

Report to: Cabinet

Date: 24 October 2018

Title: Joint Transformation Programme Update

Report of: Assistant Director for Human Resources and Transformation

Cabinet Member: Councillor Colin Swansborough, Cabinet member for core support and strategic services

Ward(s) All

Purpose of report: To update Cabinet on the progress of the Joint Transformation Programme and to seek approval for the Phase 3 business case

Decision Type: Key Decision

Officer recommendations: Cabinet is recommended to:

- (1) Note the progress of the Joint Transformation Programme; and
- (2) Approve the business case for the Joint Transformation Programme Phase 3 which includes recommendations to approve:
 - a. the total savings/income target of £400,000 for Phase 3;
 - b. the approach for delivering the Phase 3 transformation and savings/income;
 - c. the Phase 3 governance arrangements;
 - d. the Phase 3 costs and allocate an additional £1.4m to the Programme (£700,000 from Eastbourne Borough Council); and
 - e. the revised costs and benefits realisation ratio of 50:50 between Eastbourne Borough and Lewes District Councils.

Reason for recommendation(s): To enable Cabinet members to consider the progress of the Joint Transformation Programme and to determine the next steps in the transformational journey.

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1. Background

1.1 In May 2016, the Cabinets of Lewes District and Eastbourne Borough Councils approved the Joint Transformation Programme ('the Programme') to deliver the

majority of council services via shared teams adopting new ways of working.

- 1.2 This is a major change programme and it represents a significant contributor to the Medium Term Financial Strategy savings targets. The Programme will deliver £3.2m of savings along with the cultural shift as set out in the business case.
- 1.3 This report outlines the progress made from March to October 2018 and sets out the proposals for the next period of activity, most significantly, the transformation to be delivered through the final part of the Programme, Phase 3.
- 1.4 The Programme has a clear governance structure led by the Programme Board. The Programme Board meets bi-monthly and consists of the leaders and deputy leaders, the leaders of the main opposition groups, the Chief Executive, three additional Corporate Management Team (CMT) members and the Joint Transformation Programme Manager. The last update to the Programme Board took place in October 2018.

2. Programme Activity March 2018 – October 2018

2.1 Phase 2 Transitions

Since the last report to Cabinet, the following service areas have successfully transitioned to new ways of working enabled by technology:

- Benefits;
- Revenues;
- Licensing; and
- Planning.

Throughout the transition process for each team, robust support measures are put in place to ensure any issues impacting performance are identified and resolved as quickly as possible and to ensure all opportunities for learning are exploited fully. The final transition – Homes First – will take place towards the end of the year and is currently the main focus of Phase 2 activity. This transition will benefit from the lessons learned from all preceding transitions.

2.2 Technology

The efficiencies and service improvements set out in the business case are enabled by considerable changes in technology. In this reporting period, the following have been delivered:

- Civica Financials (fully integrated financial information management system across both councils) was launched on time to support new ways of working for the financial year 2018/19;
- Enhanced phonebook – the planned improvement to the joint phonebook was implemented in September delivering greater usability and functionality for councillors and staff;
- The process of migrating all councillors to the new networks completed over the summer and tablet devices and Outlook Web Access (OWA – enables access to council emails from any device connected to the internet) were

rolled out to provide flexible access to council emails;

- Channel shift (the process by which the council encourages customers to interact via digital channels) – progress has been made to increase customers' use of online channels (eg. for the year to April 2018, the number of customers completing online transactions via the new website increased from 7% to 20%) and this is expected to grow further (eg. a number of processes for businesses/landlords are now “online only”). As a new joint website for the councils, an intensive programme has been underway and will continue to identify and deliver opportunities for improvement (eg. an enhanced search function has been implemented which will make it easier and quicker for customers to find what they are looking for). A recent user testing exercise highlighted how customers find many tasks on the new website to be quick and easy to complete – this demonstrated a marked improvement on user testing results carried out before the site launched in November 2017; and
- Continued work to implement the key technologies and systems to support the joint teams in their new ways of working.

2.3 As reported to Cabinet in the last update, discussions continue with Civica (the council's strategic technology provider) to ensure the readiness of the technical elements of the Programme in alignment with the council's plan. The challenges, which are to be expected in a Programme of the scale and ambition of the Joint Transformation Programme, are being managed and monitored to ensure any impacts on service delivery and staff are minimised.

