

REPORT TO THE EXECUTIVE MEETING OF 25th MARCH 2013

Meeting: Executive
Date: 25. 03. 2013
Subject: Transformation Programme Progress to February 28th 2013
Report of: Chief Executive Anna Graves/ Programme Manager Belle Imison
Portfolio Holder: Mike Rook
Status: For information and to note the progress to date

1 Purpose of the Report

- 1.1 To provide the Executive with an update on the progress, risks and issues relating to the Transformation Programme, as at February 28th 2013.

2 Recommendations

- 2.1 **That the Executive note the progress, risks and issues as at February 28th.**

3. Summary of Reasons for the Recommendations

- 3.1 The Executive are provided with comprehensive information relating to the Transformation Programme including information on the individual work streams, the latest performance information as captured on the “Ten” performance management system and the latest financial position of the Transformation Programme.
- 3.2 All Members are fully informed of the progress of the Transformation Programme as they are provided on a monthly basis with the latest version of all highlight reports in the Member Information Service Monthly Newsletter. The highlight report for each work stream contains information on progress to date, future actions, issues and risks.
- 3.3 The Transformation Programme is a continual process and it is anticipated that additional improvements and efficiencies will be identified as the original recommendations are implemented. It is important that members are kept up to speed on new initiatives and changes as they arise and are added to the Programme.

4 Impact on Communities

4.1 None arising directly from this report.

5 Key Facts

5.1 The report to Full Council which Members noted in May 2012 outlined 82 service redesign recommendations.

5.2 Since then additional areas for improvement have been identified and there are currently 117 specific recommendations that are being monitored through the “Ten” performance monitoring system.

5.3 The recommendations fall into three categories, quick wins, medium term actions and long term actions. Some of the recommendations have dependencies on the completion of other recommendations and the timetable for the programme takes into account the timing of these dependencies. The performance report at Appendix A shows current progress on all the recommendations.

5.4 Each recommendation was subsequently given a priority, High, Medium or Low, which indicated the Quarter in which work on the recommendation was due to commence, an accountable officer from CMT, and Officers responsible for its delivery.

5.5 A number of recommendations have been identified as needing either Full Council or Executive approval. The decision routes indicated may be subject to change and are indicative only at this point.

5.6 Highlight reports relating to the main work streams and Transformation projects are produced by Lead Officers on a monthly basis. Highlight Reports as at February 28th are included in Appendix B.

5.7 To date 56 of the recommendations have been completed. They include the following recommendation which will no longer be reported to the Executive as progress will be monitored through the normal performance monitoring framework and appraisal systems:

5.8 Good progress has been made on the following:

5.8.1 Culture Change

HDC has now launched its corporate values. All teams undertook an initial interactive launch session which explained what the values are. This was followed up by team sessions, where teams and services identified what the values mean for them and how they can show they are living the values through their day to day activities.

The anticipated outcomes for this workstream are greater consistency of behaviours, with the focus being on positive behaviours, where everything is

about colleagues, customers, members and partners, and where HDC is seen as a great place to work and do business with.

The benefits include a better performing and more positive work force who are engaged, with reduced turnover and sickness; a more consistent approach to dealing with issues and reduced perception of “blame”, ultimately having a one team approach to delivering services to our customers.

5.8.2 Property Headquarters

Draft initial 3-D modelling of offices and retail units is now completed.

An office information pack is being prepared for use with potential tenants.

Retail 3-Ds are being developed at present and a short-list of retail agents is being identified who will actively market the retail units.

There is very strong interest in office lettings (up to 96 desks in total) as follows: LCC (50 desks), health sector organisation (circa 20 desks), Community led organisation (6 desks), 1 public/community advisory organisation (initial discussions).

A research & development exercise has been completed regarding a room bookings/visitor management/queue management (ICT) system. An Officer working group is to be set up to work on this piece. A site visit and meeting with Charnwood Borough Council to discuss queue/visitor system integration with Lagan and opportunities to work together is to be convened.

5.8.3 Flexible working

Further applications for flexible working have been received and these are being fulfilled as soon as possible.

Several managers moved office location and team members have begun remote/ mixed location working. Managers are working with their teams to ensure service delivery is maintained whilst the new arrangements settle in.

Managers will meet with their staff after three months to evaluate how staff are coping with the change to their working practices and provide support and advice as required.

