

Organisational Capacity to Deliver Transformation and Maintain Service Delivery

Strategic Lead: Caron Starkey, Transformation
Lead Officer: As above
Contact Details: caron.starkey@southsomerset.gov.uk

Purpose of the Report

To inform Members of the work that is being taken to keep under review the balance of organisational resources to deliver the Transformation Programme and keep services at acceptable performance levels. This work identifies impacts, risks and mitigations to ensure council business continues to operate according to statutory provision and the priorities set out in the council plan.

Actions Required

To review the mechanism for identifying and monitoring the impacts, risks and the mitigations that have been put in place to maintain council operations whilst implementing the transformation programme. To consider as to whether sufficient and appropriate arrangements are in place to ensure service delivery can be maintained to acceptable levels whilst keeping pace with the resourcing demands of the Transformation Programme.

Background

The Council has embarked on an ambitious plan to totally redesign its service delivery to ensure an improved experience for the customers and the communities it serves whilst at the same time reducing the cost to the tax payer. This will be achieved through a radical change in the way our services are designed, the way service teams are structured to support service delivery and by making more use of digital technology including Electronic Document Management (EDM), workflow and web based technologies. Rather than cutting services, this is an investment based approach that will realise genuine efficiencies, whilst also realising improvements in levels of services for customers and modernising service delivery.

Implementation of the agreed business case will deliver: -

- recurring net annual savings of £2,483,925 from an investment of up to £7,448,155 (the savings comprise £2,541,821 reduction in staff costs, partly offset by £57,896 net increase in IT systems ongoing maintenance)
- a 'fit for purpose' organisation that will be in a position not only to drive continuous improvement but also to generate additional income to fund and support the council's future priorities.

Transformation is a disruptive process, reorganising the way an organisation operates into a new operating model, creating opportunities for innovative practices and new technologies. This naturally impacts on "business as usual" activity, as resources are drawn from the organisation to plan, design and implement new ways of working. The challenge is to balance resourcing so that the organisation can transform from original state to new improved operating state with the least negative impact on customers and continuing business critical functional activity, to ensure business continuity.

There is an inevitability, and acceptance amongst staff and Members, that service delivery standards will be impacted at points of peak activity in the programme. There is a responsibility to ensure that performance is monitored, trigger points identified and mitigation activity implemented as appropriate to protect vulnerable customer groups from any severe disruption to service.

The council engaged its internal audit providers, South West Audit Partnership (SWAP), to assist in the identification of the factors associated with business continuity in each of the service areas of the council. This report formed the basis for further investigative discussion within directorates to formulate plans and mitigations.

Business continuity is a standing item on the Transformation Programme Board and is kept under constant review.

Report

Resourcing Transformation

The Transformation Programme is a complex fast paced programme of organisational change to reposition the council financially and operationally so that it can deliver service delivery activities within budget and meet modern customer expectations of accessibility and convenience. Essentially it is a technology driven programme that improves all aspects of people, process and systems to provide significant efficiencies and greater customer experience.

The programme has been designed to include several workstreams which deliver a new operating model that repositions most of the workforce to align with a different way of working underpinned with automation and a digital first customer offer which will be operational from January 2019.

External expertise has been secured to inject necessary resource to deliver the programme but essential to success is work force buy-in; that the organisation owns the changes and feels responsible and engaged in the change process. This also helps to create a culture of innovation to embed continuous improvement beyond transformation. Considerable internal resources have been seconded and re-tasked to plan, design and implement various projects within the workstreams. Service teams have been actively involved in the redesign of their processes and customer provisions.

Service Delivery

South Somerset has a proud history of good service performance. However, it was recognised that the way the council was operating was financially unsustainable given government funding restrictions. Members approved a Business Plan for Transformation in 2016 which set out to reduce and re-organise resources to deliver the same service activity with no cuts to service provision.

During the transformation process the organisation continues to deliver services according to statutory requirements and the priorities set out in the Council Plan. However, some service performance standards have reduced as capacity issues have impacted on service provision. The council monitors performance through a reporting structure to Members. This dip in performance was anticipated by the leadership of the organisation and has been communicated to Members through briefings and committee meetings.

The service's managers are actively managing service and customer provisions, moving resources and prioritising activity to protect business critical functions. This was explored and challenged through the SWAP exercise. The risks and impacts of redirecting resources were identified. The SWAP findings were reported through to the Senior Leadership Team (SLT), the discussion led to a decision for directors to lead further challenge with their managers to identify pressures, priorities and mitigations, which were documented. These are now actively managed within directorates and

overseen at the Transformation Programme Board. Key performance areas are now closely monitored through this mechanism.

Organisational Capacity

The resources of the council are stretched as it covers both service delivery and transformation, there are a number of factors which are contributing to service pressures and workforce performance:

- Transformation delivery activity
- Service delivery demand pressures
- Regulatory changes
- Workforce anxiety over job security
- Business sector skill shortages – recruitment difficulties
- Major corporate projects and initiatives i.e Yeovil regeneration
- Commercial investment projects

There are a considerable number of vacancies within the establishment that have been held since the start of the transformation programme, this was an active decision of the leadership, as it can reduce the need for potential redundancies as the organisation decreases the workforce. However, this is challenging given the capacity factors outlined above. Temporary resourcing through fixed term contracts and the use of agency contractors is being deployed as appropriate to maintain service delivery.

Pro-active and reactive resource management

The total organisational effort is finely balanced across the all of the corporate priorities. The Transformation Programme Plan sets out all the activity planned within the projects of the workstreams. Peaks of activity and the impacts can be anticipated in terms of resourcing and performance, enabling pro-active management of resourcing. However, there are unforeseen actions, such as resignations of key personnel, which require reactive management. The Directors with their managers are actively managing the competing demands and recording actions and mitigations as they are predicted and identified. Please see appended excerpt of the Service Delivery Business Continuity Plan, this is maintained as an active resource management tool which is regularly reviewed at the Transformation Board as a standing item on the agenda.

Funding transitional arrangements

As the organisation transitions into the new operating model, it is recognised that temporary resourcing will be required to maintain operations, as set out in this report. Existing service budgets have retained the budgets for the vacant posts into 2018/2019, this is drawn on as required to source temporary resourcing.

An additional provision of £250,000 has been made for any additional resourcing or extending exiting resources to assist in transitioning services as the new operating model goes live from January 2019. It is recognised that the operating state will not be perfectly formed from day one and will require supplementing resources as the new technology, processes and roles bed in and customer behaviours change through channel shift initiatives.

This additional funding will be held by the Lead Finance Specialist of the council, recommendations for access to funding will be made by the Leadership and Management Team (LMT) collectively for agreement by the Transformation Board.

Financial Implications

Transformation Programme delivery is within allocated budget. Resource management pressures are being funded through service budget underspends due to held vacant posts and an additional

provision of £250,000 has been allocated into the 2018/2019 budget which may be drawn on as required.

Council Plan Implications

This report sets out how organisational effort and resource is being managed to meet the corporate plan and deliver transformation.

Background papers

- Transformation Business Plan and updates, as progressed through District Executive
 - Excerpt of Service Delivery Business Continuity Plan, as appended
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