

SSDC Transformation Programme – Progress report

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Purpose of the Report

1. This progress report has been prepared in accordance with the Transformation Programme Governance arrangements agreed by Full Council in April 2017 where it was agreed that the District Executive would receive quarterly updates on the progress of the council's Transformation Programme.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of July 2019.

Public Interest

3. The Council has been delivering an ambitious programme to totally transform the way it operates to ensure an improved experience for the customers and communities it serves, whilst at the same time reducing the cost to the tax payer. The programme is transforming the Council into a modern, more efficient, effective and commercially minded organisation. We have radically changed the way our services are structured to support service delivery and we are making more use of digital technology to support new ways of working and delivery.

Implementation of the agreed business case has delivered;

- Recurring net annual savings of £2,483,925 from an investment of up to £7,698,155
- 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.

Recommendations

4. The District Executive is recommended to:
 - a) Note and comment on the report and progress to date;
 - b) Approve once off additional resources of £494,990 in 2019/20 and £240,230 in 2020/21, to support service delivery to customers during the extended transition period from old to new ways of working, to be funded from the additional business rate retention funds, reserves, income targets and next year's Budget as set out in the Financial Implications section of the report.

Background

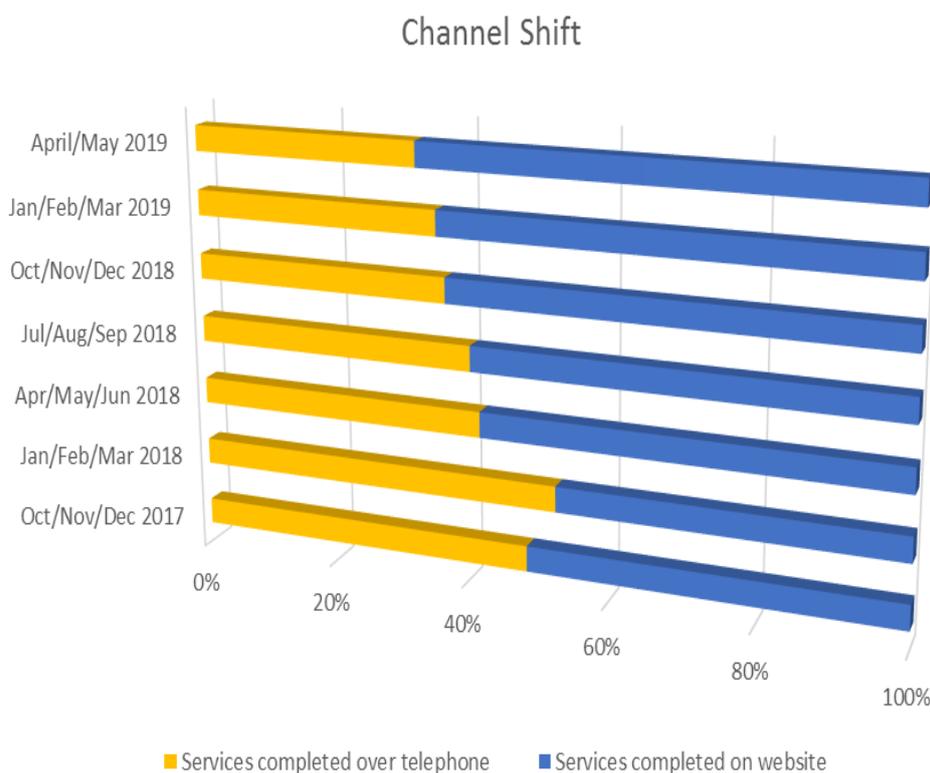
5. The previous quarterly progress report was made to District Executive in January 2019. There was no meeting in April due to the elections.
6. Transformation is a complex programme of organisational change to reposition the council financially and operationally so that it can deliver services within 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.
7. The organisation has now been restructured around the new operating model and the financial benefits of the programme have been realised from the large scale repositioning of the workforce. A phased selection process based on a behaviours framework ran from June 2017 to January 2019. The selection outcomes have secured the required £2,483,925 per annum net savings from the core staffing establishment, as set out in the Business Case and these are reflected in the Medium Term Financial Plan (MTFP) and in the 2019/20 budget.
8. A total of 368 employees attended selection centres across 43 days. 64 workshops were delivered to support staff to prepare for selection centres. These workshops covered how to complete an expression of interest form, interview skills and techniques and change resilience. Planning and resourcing these activities was a substantial undertaking that used a significant amount of organisational resource and effort. This had to be balanced against demanding workloads and transition planning.
9. The projected annual recurring revenue savings comprise salaries and on-costs only. Associated non-pay savings, other efficiencies from supplies and services made possible by the programme and the enhanced capacity for income generation are not included.
10. The challenge for the council is to maintain the financial benefits in the revenue budget by embedding and sustaining the new ways of working and achieving the behavioural changes in customers that provide the degree of “channel shift” required (that is ensuring those who can, use the on line and self-service options as the main means of accessing our services).