This workstream links closely to the ICT advancements, decant of the building, new ways of working, the move towards electronic data and feeds into the cultural change of the organisation.

5.8.4 Organisation Redesign

Directly arising from Transformation there are still some small areas where recruitment is underway. Namely the reorganisation of Financial Services.

Selection processes are complete and all staff have been informed of the outcomes.

Recruitment to vacant posts continues. These may provide redeployment opportunities for financial services staff that are to be made redundant.

The Team Leader for Accounts has been appointed, and shortlisting is underway for the financial role.

Contractual changes were made for the financial services restructure and this ensured the new structure was effective from 1st February 2013.

5.8.5 ICT

This continues to be an intense period of work for ICT, supporting the changes required for decant and the alterations to the HQ building.

The infrastructure (hardware and software for both client and server) enabling the provision of the new Citrix Desktop is now well established has entered the operational support phase. Work on the provision of the new Citrix desktop for Councillors to improve their access and address issues previously highlighted is now scheduled to be completed by the end of March.

Additional storage capacity has been setup and configured at Clover Court. This mirrors the storage at Adam & Eve Street providing a backup service and resilience.

Remote Citrix Desktop connectivity is possible from all sites utilising the new thin client hardware setup at them. The HDC decant sites also have the ability for calls to original HDC telephone extensions to be delivered to the desk, as well as MFD printing capabilities.

The decant telephony solution links the systems in all HDC decant sites as well as Adam & Eve Street. The reliance on the Adam & Eve Street offices will be removed when planned changes in the routing of calls are implemented; and calls are delivered direct to Millers House. Calls routed between the sites over the data links incur no additional cost. The new inter-site decant network infrastructure provides a good template on which to base the design of the new network in the refurbished building.

The Adam & Eve Street offices were handed over to the building contractors (Willmott Dixon) as scheduled on the 21st January; ICT are now restricted in their access to the building. ICT will continue to work closely with Willmott Dixon to provide advice and guidance where required (e.g. on cable routes through the building). ICT and Willmott Dixon worked together to integrate a temporary generator into the server room power supply. This equipment in conjunction with uninterrupted power supplies will ensure a continual service in the event of power supply disruption due to the property refurbishment work. A permanent generator is due to be installed as part of the server room move/improvements.

5.9 Progress Under Review

- 5.9.1 There are two work streams with a Red status in the Highlight Status Report and one indicating an amber status included in Appendix C.
- 5.9.2 Property Market Hall and Waste and Recycling are both indicating a Red status, Trade Waste is indicating an amber status .
- 5.9.3 The Property Market Hall work stream has not slipped against the critical path however it is appreciated that immediate action is required to ensure that the work stream stays on track. Additional resources are required and have been identified.
- 5.9.4 The Trade Waste work stream has been impacted on by the remedial work required following the Waste and Recycling roll out and the impact of the severe weather. The focus of the Waste team at present is to ensure that the revised contracts are issued and are in place for the new financial year in April. An additional internal resource has been freed up to support the Waste team.
- 5.9.5 The Waste & Recycling work stream is indicating a showing as Red. The Waste roll out is complete however the end of project review is out standing and this is not expected to be delivered until the Trade Waste contracts are issued.

5.9.6 Key Large Scale Decisions

The key large scale decisions and areas of focus for the Transformation Team currently are the main work streams and Projects as listed below:

- § Property: The financially sustainable development of the Headquarters building and the development and management of the Market and Market Hall.
- § Waste: Changes to the Trade Waste provision.
- § Customer Services: Telephony and Face to Face provision.
- § The Charnwood telephony service is still bedding in after it went live at the beginning of December. Call volumes have been exceptionally high as a consequence of the Waste roll out, enforcement by the Revenues and Benefits service and the impact of the severe weather. However even taking these circumstances in to account it is becoming evident that the resourcing of the call centre was based on limited data which is not representing the actual call volumes or the peak periods.
- § Additional temporary resources have been provided to Charnwood Borough Council to enable them to deal with the increased call volumes and further work is underway to determine what resourcing is required going forward.

