

CABINET – 7 AUGUST 2024

PORTFOLIO: LEADERS / FINANCE
AND CORPORATE / ALL**TRANSFORMATION BUSINESS CASE - CUSTOMER & DIGITAL SERVICES (INCLUDING ORGANISATIONAL DESIGN) AND APPLETREE COURT****1. RECOMMENDATIONS**

1.1 That Cabinet (subject to the required Council approval to funding):

- I. Approve the Customer & Digital Services (including Organisational Design) business case at appendix A and adoption of the preferred future organisational design option Bv2.
- II. Support the intention to let out the south wing of Appletree Court (ATC) to third party tenants as set out in appendix B.
- III. Note the opportunity to further enhance ATC through works to the ground floor north wing, but these to be progressed subject to further approval (at additional cost), dependant on the success of the letting activity.
- IV. Delegate responsibility to oversee delivery of these recommendations to the Transformation Programme Board.

That Cabinet seek Council approval to:

- V. allocate £2.709m on an invest-to-save basis to deliver the necessary technology and organisational changes to deliver the preferred future organisational design option.
- VI. allocate up to £1.75m for improvements to the East wing of ATC on an invest-to-save basis, to facilitate the third party letting of the south wing and the generation of c£300,000 per annum in income.

2. INTRODUCTION AND BACKGROUND

- 2.1 The Customer & Digital Services (including Organisational Design) business case (appendix A) has been developed following the adoption of the transformation strategy, Future New Forest, in December 2023. It enables the implementation of the transformation programme by setting out a clear future organisational design for the council to leverage new technology, service and process redesign as well as looking at how some teams are structured in order to improve customer experience and the efficiency and effectiveness of the organisation. Organisational design is the structures, processes and roles needed to achieve the organisations objectives.
- 2.2 The Appletree Court business case (appendix B) considers options to exploit the commercial opportunities of Appletree Court and make better use of the currently underutilised office accommodation.
- 2.3 Assets and accommodation are 'out of scope' for the Customer & Digital Services (including Organisational Design) business case although they remain a significant aspect of the transformation programme and it is appropriate to consider the organisations accommodation requirements in line with any changes to organisational design.
- 2.4 The business cases appended support delivery of the four approved key objectives of Future New Forest to:

Customer & digital services

Redesign services to improve customer experience, make better use of technology and reduce manual effort. Services should be digital by design, irrespective of how customers contact us.

People & capabilities

Review how we organise and develop our people, making sure roles, structures, behaviours and skills evolve to meet new service designs and needs.

Assets & accommodation

Make better use of assets, improve sustainability and change the way we work. This includes spaces that staff work in and customers visit as well as the stores and depot.

Finance & delivery

Strengthen how we manage finance, strategy and performance. This includes how we manage the delivery of financial and non-financial benefits from transformation and how we develop a data-driven approach to strategy and performance.

3. CUSTOMER & DIGITAL SERVICES (INCLUDING ORGANISATIONAL DESIGN) BUSINESS CASE - OPTIONS APPRAISAL

- 3.1 The Customer & Digital Services (including Organisational Design) business case (appendix A) takes the vision and objectives for transformation and assesses how different options might deliver those objectives, including the costs and benefits of each. It is closely aligned, and provides a delivery vehicle for, the Customer Strategy.
- 3.2 The options have been developed using the data collected and evidence gained over the past year, including opportunities arising out of customer research undertaken, activity analysis and the process design workshops. The preferred model outlined within the business case is specific to NFDC and has been determined by EMT through several organisational design workshops.
- 3.3 A number of options for the future organisation design have been considered from the continuation of a service led approach where services adopt their own technology and processes, largely in isolation, to a more cross cutting enterprise approach where all services adopt the same or similar technology and processes to maximise efficiencies. This is best illustrated in the transformation continuum diagram at Figure 1.