2.4 Phase 3

Significant planning for Phase 3 of the Programme has been a key focus over recent months. Phase 3 will consider the future shape and ways of working for the following services:

- Audit;
- Corporate Property;
- Finance;
- HR;
- ICT; and
- Legal

2.5 The Joint Transformation Programme (JTP) Phases 1 and 2 delivered £2.8m of savings and efficiencies and the savings/income target for Phase 3 is £400,000.

2.6 The JTP Phase 3 business case is attached as Appendix 1 and sets out the following proposals:

- The context for this phase of the Programme;
- The approach for delivering the transformation and savings/income targets;
- The governance arrangements for effectively overseeing the activity;
- The implementation costs, including a request for an additional investment of £1.4m to facilitate the final stage of integration and development of modern and resilient services; and

- A revised costs and benefits realisation ratio between Eastbourne Borough and Lewes District Councils.

3. Next Steps

- 3.1 Over the coming months, there will be a continued focus on making a success of the remaining Phase 2 activity transitions and embedding the technologies integral to the new ways of working in the joint teams.
- 3.2 Subject to Cabinet's approval of the Phase 3 business case, an engagement session with staff will take place to officially launch JTP Phase 3 and colleagues will work at pace to deliver the transformation required.

4. Consultation

- 4.1 As set out in Appendix 1, discussions/formal consultation exercises with staff in the Phase 3 services and staff representation groups will take place.

The Joint Transformation Programme Staff Consultative Forum continues to meet regularly, engaging a range of staff representatives, including UNISON. The membership of the Forum has been revised to ensure appropriate staff representation from the services in scope for Phase 3.

5. Financial Implications

The Programme is operating within the budget approved by Cabinet in May 2016 and in line with the Medium Term Financial Strategy assumptions. There are no significant variances to report.

If the business case is approved, an additional £1.4m of investment would be allocated to the final stage of JTP integration and transformation.

6. Legal Implications

There are no legal implications arising directly out of this report.

7. Risk Management Implications

Risk management is a standard part of managing a programme of this scale. Risks are assessed regularly and significant issues reported to the Programme Board and the Programme Assurance Panel.

8. Equality and Diversity

The JTP Equality and Fairness Forum will continue to meet to review any new equality and fairness analyses for projects that are yet to commence. All previous analyses have been approved.

9. Conclusion

The Programme remains on budget with overall Phase 2 milestones on track. Essential elements of the technology to underpin the transformation are being deployed successfully and there continues to be a need to prioritise and closely manage the remaining technologies to deliver full benefits realisation.

Phase 3 will conclude this programme of transformational activity and will enable the council to face current and future challenges and opportunities from a position of strength and with increased resilience.

Background Papers

None



Lewes District Council



Working in partnership with Eastbourne Homes

Lewes District and Eastbourne Borough Councils

Joint Transformation Programme Phase 3
Business Case

STRONGER together

1. Background and Position Statement

1.1 In May 2016, the Cabinets of Lewes District and Eastbourne Borough Councils (LDC and EBC) approved the business case for the Joint Transformation Programme (JTP) to deliver the majority of the councils' services through joint teams adopting new ways of working enabled by technology.

1.2 The JTP is a major change programme for both councils and a significant contributor to the Medium Term Financial Strategy (MTFS) savings targets. Through the JTP, the councils are working to deliver £3.2m of savings and the cultural shift set out in the original business case.

1.3 The strategic objectives of the JTP are as follows:

- Protect services – protect services delivered to local residents and reduce costs for both councils;
- Deliver greater strategic presence – create two stronger organisations which can operate more strategically within the region while still retaining the sovereignty of each council;
- High-quality, modern services – meet communities and individual customers' expectations to receive high-quality, modern services focused on local needs and making best use of modern technology; and
- Resilient services – building resilience by combining skills and infrastructure across both councils.

1.4 The Cabinets approved the three phase delivery of the JTP with Phase 1 (which designed the leadership and joint strategy, planning, regeneration and democracy teams) commencing in September 2016 and Phase 2 (which designed the joint teams to deliver the majority of public-facing services, such as planning, environmental health, housing, licensing, council tax, business rates, benefits and parks and open spaces) commencing in April 2017. Delivery of the Phase 2 transformation is scheduled to be complete in December 2018.

1.5 JTP Phases 1 and 2 have delivered £2.8m of savings and efficiencies, leaving £400,000 of savings/income to be delivered in Phase 3.

Recommendation: Cabinet is asked to approve the total savings/income target of £400,000 for JTP Phase 3.