- § The work flows used by the waste team are to be reviewed shortly now that the team have a better understanding of how the Lagan CRM system works to improve and streamline the processes.
- § The Revenues and Benefits team are very satisfied with the new telephony service and are reporting less calls being transferred into the back office thereby freeing up their resources.
- § It is anticipated that there will be increased call volumes and face to face callers from mid March for a period of around 4 weeks relating to the council tax bills and the changes to benefits. Most authorities are anticipating that there will be an impact on their customer service provision over this period.

6 Additional Areas of Focus

6.1 LGA Peer Challenge

6.1.1 The Peer Team were asked to consider our thinking and emerging plans and proposals for the economic growth of the district, including whether the council, through its leadership, governance and capacity, is geared up to deliver them. The team did this through consideration of the core components looked at as part of all corporate peer challenges. These provide reassurance about a Councils' performance, ability and capacity to deliver future ambitions.

6.1.2 The Team found that there has been significant change and improvement over the past 18 months at Harborough, driven by the Transformation Programme and its various projects designed to create a modern council. Progress has been quick and changes have been implemented by an organisation and workforce that is clearly up for the challenge. Their view was that there is much to be proud of and celebrate.

6.1.3 The following were the key suggestions and ideas for consideration:

1. Work to develop a 'one team' culture where Officers and Members work together for the better benefit of the District - build trust, honesty and openness.

2. Develop and articulate a clear vision and purpose for the future organisation (the new operating model). This will help inform the skills and roles required of Officers and Members.

3. Make sure that the Corporate Plan, Transformation Programme and Medium Term Financial Strategy are aligned – so that priorities drive the organisational development and determine the financial plan required.

4. Maximise skills, expertise and knowledge of Members to play an active role in shaping the future of the organisation and place – use existing mechanisms but engage earlier in the policy development and decision-making cycle.

5. Expand the remit of the Member Development Group to include Member support and information requirements – so that Members shape and inform how they are supported to undertake their roles. Consider a regular Member satisfaction survey that helps shape Member support and development.

6. Revise the constitution to empower Planning Committee and remove call-in of its decisions. Do this urgently.

7. Make your offer to support economic growth clearer. Build on what is already there in Harborough. Consider a Member task group to develop a vision for Magna Park. Grasp the opportunity to bring all elements into one cohesive offer.

8. Move to being a more proactive, not reactive, organisation. Plan ahead and engage early. But don't forget to celebrate success and achievements.

6.1.4 These suggestions are intended to make best use of our skills, capacity and experience going forward and to deliver some quick wins.

6.1.5 As part of the Peer Challenge process, there is an offer of continued activity to support further improvement. In the meantime they are keen to continue the relationship they have formed with us and colleagues through the Peer Challenge to date and will endeavour to signpost HDC to other sources of information and examples of practice and thinking. Members are asked to consider the letter and further work through transformation.

6.2 Transformation Phase 2

6.2.1 Transformation Phase 1 will be complete at the end of March 2013. At this time all the work streams that made up Phase 1 will report on their status. The next quarterly report to the Executive will identify the outcomes, benefits and savings that have been delivered through this first phase.

6.2.2 The Corporate Management Team have been considering what should make up the next phase of the Transformation Programme and have consulted with the senior management team to capture their thoughts and ideas. It is intended that this next phase will follow a similar framework to the initial phase although there will be no external agency staff involvement with the exception of the Programme Manager who, at present, is contracted to manage the programme until the end of September 2013.

6.2.3 Transformation Phase 2 should focus on providing prosperity, resilience and viability. It should be defined by the Operating Model that Members are currently considering through scrutiny.

6.2.4 The full scope of Phase 2 has yet to be determined and, working with Members, officers will develop a coherent programme. Initial ideas are:

1. HR/Organisation Design: continual review of the officer structures of the authority to ensure we resource correctly in the right places, based on council priorities and government requirements.
2. Cultural Development: developing and improving project management, programme management and the development of the Senior Management Team and how they operate, protocol of working in the new HQ. One Council one approach.
3. Income Generation: developing an "Open for Business Plan", encouraging our teams to be entrepreneurs where appropriate, maximising use of our resources, using freedoms and flexibilities to become more business like.
4. Communication: Celebrate success with Staff, Members, the public. Develop effective knowledge management, and a more effective member information service.
5. Customer Focus: implementing the new Customer Service Strategy, developing services in line with customers expectations, implementing channel shift, web development to drive efficiency and improvements for the community. Getting better customer insight, understanding issues and expectations of the community and translating these into our service delivery, where appropriate.
6. A smart proactive and engaged Planning service, leading on innovation and harnessing the potential of the district.
7. Constitution review. Taking on board Peer Challenge output to ensure the constitution enables a smart working organisation