- Customer contact more likely to be handled in service
- Customer service standards may differ across the organisation
- Digital services will look and feel different without very strong standards
- Less need to tackle complex technology and data silos but duplicated investment
- Driven by service-specific technology
- Scope for savings constrained by service boundaries
- Less structural change required
- Harder to build resilience
- Can be easier to gain manager/ staff buy-in (less cultural change)

- Customer contact more likely to be centralised
- Consistent approach and standards for customer service
- Digital services use standard capabilities and same look and feel
- Higher complexity of resolving legacy technology and data silos
- Driven by fewer enterprise tools with common capabilities
- Greater scope for savings
- Greater need for structural changes
- More opportunities to build resilience
- Bigger 'sell' to the organisation

Figure 1: The transformation continuum

3.4 The current vertical service led model means that there is an inconsistency in customer experience and technology depending on which service is being used. Phone and email are the main channels used with multiple published email addresses and phone numbers available to customers. Figure 2 is a high-level illustration of the current model.

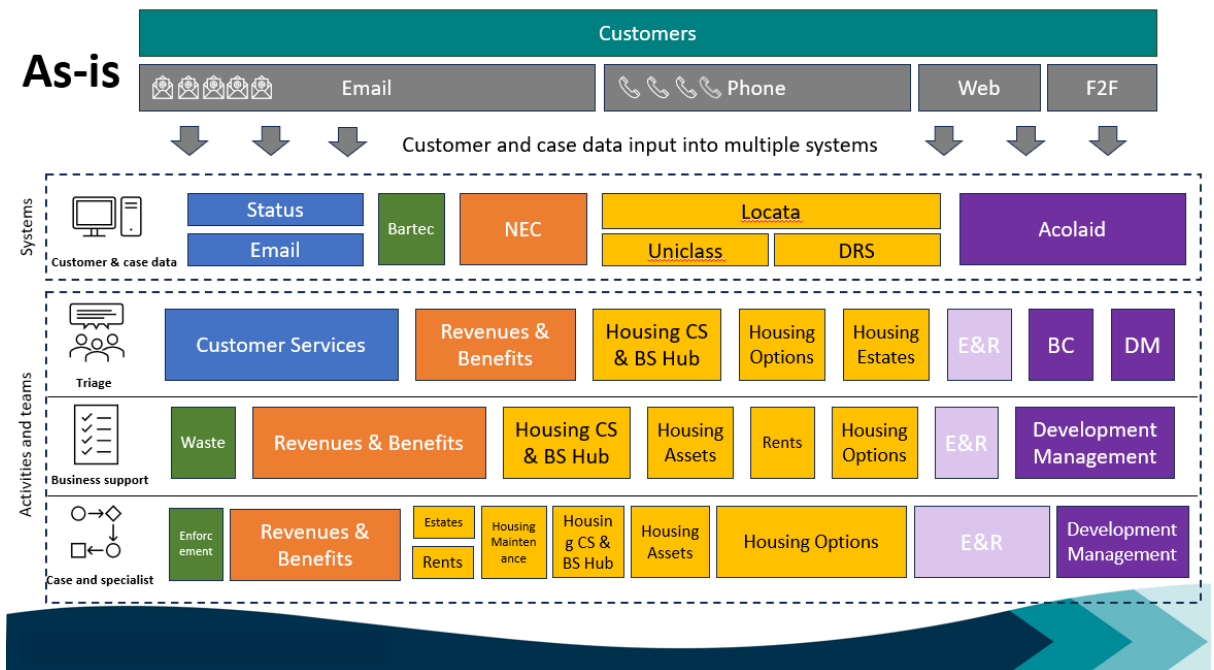


Figure 2: As-is organisational design model

3.5 EMT has collectively agreed that the approach should be somewhere in the middle of the continuum, where efficiencies can be gained from deploying the same technology and processes to improve the customer experience with some structural changes in support. This option as illustrated in Figure 3 is ambitious in support of the strategic

outcomes for transformation and allows for further future opportunities to do things differently whilst maintaining a level of stability by managing the pace of change.