Current Position

11. Our new website is live and enabling customers to interact with us in a way that they have never been able to before. Customers are now able to sign up for a personal account allowing them to make applications and report issues 24/7 as well as track progress of their requests. Customers signing up for an upgraded account are also able to view information about their council tax account or benefits claim, something that they have never been able to do before. This supports our demand management approach that seeks to prevent demand for service provision through providing information and resources so that customers can obtain solutions to their own questions and issues without the need to contact us in person either by phone or by visiting us. Additional services will go online progressively as the service redesign element of the programme gathers pace.
12. There is now a ‘Report It’ function on the new website allowing customers to report a range of issues online such as fly tipping, abandoned vehicles and dog fouling. To assist with identifying accurate locations, we have for the first time enabled a “drop a pin” functionality which allows customers to specify a point on a web based map to identify the location of the issue that they are reporting.
13. Following the launch of our new website, an external channel shift campaign commenced on 13th May 2019 promoting the enhanced functionality available and encouraging customers to self-serve. This campaign included radio advertisements, posters on buses and in bus stops and a promotional

video for use on our social media channels. This has been supported by automated messages on the Council's main phone line which has led to a higher rate of abandoned calls, in significant part, as customers decide to utilise the on line channels to access our services. In addition, staff have been informing customers of self-serve options and supporting them in how to access services for themselves.

14. Channel shift is critical to sustaining the financial benefits and achieving our non-financial benefits and therefore, moving forward our communications team will use customer insight to deliver ongoing targeted campaigns aimed at specific demographics and customer groups which will be timed to be undertaken as additional functionality becomes available. Customer focused officers will also work with customers who phone and visit our offices to help them to serve themselves wherever possible. In addition, work has commenced with staff in the back office, to review procedures to ensure that at every opportunity, we are encouraging those customers who can do, to utilise our on line and self-service channels. This will enable us to provide more support to those who are unable to self-serve, more vulnerable customers and those customers with more complex service requests.
15. Whilst we are still very early in our work with customers, we are already starting to see a significant shift in customer behaviour with over 3,000 customer accounts now set up and more customers serving themselves on line rather than phoning, as set out in the chart below.



16. Customer Access Points (CAPs) are now available in Crewkerne, Wincanton, Chard and Brympton Way. These access points provide a variety of functionality such as making applications, making payments, uploading evidence and reporting issues. Essentially, it gives customers access to the full range of services available on our website. For customers who require assistance using the CAPs, they will be able to call through from the access point and connect with a customer-focussed officer who will be able to view the screen the customer has in front of them and assist the customer to complete their enquiry. Additional CAPs will be introduced in a phased approach as we move

forward. A pilot will be undertaken in Langport library commencing in August and providing this is successful, additional locations will be agreed.

17. Our new Front of House will officially launch in July allowing customers to access all council services in one place. Based at Petters House, the newly redesigned office will provide a much more welcoming feel to customers. It provides a technology enabled space to support customers to self-serve along with flexible meeting spaces in a bright and modern environment. Full support will continue to be provided for vulnerable customers unable to use the technology. Customers visiting Petters House will initially be triaged by a Customer Focussed Officer and then either directed to self-serve, with assistance where required, or an appointment will be booked for them to meet with a member of the team for more detailed support.
18. The Localities Team have been provided with new devices allowing them to work remotely across the District and eventually, be able to provide help and support to customers across the range of the Council's services, where ever they are in the district. Mobile telephones carried by Localities Officers roam across all major mobile networks providing the best possible coverage and a Wi-Fi hotspot for the new devices enabling officers to access digital work trays and complete processes without the need to visit an office.
19. The council has commenced development of a Digital Strategy that will set out the ambitions for developing a digital organisation. An important part of this work will be to ensure that service redesign becomes a business as usual (BAU) activity moving forward beyond the end of the Transformation Programme to support continuous improvement. To this end, a number of BAU resources are working full time in the redesign team to ensure that the required skills remain within the organisation.