7 Legal Issues

- 7.1 The employment law surrounding staffing changes must be complied with to prevent financial and reputational risks to the organisation.
- 7.2.1 The property review and market hall requires a substantial involvement in terms of legal assurance work, the procedural effort to revalue buildings and develop leases and other tenancy arrangements, as well as the contractual obligations to let any redevelopment contract and manage the building process. A budget has been allocated for obtaining external legal advice as required. The lease of Millers House has been dealt with by external lawyers, whilst the two leases from LCC have been dealt with by the internal legal team. It is anticipated that the subsequent move back to Adam & Eve Street will also require significant resource allocation.

8 Resource Issues

- 8.1 Financial

8.1.2 The 2012/13 General Fund Revenue Account revised budget, reported to Executive and Council in February, indicated that the Council is forecast to outturn around £94,000 under budget, having achieved the anticipated unallocated savings set out in the original budget proposals.

8.1.3 Tables 1-4 at Appendix D set out the following:-

Table 1 – this table sets out the available 2012/13 budget of £751,256 for transformation team resources, including brought forward figures, and the costs of £361,683, associated with implementing the transformation programme, which have been charged to date against this budget.

Table 2 – this sets out at summary level the General Fund Revenue Account budgets for 2011/12 and 2012/13.

Table 3 – this sets out the original forecast costs/savings to be achieved through the transformation programme updated for a number of items as set out in the notes below the table. The service transformation review figures have been amended to take into account updates received as at the 30th November.

Table 4 – this sets out the monthly and cumulative savings to date (as at 31st January) achieved against the approved establishment budget for 2012/13, adjusted for the costs associated with the engagement of temporary and agency staff. These additional costs also include expenditure in respect of maternity and sickness/absence cover.

8.1.4 As part of the budget preparation for 2013/14 financial year the full year benefits of the transformation savings delivered to date have been incorporated into the base budgets.

8.2 Resources

8.2.1 A number of the initial transformation work streams have already been passed over to internal teams and will be managed and monitored as part of business as usual.

8.2.2 The Programme Manager is contracted to work until the end of September 2013 and will be working closely with the Business Development and Transformation Officer who has recently returned to work to ensure that there will be continuity when the contract finishes. This officer will utilise a Virtual Change Team to drive through transformational change going forward. These teams will operate as Task and Finish groups using Project Management principles and be drawn from areas across the council depending on the activity.

8.2.3 The internal staff who were seconded on to the Transformation Team at the beginning of the Transformation Programme will revert back to their substantive posts from the beginning of April 1st.

8.2.3 The ICT Manager Backfill provided through the Hinckley and Bosworth ICT Partnership will end when the ICT Manager reverts back to his substantive Post. Thanks are due to HBBC for the excellent cover this arrangement has provided along with support and advice offered as part of this agreement from other ICT Officers in the HBBC Partnership.

9 Equality Impact Assessment Implications/Outcomes

9.1 An Equality Impact Assessment has been completed which considers both the physical design and changes proposed in the redevelopment of the Headquarters building, but also the service delivery changes that are likely to result from the way the building is used in the future.

10 Impact on the Organisation

10.1 The outcomes of the transformation programme will have far reaching and long term implications for the organisation.

11 Community Safety Implications

11.1 None arising from this report.

12 Carbon Management Implications

12.1 None arising from this report.

13. Risk Management Implications

13.1 The transformation team are tasked to identify and manage the risks identified within the programme risk log. Regular reporting of progress is made to the Chief Executive and is escalated for consideration where necessary.

13.2 Two indicators are used to measure the success of managing risk in the transformation process: the total risk score (which currently stands at 277) up by 4 from last month, and the number of red risks which remained at 6 compared to last month.