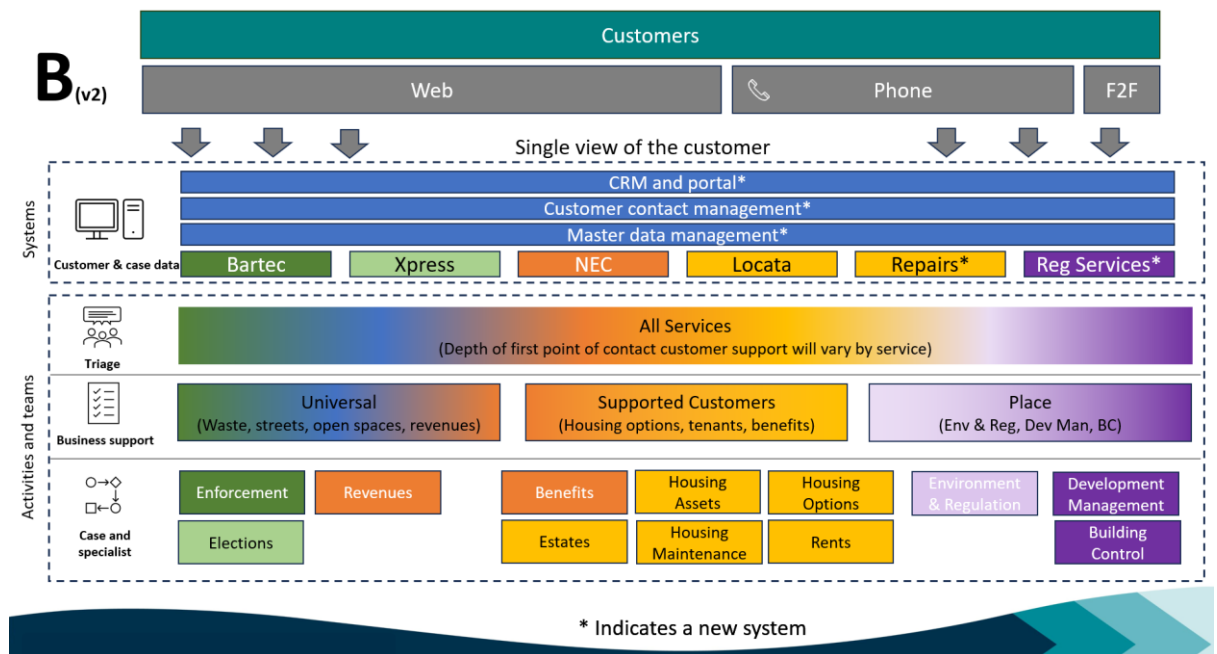


Figure 3: Target organisational design model

3.6 In brief the preferred option B(v2) for the target future organisational design includes:

- Enterprise technology capabilities applied to all services i.e. a single view of the customer through one CRM (Customer Relationship Management) and customer portal, customer contact management and master data management.
- A single customers services team, dealing with most enquiries for some services and smaller subsets for others.
- Aggregated business support functions into three teams aligned to universal, supported and place services.
- Leaving case management and specialist activities largely unchanged.

3.7 This modernised approach and use of technology is consistent with many other organisations, public and private. Page 17/18 of business case at appendix A details the technology assessment undertaken.

3.8 The business case itself has been drafted by Ignite Consulting Ltd. in conjunction with NFDC and brings together the extensive work undertaken over the past 18 months into a clear, evidence-based proposal. It provides the justification to invest in new technology and organisational changes to deliver a future operating model. It does not define the detailed delivery of the programme but enables the organisation to mobilise the programme with the necessary resources secured to start implementing changes.

3.9 Some of the technology investment identified within the business case is required irrespective of the transformation programme as legacy systems in housing maintenance, regulatory services and the existing CRM approach the end of life and require replacement. Bringing all these systems under the umbrella of transformation enables their procurement and implementation to be considered in line with the transformation objectives and exploits any cross-cutting opportunities and integration that exists.