Service Redesign and Transition Capacity

20. Service Redesign is a crucial work stream within the transformation programme. By following a set of twelve design principles, new processes are created using technology and integrated systems to automate the movement of work around teams, thus producing efficiencies throughout the organisation to balance the reduction in headcount. This element of the programme has been challenging and has not delivered to the timetable originally planned. In the original Transformation Programme plan the new front office system (Connect 360) and a number of newly designed processes should have gone live progressively from end of January 2019 through to the end of June 2019. However, it became apparent in late January that the technology and processes were not going to be ready to the original timetable. Taking the lessons from why the programme was behind schedule, a revised programme and approach was adopted including bringing in some new skills to the team. However, there have been considerable challenges in getting service processes that work effectively in the test environment, to work as effectively when they are placed live on our website, utilising the new technology.
21. As a result, there are many high volume service processes not yet complete and which cannot be completed until our staff have confidence that they will work for our customers. The transition from the old ways of working to the new model was scheduled to take place in the period from the end of January to the end of June 2019, by which time most of the high volume service processes were due to be in place. Whilst some are in place and more customers are serving themselves through on line channels, the new ways of working and delivering services have not been fully embedded. Therefore, whilst the financial benefits of Transformation have been secured and are reflected in the budget, the non-financial benefits of the programme, such as more efficient service processes and better levels of customer service compared to pre-transformation, are yet to be fully realised.

22. SSDC is the first Authority to use the Connect 360 module and we have been working alongside our technology partner, Civica, to design this to our requirements and to find solutions to the technical issues we have encountered. We have predominantly used our own staff to undertake this work, which has been a learning journey for all. Inevitably, using internal resource will take longer as staff get up to speed with the technical elements of the platform but the benefit is that these skills are retained within the organisation to support our future change initiatives.
23. A number of lessons have been learned over the past 12 months and actions have been put in place to address these moving forward. This will place the organisation in a great position for the undoubted changes that still lie ahead for local government. A new delivery model has been introduced and additional resource has been brought into the programme to increase the speed of delivery of service redesign.
24. The amount of time required for robust testing of new systems and processes was underestimated, as was the amount of involvement required in this process by subject matter experts (SMEs) – those people who know the services and customers well. SME's will now be more heavily involved in redesign activities to ensure delivery cycles are effectively prioritised, new processes meet customer and service requirements and maximum efficiency is achieved. This will need to be managed carefully as it will add additional pressure at a time when workloads are already very challenging. Therefore it is important that this is properly resourced so that people are freed to engage in the service redesign. Without an increased level of user involvement there is a risk that newly designed processes will not be delivered quickly enough or to the required quality standard.
25. The reduction in headcount by 23% in those areas in scope (the majority of services), largely took place at the end of December 2018. This reduction and its timing was effectively “locked in”, in September 2018 when the technology and service redesign elements of the transformation programme were reported to be on track. It was always known that there would be pressures on services in the early part of the year as new technology and service processes were due to come on line progressively from the end of January 2019 with the majority of the high volume processes being completed by the end of June 2019. A transition plan was in place to manage the process of changing the way services are delivered including the pressures during this time. This plan included putting additional temporary resources in to some areas, e.g. planning. In addition, as outlined in briefings and previous reports to District Executive, the Council was prepared for potential dips in service performance in some areas for a limited period.
26. As a result of the technology and service redesign aspects of the programme having not kept to timetable there has been a sustained period of pressure on services and staff that was never envisaged in the programme delivery. This has been despite the Council putting additional temporary resources in to services and teams in key areas. During this period staff have shown outstanding commitment to the Council and its customers and have worked extremely hard to deliver good services to them. Nevertheless, customers are having to wait longer for many services than is desirable and pressure on services and staff at this level is not sustainable given it will still be a number of months before some of the services feel the full benefit of the new technology and redesigned service processes.
27. It is imperative that customers and front line staff are not unduly impacted during the period of transition and therefore to manage the impact currently being felt, more resource is required. Key areas of pressure are Planning, Revenues and Benefits.
28. Plans have been developed with managers and staff to relieve the pressures and reduce service waiting and processing times. In addition to changes in the way some work and service requests are handled, the majority of the plan is to provide additional staffing capacity for a temporary period utilising a mixture of existing staff and where necessary, external staff and support. District Executive are therefore requested to support the funding of an extended transition period beyond