1.6 This business case sets out the proposed approach for JTP Phase 3 which will consider and determine the future shape and ways of working for the following services:

- Audit;
- Corporate Property;
- Finance;
- HR;
- ICT; and
- Legal.

The current ("as is") structure charts for the above services are set out in Annex 1.

1.7 There are a small number of teams/activities undertaken by parts of teams (eg. tourism, waste administration, building control) that will not have been transformed in any of the JTP phases due to specific reasons (eg. technological incompatibilities, business readiness, etc). These teams/activities are known and a plan will be developed to ensure they are afforded the same transformational opportunities as the service areas in JTP Phases 1, 2 and 3.

2. The JTP Phase 3 Approach

Process

2.1 In considering the best approach to delivering the Phase 3 transformation, a number of factors were considered:

- The services in scope are starting from an advanced position in relation to integration – the majority of the Phase 3 services adopted a shared service model across the two councils prior to or early on in the JTP process and are at mature stages in their transformation. In a number of the Phase 3 services, transformation activity remains ongoing (eg. ICT has recently launched “Live Chat” as a way for councillors and staff to conveniently and quickly raise requests online and HR is currently exploring a step change in how it receives notifications of changes which will make best use of technology);
- The customer base for the Phase 3 services is, in the main, internal and requires appropriate ways to interact with the services;
- The level of savings/income generation required through Phase 3 (£400,000) is far smaller than in the previous phases; and
- Change on the scale experienced through JTP Phases 1 and 2 brings a degree of risk and disruption. The approach to managing the Phase 3 transformation needs to be proportionate to the challenge.

As such, it is recommended that the Phase 3 approach be different to that used in Phases 1 and 2. The proposed approach would deliver the required change and savings/income with minimal disruption to services and would ensure greater certainty of overall programme costs and a quicker payback period.

2.2 The Phase 3 transformation will be managed as a programme of separate but co-ordinated service review/restructuring exercises. Each service area will undertake a separate change journey moving towards a transformed service by April 2019. This joined up approach will facilitate a strong management of potential impacts to the organisations while ensuring that each service methodically and thoroughly examines and changes the way it provides services to:

- Enable further use of technology in the future;
- Embed the agreed design principles set out in paragraph 2.3 below into the new structures and ways of working;
- Deliver greater efficiencies; and
- Make the required level of savings/income.

2.3 While use of the Phases 1 and 2 approach is not the right solution for Phase 3, there are, however, elements within it that can be used to maximise the opportunities available and enable a consistent approach across all service areas. The following design principles (which build on the key objectives from the earlier JTP phases) will be used to guide the further transformation of the Phase 3 services:

- Focus on the customer experience;

- Redesign processes around the ideal customer journey;
- Tell customers what to expect and keep them up to date along the way;
- Digital by default, with, where appropriate, alternative access channels;
- Address issues at the first point of contact;
- Collect information once, and only if we actually need it;
- Move as much work as possible forward, to self-service or customer facing roles;
- Move work quickly and easily around the organisations by using workflows and automated process prompts;
- Automate controls within processes to ensure compliance;
- Measure performance as part of the process/workflow to drive improvements;
- Manage customer capability to enable customers to do more for themselves;
- Manage customer demand, where appropriate, to prevent and shape demand;
- Fair for all; and
- One team by default.

2.4 Subject to approval of this business case, discussions/consultations on the individual change processes for each of the services will progress. Discussions with Heads of Service for the Phase 3 services have already commenced and each service is currently determining the areas of search for the review/restructuring and how savings and/or additional income can be delivered.

2.5 It is proposed that the planning, consultation and delivery of Phase 3 transformation will be complete in 2018/19 – in line with the approaches adopted for Phases 1 and 2, where possible, part-year financial benefits will be delivered in-year (2018/19) and full-year financial benefits (£400,000) will be modelled for realisation in 2019/20.

2.6 Applying a key lesson from the earlier JTP phases, it is proposed that the Phase 3 services uncouple the activity to redesign and deliver a new structure and way of working from the development and deployment of any new systems/ technologies. This approach enables risks to be managed appropriately while supporting as successful a transformation as possible. It is not anticipated that any of the Phase 3 services will require any new IT systems in the short to medium-term, but further deployment of existing systems may be involved. This will be determined on a service by service basis and, if necessary, approvals of systems and funding will be taken through the usual decision making processes. Any decision to jointly migrate LDC and EBC to a system that was previously used by only one council would have resource and, potentially, commercial implications that would need to be managed accordingly.

