

TRANSFORMATION PROGRAMME

1 RECOMMENDATIONS

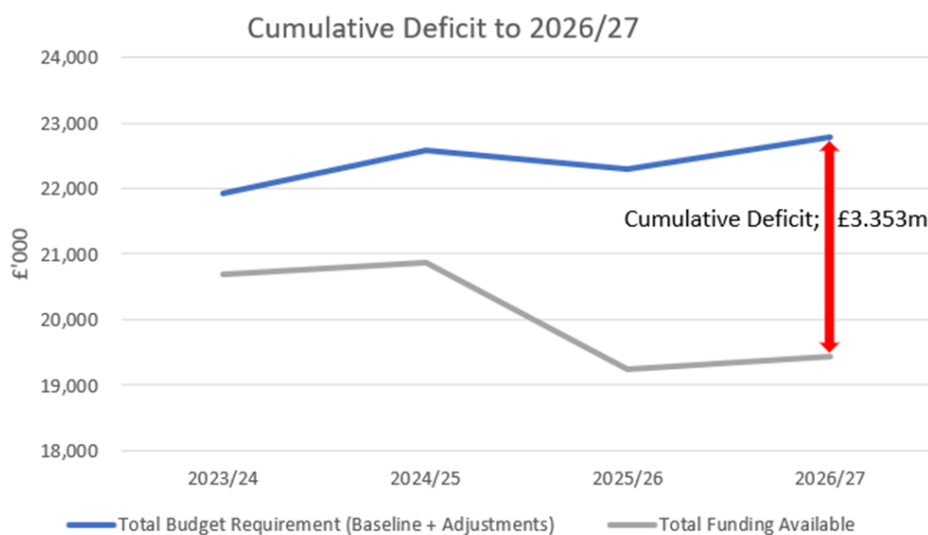
1.1 That the Cabinet:-

- (a) support the development of a council-wide transformation programme to improve service outcomes and contribute budget savings as outlined in the Medium-term financial plan; and
- (b) note that a Business Case will be brought to the new administration in advance of commencement of the programme in Q1 2023/24.

2 INTRODUCTION AND BACKGROUND

2.1 The Council has a good track record for delivering services to our residents and is ambitious in setting corporate plan priorities that matter to the people of the New Forest, putting the community first. There is a continued commitment in the Council's vision to secure a vibrant and prosperous New Forest, guided by the people it serves. However, the needs and expectations of our residents are changing as a result of changing age demographics, progress in technology, post-Covid behaviour change and impact of the cost-of-living crisis. There is a need to respond to these changes whilst maintaining our performance and focussing resources on the Council's priorities.

2.2 There is also an increasing need to ensure we deliver services efficiently, optimise income generation opportunities and maximise the use of our assets. This is against the backdrop of increasing operational costs and reduced funding resulting in a forecast deficit totalling £1.229 million for 2023/24, increasing to a cumulative £3.353 million by 2026/27:



2.3 There is now an opportunity to:

- Develop a better understanding of costs and working practices against other authorities, exploiting opportunities to adopt best practice in our priority services within available resources;
- Better understand the needs of our residents with a greater use of data and insight to improve and design services around the customer, and empower communities to better inform service delivery;
- Enable the adjustment of resources to meet the aspirations of the new council and our residents;
- Standardise good practice within the organisation by using technology to improve and modernise services and working practices, and using data to inform performance and decision making; and
- Improve our approach to attracting and retaining staff as an employer of choice, with terms and conditions that continue support our workforce, and our services, now and into the future.

2.4 Transforming the organisation will be a key priority for the new Council and an indicative approach to how a transformation programme could be shaped is outlined in this report.

2.5 The Transformation Programme is proposed to formally commence in Q1 2023/24. It will be established to ensure that the Council delivers required budget savings and becomes a leaner, more efficient organisation, characterised by modern business practices, sustainable service delivery, excellence in customer service and a skilled and motivated workforce. It will respond in a positive and proactive way to the challenges and opportunities of the next 5-10 years.

2.6 All organisational and significant service change will fall within the programme. This will bring together efforts to ensure decisions are taken that align with the Council's vision and agreed operating model (or way of working) that will position the organisation well for the future. The development and approval of the operating model will form an early part of the Transformation Programme.

