

# Gloucester City Council

<b>Meeting:</b>	<b>Overview &amp; Scrutiny Committee Cabinet</b>	<b>Date:</b>	<b>3 September 2018 12 September 2018</b>
<b>Subject:</b>	<b>Together Gloucester Service Transformation</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>None</b>		

## 1.0 Purpose of Report

1.1 To outline and seek approval for the next steps in the Together Gloucester transformation programme.

## 2.0 Recommendations

2.1 The Overview and Scrutiny Committee is asked to consider the information contained in the report and make any recommendations to the Cabinet.

2.1 Cabinet is asked to **RESOLVE** that:

- (1) the transformation proposals set out in this report be welcomed, endorsed and adopted
- (2) the officers identified in the report be authorised to implement the programme as set out in this report, including the establishment of a Transformation Board
- (3) it be noted that the Leader has appointed the Cabinet Member for Performance and Resources to the Transformation Board
- (4) Ignite be retained to support the Council's future Transformation Programme as set out in this report and authorise the Corporate Director to procure this service in a way which complies with the Council's Contract Rules
- (5) the creation of the new fixed-term and permanent posts as set out in the report be approved

(6) the budget and funding plan set out in this report be approved

### **3.0 Background and Key Issues**

3.1 Gloucester City is an ambitious council with big ideas. We also face a challenging financial future. This means we need to work differently.

3.2 In July 2016, we brought together a group of volunteer staff with the aim to redesign the organisation. They were given a design brief which asked them to start with a blank sheet of paper and to design an organisational structure capable of delivering Council priorities for the next four years. We asked for the new Council structure to dismantle organisational silos, promote channel shift so that people can get more information and engage better with the Council online, embrace our principles of asset based community development and to save at least £1million from our current staffing budget.

3.3 We asked the team to be radical and innovative in their approach and apply the following design principles:

- Delivering at least a £1 million pound budget saving from the Council's salary budget of approximately £8m
- Reduction in the compartmentalisation (or "silos") delivering Council services
- Delivering priorities in the emerging Council Plan
- Implementation of generic job roles and descriptions while maximising multi-skilling
- Cross-organisational style management using project teams to respond flexibly to future demand and priorities
- Embedding the principles of Asset Based Community Development (ABCD) in the way the Council operates, enabling individuals and communities
- Embrace channel shift opportunities
- Foster a more commercial approach to service delivery
- Promote new ways of working: empowered staff, home working, hot-desking, remote/mobile working and opportunities for co-locating
- Aspire to downsize to one warehouse
- Retain and recruit staff with the right attitudes, skills and competencies

3.4 This transformation project is called 'Together Gloucester'.

3.5 Together Gloucester achieved savings from the staffing budget of £1.23m per annum from 1st June 2017. Over a 10 year period this presents a cumulative £12.30m saving.

3.6 We said last June that the Council was not expecting the same workloads, delivered in the same ways to be delivered by smaller teams, and when we launched the new structure last June, we invited staff to ask the 'why questions'

*"Why do we do that?"*

*"Why don't we do this instead?"*

3.7 Feedback from the staff survey (October 2017) and the LGA peer challenge (November 2017) highlighted that to make the most of the opportunities to transform how we deliver services we need support in changing our processes and

systems to do things differently and that in some cases we need to 'stop doing things'.

- 3.8 We commissioned Ignite, a market leader in this field, to help us develop a resourced transformation programme which will enable us to redesign business processes and develop a robust IT transformation plan. Ignite were on site with us between February – April 2018, working with a dedicated team of City Council officers and representatives from each of our services. They undertook a detailed activity analysis of our work, completed an audit of our technology and systems and a summary assessment of over 400 processes performed by the Council. They also undertook a detailed assessment of seven processes and also did some work on our culture and the organisation's appetite for change.

## **4.0 The Proposal**

- 4.1 In May, Ignite provided us with a work and investment proposal of what they think is necessary for us to complete the Together Gloucester programme and safeguard the savings already being made. Following an initial informal conversation with Cabinet, we have refined the proposal. It includes six specific work packages:

### **WP 0: Set up and design expertise**

- 4.2 The set up and design work package will focus on preparing the council for the implementation programme, creating a benefits management plan, driving the required procurement processes for IT providers and consultants, recruiting and coaching the implementation team and coaching key staff.
- 4.3 The Transformation Programme will be led by a Transformation Board chaired by the Corporate Director with lead responsibility for Transformation (Jonathan Lund – Transformation Programme Sponsor) and include the Cabinet Member for Performance and Resources. The Board will be supported by a Transformation Programme Manager (Bob O'Brien – Customer Services and Transformation Manager) and provision will be made to backfill to ensure operational business continuity in customer services.
- 4.4 The current accommodation project will become a part of the transformation programme. For programme management purposes the accommodation project will become work package 6.
- 4.5 Ignite will provide expert consultancy support to deliver this work package.