Recommendation: Cabinet is asked to approve the approach for delivering the Phase 3 transformation and savings/income.

2.7 Running parallel to the activity to plan for Phase 3, work is taking place to determine how LDC and EBC will manage change in the future – how the councils

can build on their transformational achievements to date to continue to respond to current and future challenges/opportunities. The JTP, as a standalone change management programme, has achieved a great deal to move the councils towards the strategic objectives agreed at the beginning of the programme (and set out in paragraph 1.3 above) but this approach was not intended to continue indefinitely. Details of the new way of supporting change across the councils are being developed and will be confirmed shortly.

Governance

2.8 The regular JTP updates to Cabinets, CMT, the JTP Assurance Panel, trade unions, the Joint Staff Consultative Forum and staff will continue in the same way as the arrangements established for earlier phases. As the main transformational activity of Phases 1 and 2 is coming to an end, it is proposed that the JTP Programme Board discusses how it can best add value in providing oversight and governance to the Phase 3 arrangements.

2.9 In order for the changes delivered through Phase 3 to be successful in meeting the current and future needs of the organisations, it is important that there is appropriate operational oversight. As such, a JTP Phase 3 Management Board will be established to oversee activity, take key decisions on the direction of travel and provide the essential programme and business input into the transformation. The Board membership will consist of:

- Assistant Director HR and Transformation;
- Joint Transformation Programme Manager;
- The Heads of Service or equivalent for the Phase 3 services;
- 3 x Business representatives – Heads of Service or equivalent (from services outside of JTP Phase 3); and
- Any other managers/lead officers, as required.

2.10 The well-established and successful JTP Delivery Board governance arrangements will be revised to focus on Programme activity that is taking place outside of Phase 3 (eg. the projects to deliver the digital mailroom and the One Desktop).

Recommendation: Cabinet is asked to approve the Phase 3 governance arrangements.

Implementation Costs

2.11 To support the implementation of Phase 3 and the delivery of the final tranche of savings and efficiencies, an additional £1.4m of investment is required. The Phase 3 implementation costs would facilitate:

- The next stage of investment in core IT systems to enable operations across the councils;
- Improved IT integration, back-up facilities and resilience between the councils;
- Enhanced IT disaster recovery;
- The next phase of build and integration of joint business processes based on harmonised policies;

- Equipment to support the new and agile customer focused ways of working;
- Programme, project management and governance resource within the Programme Office;
- Employee support/outplacement (assumed to be an external cost); and
- Contingency.

2.12 As with the other JTP phases, the funding for redundancies is excluded from the Phase 3 costs as these would not be additional costs of integration; savings targets for the MTFs of both councils require staff savings irrespective of integration.

Recommendation: Cabinet is asked to approve the Phase 3 costs and to allocate an additional £1.4m to the Programme (£700,000 from EBC).

Programme Resources

2.13 In order to maintain momentum, it is important that the right resources are engaged to mobilise the next phase of the JTP. Appropriate transition management resource will be identified/recruited in line with the organisations' transformational requirements and the available budget.

Benefits

2.14 The final stage of integration for EBC and LDC through JTP Phase 3 represents a key step in the council's transformational journey. While different to Phases 1 and 2, Phase 3 will deliver considerable benefits that will position the councils to face the future from a place of strength and with increased resilience and capacity, including, amongst others:

- Reduced costs – delivering better value for money;
- More customer focused delivery – better aligning the Phase 3 services with the needs of the service delivery teams;
- Increased automation and self-service/reliance;
- Integrated and redefined roles;
- A step change in standardised and streamlined processes to make service delivery more efficient; and
- Reduction in administrative work undertaken by professionals enabling a focus on where the greatest value can be added.

2.15 In May 2016, the Cabinets agreed that costs and benefits of JTP should be shared across LDC and EBC on a 60:40 basis, respectively. This split was a fair and transparent way of acknowledging that both councils were entering into JTP at different stages in their transformational journey. EBC had already delivered £1.5m of savings through the Future Model Programme and LDC's savings targets through the New Service Delivery Model Programme (£1.2m) had been incorporated into the JTP savings targets. Essentially, as LDC would benefit from a higher share of the overall programme benefits, it would therefore, bear a higher share of the costs.