that originally set out in the Transformation Programme. The funding request is for £494,990 in 2019/20 and £240,230 in 2020/21 to be funded from additional business rate income existing reserves, increased income targets, and a commitment against the 2020/21 budget. The funding of the extended transition period will:

- Put additional resources in to the areas where staff are under the most pressure
- support improved levels of customer service including a reduction in waiting and processing times for key services
- provide capacity to sustain a better level of service whilst introducing the new technology and service processes which will realise the customer and efficiency benefits of transformation and ensure the £2.5m financial savings already secured are sustainable in the long term

Financial Implications

29. Spend against budget has been monitored through the life of the programme and reported through the programme board and previous District Executive reports. The Programme spend has remained close to budget, however a small overspend is now reported in terms of the costs of implementing the changes. The current position is reported total spend of £7.806m against the Programme Budget of £7.698m, resulting in an estimated overspend of £108K (1.4%).

30. The operating model design has delivered the expected financial savings within the underlying base budget. However, as described in this and previous reports, some temporary transition resources are required to maintain sufficient service capacity and resilience as the changes are phased in and benefits are fully realised. The total estimated cost of transitional resources is summarised in the table below together with the proposed funding, of (up to) £735,220. The use of resources will be carefully managed so that costs are kept to a necessary minimum. The table does not include £232,000 of transitional resources within the Planning function, utilising Planning Fees income, and agreed through Portfolio Holder decision in February 2019.

31. The additional transitional resources will primarily be focus on activities covering Planning, Revenues and Benefits, Land Charges, Licensing, Street Naming and Numbering, Careline, and frontline Customer Service. Part of the solution will include updating the income targets in charged-for services with the costs recovered from the users of those services. Expenditure requirements will be reflected in 2020/21 fee setting as appropriate.

| | 2019/20 £ | 2020/21 £ | Total £ |
|---|----------------|----------------|----------------|
| Total Transitional Resources Budget Requirement | 494,990 | 240,230 | 735,220 |
| Proposed to be funded by: | | | |
| Earmarked Reserves | 150,220 | 67,850 | 218,070 |
| Business Rates Retention Funds | 150,000 | 0 | 150,000 |
| Service Income Budget Targets Increase | 44,770 | 22,380 | 67,150 |
| Treasury Income Budget Increase | 150,000 | 150,000 | 300,000 |
| Total Proposed Funding | 494,990 | 240,230 | 735,220 |

Risk Matrix

32. The Transformation Programme risk register is undergoing review to ensure that it reflects the current position and therefore there is no risk matrix contained within this report. The original risks were identified at the start of the programme and many had become redundant as the programme

progressed. Revised risks have been identified and will undergo scoring against the new corporate risk model in due course. Risks will be monitored by the Transformation Board which meets four weekly and the board will agree an appropriate risk appetite.

Council Plan Implications

33. Our Council Plan 2016/21 includes an annual action plan for 2019/20 identifying 5 key themes and areas of focus. The theme most relevant to the transformation programme is;

- Protecting core services

Within this, priority project 1 is to complete and fully realise the benefits of Transformation and implement the Commercial Strategy

Carbon Emissions and Climate Change Implications

34. There are no implications arising from this report

Equality and Diversity Implications

35. There are no implications arising from this report.

36. An Equality Impact Assessment was undertaken in 2017 prior to commencing the selection process for the repositioning of roles in the organisation. This deemed there was no inequitable impact for any group as a result of the reorganisation proposals as sufficient measures had been taken to address any potential areas of risk.

Privacy Impact Assessment

37. There are no implications arising from this report.

Background Papers

Quarterly reports to District Executive