### **WP 1: Process redesign**

- 4.6 The Council operates over 400 processes to deliver its range of services. Some of these are repetitive, unnecessarily complex or simply redundant. Ignite have identified 180 processes which are high volume, high value, or both, which should be urgently reviewed. The proposed review will seek to identify those processes which are redundant and can be eliminated, will simplify or streamline where necessary and automate where possible. The intent is to release capacity; enable customers to access information and undertake transactions with the Council digitally (channel-shift); minimise the frequency of bespoke processes to make the customers experience of dealing with the Council more consistently positive;

eliminate unnecessary approvals and work-arounds and move further towards multi-skilled rather than specialist roles. The process re-design work package will focus on developing a Gloucester-centric approach to redesign and transfer skills and knowledge to our staff by providing training and coaching to the business analysts in the implementation team. Ignite will lead the first set of process redesign workshops.

- 4.7 This work package will be led by a Service Redesign Lead (a new 15 month fixed-term, full time post) and 6 business analysts. The business analysts will be seconded from the Council's existing establishment and their substantive roles will be backfilled for the duration of the secondment. This approach will ensure that the redesign will help grow service design expertise and experience within the Council. It will also provide valuable personal and professional development for the participants.

## **WP 2: Technology and systems**

- 4.8 The technology and systems work package will focus on creating an integrated IT strategy, approach and implementation plan. Through the work package key elements of the ICT strategy will be explored and decisions will be taken to the ICT board on how best to equip the City with the technology necessary to support new methods of service delivery.
- 4.9 The Council's Managing Director (Jon McGinty) will act as Sponsor and chair the ICT Board and delivery of this work package will be led by an IT Implementation Manager (a new 15 month fixed-term, full time post). This will ensure that a very wide-range of time-critical systems are delivered successfully. The work package will also develop and redefine the Council's existing IT Client Lead Officer post to better enable that role to shape and support the Council's on-going IT aspirations. Additional support will be provided by Ignite's IT expertise and resources provided by software and systems suppliers as part of the process of procuring and implementing new systems.
- 4.10 Investment to improve the Council's Customer Portal, Customer Contact Management and Workflow systems will be essential to support the service redesign and channel shift. This will also link into other planned IT investment including telephony, mobile working solutions, web and intranet, document management and back-office (line of business) applications.

## **WP 3: Change and Engagement**

- 4.11 Research indicates that between 50 and 70% of change initiatives fail, and the main reason is that they don't engage with people. Failure to communicate and engage people along the change journey can lead to programme resistance and act as a blocker. If there is inadequate investment in change and engagement activity the programme is at risk of falling to deliver to its full potential.
- 4.12 This work package will be carefully aligned with the existing and on-going organisational development activities and is expected to achieve the following impact:

- Understanding of the key ingredients to delivering a successful change programme and of the important role leaders and managers play in this
- Enhanced leadership and management capability in leading others through change
- Increased understanding of and capability in operating as effective operational and functional leaders and managers
- Coordinated and flexible management of the transition of the Council from current state to delivering the Future Operating Model
- A move towards realising a customer-centric high-performance culture
- A lasting legacy of how to manage change in the future

4.13 This work package will be delivered through the Council's existing Organisational Development Plan led by the Corporate Director (Anne Brinkhoff). Additional resources will be provided by County HR and Ignite.

#### **WP 4: Strategy, Performance and Governance**

- 4.14 This work package is intended to strengthen the City Council's key strategy, performance and programme management activities to enhance the Council's ability to address existing challenges and opportunities, including:
- Pace, quality and engagement in long-term strategic planning
  - Improved corporate planning, including revision to HR and IT strategies and interface with key partners
  - Strategic reviews
  - Effective communication of strategy
  - Workforce alignment and the implementation of a strong golden thread from corporate strategy to individual performance objectives
  - Outcome based performance scorecard management
  - Initiative management
  - More systematic best practice sharing
  - Systemic and consistent programme and project management and delivery.
- 4.15 This work package will be led by a Corporate Director (Anne Brinkhoff) and will be launched with a piece of consultancy work delivered by Ignite to ensure that there is appropriate and essential integration of strategic prioritisation and outcome-based target setting, effective ways of transforming strategy into deliverable and measurable action plans and policy, appropriately structured programme and project management arrangements and constructively challenging procedures to hold service and project leads to account for performance outcomes.
- 4.16 Ongoing work will be delivered by three new full-time posts supporting strategy development, performance management and programme delivery. This report seeks approval to establish these posts, but programming and budget considerations may mean that this part of the transformation programme is scheduled to commence at a later date.