13.3 The trend since May is shown in Appendix E.

13.4.1 All risks are detailed in the highlight reports. The Property work stream remains the highest risk with 3 of the 6 red risks and the highest score (117) this work stream accounts for 42% of the total risk score

13.5 A Significant Risk table is attached in Appendix F. The main risks to the Programme identified at the end of December are:

13.5.1 The most significant risks to the Transformation Project at this time are:

1. e1 Deterioration of Service Delivery during refurbishment due to decanting of staff. Scoring 18. N.B. This risk was identified in a Property Highlight Report, and is allocated to Corporate Management Team.
2. ICT9 Interruption to ICT Services provided from Adam and Eve St offices during the Property refurbishment.
3. Pr1 HQ Financial model not achievable for HQ building (high cost OR low income).
4. Pr3 HQ Funding Museum commercial costs in longer terms.
5. PrM 2 Financial model not achievable for Market Hall building (high cost OR low income).
6. Cs 12 Capita timescales and their cost to make improvements to on-line payments.

13.5.2 These risks are being closely monitored and stringent mitigation measures are in place. Progress on mitigation for these risks will be reported in future reports.

13.5.3 Since the risk report was produced at the end of February a number of issues concerning the design, specification and on going project management of the Market Hall development have been raised. Whilst measures have now been taken to address these issues they will be highlighted as a significant risk going forward to ensure that the risk is closely monitored and mitigated where necessary.

14 Consultation

- 14.1 There continues to be ongoing consultation with Staff to ensure that they are kept up to speed with changes in the Organisation. This includes: regular presentations by the CEO, information on the Transformation Programme in the Staff newsletter, cascades through the Staff Core Brief and also regular liaison meetings with Unison.
- 14.2 A number of Member Oversight Groups have been formed to ensure the involvement of Members in the implementation of the service redesign recommendations. These include the Waste, ICT and Customer Services workstreams. Monthly updates are provided to all members in the Monthly Councillor newsletter. Executive Advisory Panels have been established for the Property and Market Hall work streams. And also a Scrutiny Task and Finish Group to progress the Operating Model
- 14.3 The Waste team have a series of school visits booked to inform young people about recycling.
- 14.4 As part of the transformation programme CR Market Research previously carried out some initial consultation with residents around the Waste Service and the proposed changes to include plastic. They have since conducted follow up research in February 2013.

- 14.5 The research found that residents welcomed the change to the Waste service and considered it an improvement on the previous service and that collection of plastic was more important than food waste.
- 14.6 Residents believed that there was inconsistency across the District with regard to what can be collected and requested more guidance and information about what needs to be in particular bins.
- 14.7 The residents were pleased with the service from refuse collectors and considered that the operators did an excellent job.
- 14.8 Contact with the council is still predominately by telephone. A minority visit the Council and a small number use email as their means of contact.
- 14.9 Views on the web site are positive but it is believed there is still an opportunity to encourage a shift to on line channels
- 14.10 Overall most residents supported the initiative to reduce Housing Benefits and supported the idea of all district residents contributing to council tax.
- 14.11 Residents believe that the Planning process works well however that the Council does not pay sufficient attention to the views of the local population in relation to large scale housing developments.
- 14.12 The first in a programme of website user testing sessions was held on 26 February 2013 with a small group of individuals with learning difficulties. Working on a one-to-one basis each participant was asked to complete 7 tasks online based on set scenarios. Each task was filmed and participants were asked to talk aloud, explaining their actions as they navigated the site.
- 14.12.2 Key findings from this work are that the individuals:
- Would benefit from a greater use of appropriate imagery to aid navigation.
 - Would find video explaining key services and tasks easier to use and understand than text.
 - Would not use the 'accessibility' pages on the website or the BrowseAloud technology we offer for webpages to be read aloud to users – this is significant as this is one of the groups that we would have expected to make use of this area of the website.
- 14.12.2 Similar sessions will be held with a range of groups during the year.
-

**Previous report(s): Exempt report – Transformation Board 8th March 2012 – Proposals for the Transformation Programme post 1st April 2012.
Residents Extensive Public Consultation papers attached to 23rd April Transformation Board Papers**

Information Issued Under Sensitive Issue Procedure: Y

Ward Members Notified: Not applicable

Appendices:

- A. Appendix A Performance Report**
- B. Appendix B Highlight Reports**
- C. Appendix C Highlight Status Report**
- D. Appendix D Transformation Programme Monitor**
- E. Appendix E Risk Trend**
- F. Appendix F Significant Risk Table**