3 GOVERNANCE

3.1 The programme will be overseen collectively by the Council's Leadership Team, with the new Strategic Director for Corporate Resource and Transformation, agreed as part of the recent leadership review, as programme sponsor and taking overall accountability for the programme's success.

3.2 The officer CCB (Capital and Change Board) will oversee the transformation programme in the initial stages of development. It is envisaged that workstream leads will manage their workstreams and report up to the CCB as required.

3.3 The Programme will also provide regular progress updates to the Corporate Affairs and Local Economy Overview and Scrutiny Panel, along with any individual project updates to the relevant panels.

3.4 A process will be agreed for progressing through each phase of the programme and will include both officer and member scrutiny and approval.

4 APPROACH TO TRANSFORMATION

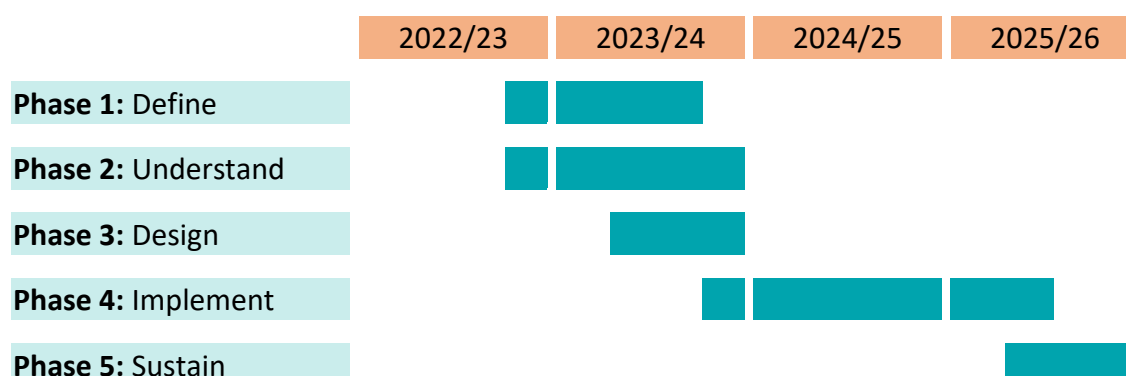
4.1 The Council's initial considerations for how we approach transformation has been developed through a combination of prior experience and research, including through local government guidance, the review of case studies and reporting from other councils, conversations with contacts within the public sector who have been through similar programmes, and through engagement with transformation and improvement experts.

The programme is expected to include the following elements:

- **Define** – establishing the programme's vision, understanding high level business issues, and determining the high-level principles associated with how we want to operate in the future.
- **Understand** – undertaking diagnostic of the 'current state' of the organisation, including a deep drive into services, performance, culture, delivery, accommodation, and technology, and identifying issues and opportunity areas.
- **Design** – defining the 'future state' of the organisation (our 'future state operating model'), including new ways of working, the structure of our services, and designing solutions that will deliver financial, customer and staff benefits. This may involve some overlap and looping back to iterate and refine solutions; the design process will not necessarily follow a single path.
- **Implement** – Planning and implementing the changes that will transform the organisation.
- **Sustain** – Ensuring that the new ways of working stick and transitioning to a continuous improvement culture.

4.2 The Define and Understand phases will be further developed through additional analysis and recommendations by third-party specialists; an element of external insight and challenge is common at this stage of a transformation review.

4.3 An initial assessment has been made in terms of potential timescales for each of the phases, however a detailed plan will not be produced up front and will instead be developed per phase. The high-level timeline is below:



4.4 Preparation and Development has commenced to consider the opportunities and high-level transformation approach in readiness for the new administration.

- 4.5 Whilst the above outlines the proposed overall approach to the programme, delivery will not necessarily be a linear process, and individual workstreams (see section 5) may go through these phases slightly faster or slower depending on the opportunities that are identified. In addition, any 'quick wins' – that is, opportunities or solutions that meet a defined quick win criteria based on ease of implementation and impact – will be implemented as and when they are identified. Furthermore, whilst most of the programme will cover the 4-year administrative cycle, the changes need to be fit for future delivery post this timeframe, and some changes may take longer to implement (e.g., new models of delivery, accommodation changes, and fleet).
- 4.6 Over the next few months, internal and external resources will consider requirements for a programme team, establish an initial overview of each service including known areas of opportunity, understanding the existing organisational culture and ways of working, and establishing the principles of the Council's future operating model.