#### **WP 5: Commercialisation**

4.17 GCC has budgeted service expenditure of £20.6m in 18/19 (excluding housing benefit payments), £7m of this is staff expenditure. This work-package is focussed

on driving value for money through opportunities in the other £13.6m of expenditure.

4.18 The majority of the opportunities identified rely on a refined asset management strategy to generate further income from the City's property and business portfolios or by driving value for money in commissioned/contracted or shared services.

4.20 This work package will be led by a Corporate Director (Jonathan Lund) and will be delivered in a number of ways:-

- Re-evaluation of the existing procurement officer role (currently vacant) to provide a more strategic resource better able to co-ordinate the procurement programmes for major service procurement projects. There is potential to offer this resource to other local authorities and discussions are ongoing with Tewkesbury BC. The costs of this role will be met from current budgets within Financial Services
- Creation of a new full-time commercial property lead to work alongside the current major projects consultant (Phillip Ardley) and provide an opportunity for succession planning and resilience in that function. The ongoing costs of this role will be met from the regeneration reserve.
- Engaging specialist service specific advice to support contract procurement activity (e.g. Waste and Recycling, Leisure, ICT, Revenues and Benefits).

4.21 The intention would be that investment in commercial capacity would generate opportunities for further savings or income generation. Ignite's initial work with the Council has suggested the potential additional savings/income of c£1.7m over the next 3-5 years.

## **5.0 Asset Based Community Development (ABCD) Considerations**

5.1 ABCD is one of the design principles of the Together Gloucester project and will flow throughout all work-streams as appropriate.

## **6.0 Alternative Options Considered**

6.1 Do nothing. There is strong evidence from day to day management conversations, the staff survey and external assessments that this investment is essential to complete the Together Gloucester Programme, enabling staff to make the essential changes in order to continue to deliver services to customers with significantly reduced staffing levels. As a consequence, do nothing is not a zero cost option, it will result in underinvestment in essential IT systems and support and will compel the Council to consider service reductions to relieve current pressures.

## **7.0 Future Work and Conclusions**

7.1 This proposal is a significant next step in our Together Gloucester transformation and needs to be delivered soon and with pace. Subject to approval of the details in this

report we intend to begin internal mobilisation early and conduct the internal and external recruitment and commence delivery in September 2018.

## 8.0 Financial Implications

8.1 The cost of implementing the work packages described at paragraph 4.1 to 4.21 above is as follows

Work Package	Ignite	IT Investment	One-off investment	Ongoing investment	Totals £
WP 0: Set-up/Design	68,440	0	0	0	68,440
WP 1: Process redesign	58,500	0	312,500	0	371,000
WP 2: IT	11,700	800,000	50,000	0	861,700
WP 3: Culture/Change	59,675	0	0	0	59,675
WP 4: Strategy/Performance & Delivery	43,125	0	0	150,000	193,125
WP 5: Commercialisation	0	0	0	100,000	100,000
					<b>1,653,940</b>