2.16 As the majority of the savings have now been delivered through the JTP (£2.8m) and in order to maintain fairness and balance between the councils, it is now appropriate to review the costs and benefits realisation ratio. As both councils have now had similar opportunities to transform, it is proposed that costs and benefits are

shared equally (50:50) for all future Programme activity, including the additional £1.4m of funding as set out in paragraph 2.11 (£700,000 from each council).

Recommendation: Cabinet is asked to approve the revised cost and benefits realisation ratio of 50:50 between LDC and EBC.

Support for Staff

2.17 The approximately 140 members of staff working in the Phase 3 services will have access to the same support as that offered to those in Phases 1 and 2, including:

- The Change Management Policy sets out a framework which provides access to support, training (eg. application and interview preparation) and advice and ensures that all vacant job roles are considered as redeployment opportunities for those at risk of redundancy;
- In accordance with the JTP voluntary redundancy principles agreed at the beginning of the Programme, staff will be given the opportunity to ask for their potential redundancy figures and consider if they wish to apply for voluntary redundancy. It is worth noting, as with Phases 1 and 2, that not all applications for voluntary redundancy can be approved. In determining which employees are to be granted voluntary redundancy, the council will have regard for the following:
 - the need to maintain efficient and effective services;
 - the need to retain a balance of key experience and skills across the workforce to meet future needs; and
 - the financial implications of approving the voluntary redundancy.
- Management support – staff can speak to their line manager or invite their Head of Service and/or CMT representative to a team meeting;
- UNISON support – staff can meet with their UNISON representatives, where applicable, who can raise questions/issues on their behalf;
- HR support – staff can contact their HR Business Partner for further information; and
- Employee Assistance Programme (EAP) support – staff can access (through self-referral) confidential information, support and guidance on a range of work-life issues.

2.18 The same support will be offered to those staff in the teams for whom a transformational plan is yet to be determined (as referenced in paragraph 1.7 above).

Risks and Mitigation

2.19 In addition to the benefits the JTP is delivering to LDC and EBC, it is important to recognise the potential risks. Setting out the risks associated with a transformation programme on this scale facilitates understanding of the risks, the potential impacts and the opportunities for mitigation. The following table sets out the key risks in relation to JTP Phase 3 and the action that needs to take place:

Risk	Description/ Implications	Responsible Officer	Mitigation
Staff and stakeholders	Staff and stakeholders may not	Joint Transformation	<ul style="list-style-type: none"> • Identify and address concerns

resisting change	understand/have an appetite to change and attempt to undermine the change. This would delay implementation of the change and realisation of the benefits.	Programme Manager	through the JTP Phase 3 Management Board. <ul style="list-style-type: none"> • Provide clear leadership and communication of the benefits of the JTP. • Engage staff and stakeholders to maintain positive relationship.
Reduction in performance of Phase 3 services	Performance levels of the services in scope could deteriorate across the implementation period.	Supporting Change Steering Group	<ul style="list-style-type: none"> • Identify key performance indicators for monitoring through the JTP Phase 3 Management Board. • Ensure appropriate communications of the changes and points of contact. • Ensure appropriate training for staff taking on new ways of working.
Failure to meet the business case	Increased costs or reduced savings in delivering the transformation could negatively impact on the overall business case objectives.	Joint Transformation Programme Manager	<ul style="list-style-type: none"> • Build a realistic budget with appropriate contingency. • Clear accountability within the Programme team.

2.20 Risks will be reviewed regularly and, if necessary, appropriate action taken to manage them effectively.

Equality and Fairness

2.21 The JTP will continue to have due regard to equality and fairness issues through Phase 3 to ensure equality implications are fully considered in a timely way. The Equality and Fairness Forum for the JTP will operate in the same way it has operated for Phases 1 and 2 to ensure that all Phase 3 activity takes into consideration equality and fairness issues in line with the Public Sector Equality Duty.

Consultation

2.22 The staff and trade union engagement/consultation arrangements established in the earlier phases of JTP will continue. The JTP Consultative Staff Forum, which includes both staff and UNISON representatives, will continue to meet and

communicate virtually. The membership of the Forum will be expanded to include staff from the Phase 3 services.

2.23 All staff in scope of Phase 3 will be invited to a JTP Phase 3 launch event at which the overarching principles for the phase will be set out. Following this, discussions/consultation exercises will take place with each of the Phase 3 services once a draft review/restructuring proposal has been produced.

2.24 UNISON will be invited to the launch event and to take part in the discussions/consultation exercises.