3.10 A detailed assessment of the options, their costs and benefits is detailed in the business case at Appendix A.

4. APPLETREE COURT BUSINESS CASE – OPTIONS APPRAISAL

4.1 The accommodation review of Appletree Court is the first element of a wider piece of work to consider the strategic use of our assets and accommodation. It is an important aspect of meeting our future working aspirations in terms of service, staff and cultural needs in line with Future New Forest. This scheme will also support revenue generation towards the MTFP, through rental income, in line with the commercial mindset objective of the transformation strategy.

4.2 Appletree Court remains a suitable location within the district from which to deliver services and provide back-office support. It provides an attractive and pleasant working environment for staff and Members. However, due to the change in working patterns since the pandemic the building is underutilised, reaching a peak occupancy of 40%. This has now reached a stable level and has not significantly increased in the last two years.

4.3 In September 2023 Cabinet approved a budget of up to £100,000 to carry out a feasibility study to identify how the office accommodation at Appletree Court could be adapted to best suit the hybrid method of working now adopted by the majority of staff, explore the opportunities to utilise the entire building and inform the wider development of the Council's accommodation requirements as part of its transformation agenda.

4.4 Subject to refurbishment and the continued adoption of hybrid working, whereby one desk per member of staff is no longer a requirement, there is sufficient capacity within the East Wing (and latterly, potentially the North Wing) from which to provide Council services, freeing the South Wing for revenue generating external lettings.

4.5 Working with consultants Peter Marsh Consulting (PMC) the original feasibility brief required a report detailing the suitability and works required for selected areas to create open plan office space, for approximately 200 members of staff at any one time. The brief required a similar standard to that of the offices in the south wing of the building, containing both standing and seated desking, break out & meeting space, office storage and staff welfare facilities. Costings received, together with an updated marketing appraisal of the South Wing, did not offer an agreeable payback period on which to offset the investment.

4.6 PMC were asked to apply some value engineering and de-risking approaches, to produce a scaled back option that would still meet the desired look and feel, with less significant structural and MEP interventions. This exercise resulted in 2 further options.

4.7 Following an officer steering group workshop, PMC returned with additional options, tabled as 5 and 5a, of which 5a is the recommended approach. The costs were reduced in these areas by excluding from the scope offices, breakout spaces and meeting rooms that were already refurbished, in whole or part, as part of the South Wing refurbishment project that took place prior to the Covid pandemic. This was developed with a critical view of the common parts and underused spaces, to introduce a higher number of breakout, touch down, and collaboration zones. In addition, the consultant proposed areas along each longitudinal corridor in the East Wing where sections of wall would be replaced with full-height glass partitions, to create a more open plan aesthetic with additional natural light.

4.8 Assuming that good progress is made with securing a tenant for the South Wing (in whole or part), a Phase 2 scheme may see additional investment made in the Ground

Floor, North Wing. Preliminary designs and costings have outlined that for an investment of c£500k, the existing space can be opened up to make a large, flexible collaboration zone. Staff feedback has indicated the preference for additional medium and large meeting rooms, training suites, refurbished interview rooms, and departmental 'hubs' where external visitors can be brought for meetings and appointments. This model also has potential to be used as a letting stream, by allowing local organisations and partners to lease meeting space.

5. CONSULTATION UNDERTAKEN

- 5.1 EMT, the Transformation Programme Board and the Member Steering Board have been consulted on the options within the business case and briefings have been held with the wider leadership team, staff and all members in respect of both business cases.
- 5.2 The options considered have been informed by the extensive customer research undertaken during 2023.
- 5.3 Teams and individuals will be further engaged and consulted ahead of any changes.