5 TRANSFORMATION WORKSTREAMS

- 5.1 The objectives of the Transformation Programme align to a number of anticipated workstreams which will be led by NFDC staff. An overview of the likely content of each workstream is set out below.

Customer and Insight:

- establish a resident insight programme and align the delivery of our services with the identified future needs of our residents, customers and the wider community.
- develop a Customer Strategy based on this insight, and use this to inform strategic direction, decision making and future improvement activity.
- share customer insight across services and encourage evidence-based policy making.

All other workstream output will take into account the insight gathered as part of the Customer and Insight workstream and will need to demonstrate that future state processes and structures deliver an improved customer experience, leading to improved customer satisfaction.

Delivery

- embed good governance and a structured, consistent approach to measuring and improving the delivery of our services and projects.
- develop a common understanding of our purpose and vision, linking performance at all levels to the strategic objectives outlined in our Corporate Plan.
- establish SMART objectives to ensure delivery on the commitments made to our residents, customers and wider community.

People

- provide our people with the skills and knowledge to be able to deliver the standards we promise to our customers
- recruit and retain a workforce set for the future as an employer of choice
- equip our leaders to deliver and role model new ways of working aligned to our future vision

- engage our staff to create a high-performing, collaborative culture of continuous improvement, built upon a foundation of best practice and a commitment to development.

Digital

- become a “customer first, digital by design” council, implementing full end-to-end digital business models for our services that increase resident and customer satisfaction whilst reducing operational costs
- develop our workforce to achieve these benefits, and our services will actively use data to report performance and inform decision-making
- reshape our services to leverage the benefits of digital practices, and ensure secure delivery through the use of robust, reliable systems

Accommodation

- design and deliver fit for purpose accommodation which supports our people in delivering excellent services
- take a strategic approach to utilising our existing accommodation and operational facilities to support modernised service delivery, with access to the required infrastructure and technology
- work with our partners on opportunities to maximise the usage of shared assets

Business and Services Reviews

- develop a programme of business and service reviews aligned to our strategic priorities
- understand the most appropriate delivery models to provide transformed, modern services
- set ourselves up to be as efficient as possible, using proven tools and techniques to streamline our processes, eliminate unnecessary work and deliver savings
- “work smarter, not harder” and focus our energy on the tasks that provide the most value.

Business and Service Reviews will ensure that our services are designed around the principles of our future operating model, contributing towards efficiency gains and providing best possible value for money.

- 5.2 The workstreams will be driven by an individual workstream lead with further engagement with the wider leadership team and the Council.

6 ENABLING WORKSTREAMS

- 6.1 The key workstreams will be underpinned by the principles of the operating model which will be designed as part of the initial development of the programme. Initially, development activity will be supported by three ‘enabling workstreams’:

- Culture and Engagement
- Partnering and Collaboration
- Value for Money

- 6.2 Each of these elements will need to be considered by each of the main workstreams and will form some initial principles that the programme will follow.

- 6.3 In addition to building these enablers into the main workstreams, there will be specific actions that will benefit the entire programme which fall under these headings. This might include understanding staff mindsets in relation to change appetite, looking for opportunities to further develop our relationships with community groups or other organisations, or analysing existing budgets and financial statements to identify which area of spend could be looked at in more detail during the programme.

7 COMMUNICATION AND ENGAGEMENT

- 7.1 The success of the Transformation Programme will be dependent on the buy-in of our people across all levels of the organisation. The wider leadership team has been involved in the development of the workstreams within the programme, and we have aligned each of our leadership team to one of the six workstreams described above.
- 7.2 As outlined in the Governance section of this report, members will be engaged through Overview and Scrutiny panels.
- 7.3 The intention to deliver a transformation programme has been shared as part of Chief Executive staff sessions. A full communication and engagement plan will be developed prior to the launch of the transformation programme, which will be signed off by members and officers.
- 7.4 The Leadership team will be instrumental in supporting the development of the transformation programme, and several workshops have already taken place.

8 KEY PROGRAMME ROLES AND RESPONSIBILITIES

- 8.1 The Transformation Programme will be sponsored by the proposed Strategic Director for Corporate Resource and Transformation who will retain overall accountability for the programme's success, with support from Business Improvement.
- 8.2 A dedicated Transformation Programme Manager will oversee the delivery of the programme, and will be responsible for programme governance, planning, execution and delivery of benefits. They will provide strategic guidance to the workstream leads and provide hands-on support in the development of phase plans for each workstream.
- 8.3 The current approach, whilst in development, will be that the Workstream Leads will own the workstream objectives and outcomes, and identify the appropriate resources required to deliver. They will co-ordinate, schedule and prioritise workstream activity, and identify risks and benefits.

