200 seconds, in the first week we achieved 66.4% in 200 seconds<br>• The average time to answer a call over the first five days was 230 seconds (3 minutes 50 seconds); for last July (2018) the |

| | | whole month performance was 213 (3 minutes 33 seconds). Average time to answer a call in August 2019 was 190 seconds. |
|---|---|---|
| | | • The Capita email processing KPI was 90% in one business day, in the first week we achieved 98% and in August it was 92.95%. |
| TUPE transfer is carried out lawfully | Y | 244 employees transferred to SCC under TUPE. Only 3 posts were contested and did not transfer to SCC. |
| Staff are welcomed to SCC and are supported to transfer employer | Y | Induction information was publicised on staff stuff and via the welcome leaflet and emails. 76% of transferring employees attended a welcome event (target was 75%) |

## 4.      Time and Quality Performance

| Target | Performance Summary |
|---|---|
| Project delivered on time | Services transferred on the planned date of 23rd July 2019. Out of 190 third party arrangements held by Capita on behalf of SCC, as at transfer date only six contract novations/ assignments were outstanding. As of the end of September, all contract novations were complete. At the time of writing there are two new contracts which are outstanding and still in negotiation (Printing for R&B and HR, DBAs). |
| Project delivered to required quality | The requirement to achieve service continuity was achieved and it can be considered that the project delivered the required quality. However, there are remaining outstanding issues to be resolved based on the quality of information provided by Capita throughout the project.  The quality of information provided by Capita under the STEP project was often of poor quality, lacking in detail or missing. This had an impact on the Sage project and planning for the return of services. Personnel files for transferred employees were due by the end of August but they were not fully delivered by Capita until October. This caused frustration amongst affected staff as well as making management of HR issues extremely difficult. |

## 5.    Budget Performance

| | Planned spend | Actual spend to 30/09/19 | Forecast | Variance |
|---|---|---|---|---|
| Total project budget | £950,000 | £481,699 | £950,000 | £0 |

At the time of writing the project budget is forecast to be within the planned spend of 950k. The above forecast includes all relevant outstanding payments to Capita and continuation of some resource costs in HR and Finance to support the transferred services with their restructures, resource costs in IT and customer services, as well as funding to enable co-location of teams. It should be noted that there may be costs in relation to TUPE settlements which are unknown, therefore the forecast also includes a small contingency for legal and HR costs. Any equal pay claims from transferred employees can contractually be recovered from Capita.

## 6.    Procurement status

The Sage programme included a significant element of work in relation to the 190 contracts that Capita held on behalf of SCC. Some of these contracts have been novated to SCC, some have required new contracts and others were in fact already held in SCC's name. The table below summarises the position to date for each of the 6 operational service workstream areas.

| Procurement contract | Contract Status (22/10/19) |
|---|---|
| HR and Payroll workstream | 12 out of 13 contracts complete <br> New contract with CIC for printing is outstanding (NB one contract to combine HR and R&B printing, below). |
| Revenue & Benefits workstream | 12 out of 13 contracts complete <br> New contract with CIC for printing is outstanding (NB one contract to combine HR and R&B printing, above). |
| IT workstream | 119 out of 120 contracts complete <br> New contract for DBA (Data Base Administration) is outstanding. |
| Customer Services workstream | 9 out of 9 contracts complete <br> No contracts outstanding. |
| Procurement workstream | 4 out of 4 contracts complete <br> No contracts outstanding. |
| General Management workstream | 20 out of 20 contracts complete <br> No contracts outstanding. |

The ongoing processes for contract management will be managed by the Supplier Management team.

## 7.    Asset Management

The project included the identification of shared and exclusive assets across the SSP. Detailed spreadsheets were provided by Capita per operational service workstream and the vast majority were exclusive assets i.e. already owned by SCC. This included IT equipment, office furniture and some systems. All assets that were shared have been addressed either through new contracts or ceasing use. There is a plan in place for IT to remove any further SCC-owned equipment from floor 3 of One Guildhall Square.