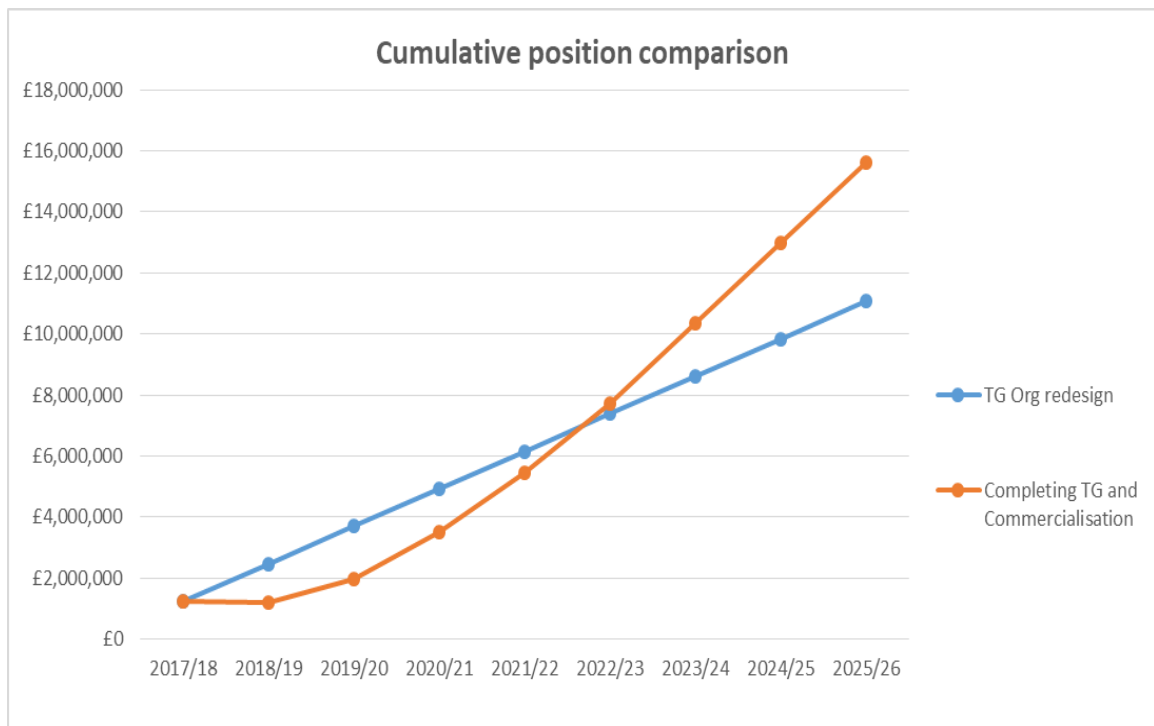
8.2 One-off investment includes the cost of backfilling secondments and funding new/temporary fixed term posts intended to support project delivery.

8.3 Ongoing Investment includes the cost of new, permanent posts.

8.4 The costs as detailed above are an investment to deliver future savings and transformation for the Council. The initial costs will be met from a number of sources, current available earmarked reserves, short term borrowing funded through the expected savings, and where costs are ongoing these will be added to the Money Plan in the appropriate financial year.

8.5 Where financial contributions are actually realised such as the benefit of the business rates pilot, subject to approval, these will be used to replenish the Councils earmarked reserves. Similarly the potential capital receipt from the sale HKP warehouses maybe utilised under the Flexible use of Capital Receipts strategy as per Appendix 8 to the 2017/18 Money Plan approved in February 2017.

8.5 The business case presented by Ignite includes the graph below. It shows the existing savings being generated by Together Gloucester as a cumulative straight line (blue). By year 10 the cumulative savings from Together Gloucester will be £12.3m. The curved line (gold) reflects the investment recommended in this report and the potential for savings to exceed the existing Together Gloucester projections in subsequent years.



(Financial Services have been consulted in the preparation of this report.)

## 9.0 Legal Implications

- 9.1 Any changes affecting staff must be subject to consultation and there is a requirement to comply with the Council's Employment Policies and Procedures.
- 9.2 Should the Council wish to engage on shared services with another council then sections 112, S113 (secondments) and/or s101 (delegation) of the Local Government Act 1972 will apply.
- 9.3 Any sharing/procurement of services must consider the implications of TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.
- 9.4 With regard to procurement of services, the council is required to comply with the Council's Contract Rules.

(One Legal have been consulted in the preparation of this report.)

## 10.0 Risk & Opportunity Management Implications

- 10.1 A comprehensive risk register will be developed for the Transformation Programme as a whole and each related work package.



## 11.0 People Impact Assessment (PIA) and Safeguarding:

- 11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required. It is possible that elements of the programme will develop proposals which will have a PIA Impact and these will be undertaken as necessary, for each work package.

## 12.0 Other Corporate Implications

### Community Safety

None identified

### Sustainability

None identified

### Staffing & Trade Union

None identified

Potential Media Interest – to be completed for SMT/Cabinet Briefing purposes. Remove prior to publication of report. Draft report to be sent [pressoff@gloucestershire.gov.uk](mailto:pressoff@gloucestershire.gov.uk).

**Background Documents:** Gloucester City Council – Future Operating Model Blueprint – Ignite, June 2018