9 RESOURCING

- 9.1 Resourcing for the programme from 2023/24 will be subject to a more detailed business case which will be provided to the new administration. A critical success factor for the programme will be to ensure that the programme is resourced correctly. Additional dedicated resources will be required to provide the right capability and capacity to deliver a programme of this size and scale, particularly given the current pressures facing our services.
- 9.2 The use of dedicated resources would range between supplementing current staff who will be supporting the delivery of the programme in addition to their business-as-usual

work, through to specific functions that may only be needed on a time limited basis (e.g., data, insight and programme management).

9.3 In the short term, the following initial resources – primarily internal and in addition to business-as-usual work - will be required in order to complete Preparation and Development:

- Programme Development – officers responsible for developing and overseeing the transformation approach, including programme governance, identifying stakeholders, establishing high level plans and resource planning.
- Workstream Leads – responsible for developing objectives and plans within their appropriate workstreams.
- Service Manager support – to provide insight into their services, including processes, data, known issues, and opportunity areas. Also, to act as additional support for workstream leads.
- EMT engagement – sponsorship, scrutiny and interim approval prior to presenting future phases/business case to members
- Specialist expertise – to support us in undertaking initial organisation assessments, delivering relevant training, and supporting the core programme team.

10 FINANCIAL IMPLICATIONS

10.1 A full business case will be prepared which will include an estimation of benefits, success measures, costs and risks. This will go through officer and member scrutiny processes before final sign off.

Benefits

10.2 Financial benefits will be focused on delivering the efficiency savings necessitated by the MTFP. These benefits will be delivered by changing the way that we work with a view to reducing general costs (resources, contract spend or employee costs) or improving income generation.

10.3 The Council will establish benefits realisation processes throughout the programme, with actions in place through each phase to capture baseline data where opportunities are identified, or where changes are to be made to services.

10.4 Potential areas of benefit have been identified for each workstream however the overall programme benefits will need to be developed, bringing together the workstreams and wider opportunities that are identified e.g., contract review. Benefits detail will become more granular as we progress through the Define and Understand phases.

Costs

10.5 The 2022/23 budget included a one-off £200,000 to contribute towards delivery of the Corporate Plan priorities, including the delivery of the Medium Term Financial Plan. From this funding;

- An initial budget of £25k will be set aside to support the commission of analysis and recommendations by a third-party specialist.
- A further budget of £100k will be allocated to the appointment of a Transformation Programme Manager over an initial 18-month period.

11 EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 The delivery of transformation programme will give regard to equality impact assessments throughout, especially within services where changes are proposed.

12 ENVIRONMENTAL IMPLICATIONS

- 12.1 There are none directly arising from this report. However, the Transformation Programme will seek to build on the actions delivered by the Council in its response to the Climate and Nature Emergency. This will range from considering sustainability and carbon reduction in the context of our accommodation and assets, through to reducing the amount of paper and materials we use as part of our service delivery.

13 NEXT STEPS AND TIMELINE

- 13.1 Commission third-party specialist support to provide an understanding of the opportunities available to support the budget and MTFP, in addition to working up a full business case for the new Council to consider in 2023.
- 13.2 Commencement of Define phase in Q1 2023/24.
- 13.3 Report to EMT, Panels and Cabinet at the end of the Define phase with our findings and vision, and gain approval for the commencement of the Understand phase.

14 PORTFOLIO HOLDER COMMENTS

- 14.1 Whilst this Council has been prudently managed for many years the continuing financial pressures outlined in the Medium Term Financial Plan mean we must review the way we work, not just in services, but as a whole organisation. We have a track record of responding well to change, as demonstrated by our swift and effective response through the pandemic and we will draw on these strengths as we plan a programme of change.

The first phase of this work is detailed in this report covering the workstreams and capacity to be put in place to enable us to develop a full business case for the Council to consider in 2023.

I support the approach outlined in this report, and recognise that we are at the start of a journey which to be effective will need to involve members, staff and also our residents – as the customers we serve.

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Background Papers:

None