## 8.    Handover of products and services to BAU

| What deliverable/change has been handed over? How was this done? STEP | Handover completed by and when |
|---|---|
| HR and Payroll (including L&D and H&S) | 23/07/19 service transferred to SCC |
| IT Service | 23/07/19 service transferred to SCC |
| Customer Services | 23/07/19 service transferred to SCC |
| Revenues & Benefits | 23/07/19 service transferred to SCC |
| Procurement Service | 23/07/19 service transferred to SCC |
| Print Service | Service did not transfer to SCC as alternative service provision in place |

| What deliverable/change has been handed over? How was this done? SAGE | Handover completed by and when |
|---|---|
| My Learning coursebooker upgrade | Handover to Head of Service OD as of August 2019 |
| Medigold – equipment and wifi | Handed over to Head of Service HR Operations by end of September |
| Renewals process and plan for IT | Handover to Service Lead IT and Digital as of August 2019 |
| IT disposal procurement of new contract | Handover to Service Lead IT and Digital as of August 2019 |
| IT cabling provider procurement | Handover to Service Lead IT and Digital as of August 2019 |
| MFD replacements / follow me printing | Handover to Service Lead IT and Digital as of August 2019 |
| Outstanding case work for HR relating to TUPE transfer | Handover as of SAGE board 3rd August, HR have additional resources in place to support |
| Business Continuity Plan (BCP) follow up actions and spin off actions | Final session 12th September handed over to service areas as BAU activity |
| Property services system review | Handover to Service Lead Capital Assets as of August 2019 |

| | |
|---|---|
| Accommodation moves, co-location of services post transfer | Handover to SWOW project as of August 2019 |
| Restructures | Handover as of SAGE board 3<sup>rd</sup> August, HR have additional resources in place to support |
| 3<sup>rd</sup> party contract information and exemption forms | Handover to Supplier Management team as of August 2019 |
| Comms room and MPLS licence | Handover to Supplier Management team and Service Lead IT and Digital as of end of September 2019 |

It should be noted that Capita wrote to SCC on 16 July 2019 with an SSP handover Summary document giving Capita's perspective on the STEP project. Generally, SCC do not agree with the content of that document.

## 9.     Approvals

| Project closure approved by and date | |
|---|---|
| **Programme Manager** | v0.3 Helen Saward 12/09/19 |
| **Project Sponsor** | v0.3 James Strachan 12/09/19 |
| **Reporting to** | Sage Board and CMT Programme Board |

**Supporting documents;**
Appendix 1 – Lessons learnt summary

## Appendix 1 Lessons learnt summary

| Is this something to repeat or avoid? | Area | Sage/ STEP | Description |
|---|---|---|---|
| Avoid | Engagement/ Change | Sage | It was difficult to engage with impacted staff who were managing services when they themselves were impacted by the project |
| Avoid | Resourcing | Sage | Returning services budget envelopes were provided too late and this hampered business planning activities and restructure planning. |
| Avoid | Resourcing | Sage | Workloads for workstream leads were unmanageable. |
| Repeat | Governance | Sage/ STEP | STEP and SAGE highlight reporting was completed regularly. |
| Avoid | Resourcing | Sage | There were multiple single points of dependency across the project team |
| Repeat | Resourcing | Sage | All SME's were aware of their role and the importance of the project - this was an open door which made delivery easier. |
| Repeat | Governance | Sage/ STEP | Defined project, with defined scope which was delivered. Baseline PID, Baseline Gantt. Effective change control and governance. |
| Repeat | Resourcing | Sage | Recognition of the importance of project budget. Appreciation of the need to adequately resource a project to achieve successful delivery |
| Avoid | Governance | Sage/ STEP | Mismatch between SCC experience of contract vs Capita messaging to staff - assumed Capita had reflected SCC views about success of contract internally |
| Repeat | Engagement/ Change | Sage | Good mix with formal board meeting and more informal delivery group. Helped engagement. |
| Repeat | Governance | STEP | In service areas where there were already good working relationships, it helped move actions forward quicker. |
| Avoid | Engagement/ Change | Sage | Lack of participation in L&D offer, for example, due to short timelines, competing pressures, conflicting dynamics. Purpose not clear enough, info not passed on quickly enough. |