6. FINANCIAL ASSESSMENT

- 6.1 The Medium Term Financial Plan identifies a savings target of £1.75m arising from the transformation programme. The business cases appended propose options to support delivery against this target and the wider transformation objectives as detailed.
- 6.2 The Customer & Digital Services (including Organisational Design) business case details the costs and benefits of each option considered, summarised below:

Option	Est. one-off costs	Est. benefit	Net recurring costs	Net benefit	GAP to MTFP
Option A	£1,959,000	£900,000	£376,000	£524,000	-£1,226,000
Option B	£2,034,000	£1,610,000	£406,000	£1,204,000	-£546,000
Option B(v2)*	£2,109,000	£1,260,000	£406,000	£854,000	-£896,000
Option C	£2,109,000	£1,890,000	£406,000	£1,484,000	-£266,000

*preferred option

- 6.3 Option B(v2) requires one off funding of £2.109m and is estimated to contribute a net £854,000 annually to the identified MTFP gap. The estimated one-off costs are identical for options B(v2) and option C as the technology investment is the same for both options. Making this initial investment allows the implementation of B(v2) as a phase 1 approach with an option to move closer to option C and release further savings in the future as required.
- 6.4 It is expected that the financial benefits will be delivered through a combination of mechanisms, including FTE staff reductions where improved technology and processes release capacity. This is covered in greater detail at 3.3.5 of Appendix A at page 31.
- 6.5 The costs presented exclude provision for contingency and it is proposed that a contingency sum of £600,000 is set aside to cover additional funding, including third party support, outplacement costs and any unplanned programme costs to boost capacity.

6.6 The financial outturn position for 2023/24 enabled the establishment of a Corporate Plan Priorities reserve, and it is proposed that this reserve be used to contribute £1.5m to the funding requirement.

6.7 The ICT work programme (£625,000 annual revenue budget) already makes provision for some of the technology replacement and infrastructure identified in the business case and it is proposed that this existing revenue budget be used to contribute £1m to the funding requirement.

6.8 The Appletree Court works require invest to save funding as follows:

Option	Primary project cost (A)	Cost per sq ft	Fees and additional works (B)	Total (A+B)	+ / - 10% cost range	Payback (years)
Option 5a* 181 desk spaces	£1,581,916	£154	£170,000	£1,751,916	£1.4m to £1.8m	6-7

*preferred option

6.9 A breakdown of all options is contained within appendix B. The fees and costs column above allows for professional fees for further design work up to tender stage and circa £80,000 of estimated costs for sub-division works associated with the south wing.

6.10 The predicted revenue for South Wing as a lettable model is as follows:

Floor	Area sq.ft	Rent per annum (furnished)	Est. Business Rates liability per annum (£90p/sqm)	Total per annum based on furnished
Ground	3,003	£55,558	£25,110	£80,668
First	3,358	£62,130	£28,080	£90,210
Second	3,305	£61,134	£27,630	£88,764
TOTAL	9,666	£178,822	£80,820	£259,642

6.11 Option 5a requires one-off funding of up to £1.75m and contributes up to £300,000 annually (including recoverable Service Changes) to the identified MTFP gap via rental income of the South Wing. Making this initial investment allows the implementation of 5a as a phase 1 approach with an option to invest in improvements to the North Wing Ground Floor, at an estimated cost of £500,000, at a later date. All options are inclusive of contingency at 9%. The recommended option is subject to variance at tender stage.

6.12 The overall total one-off funding requirement is £4,459,000 and the resultant estimated net annual financial benefit (saving) is £1,154,000.

Option	Est. one-off costs	Est. benefit	Net recurring costs	Net benefit	Payback (years)
Customer & Digital Services (including Organisational Design) business case					
Option B(v2)	£2,109,000	£1,260,000	£406,000	£854,000	Year 5/6
Contingency	£600,000				

ATC business case					
Option 5a	£1,750,000	£300,000	-	£300,000	Year 5/6
Total funding requirement					
	£4,459,000	£1,560,000	£406,000	£1,154,000	Year 5/6

6.13 If approved this will be funded from:

Funding stream	
Corporate plan priorities (earmarked reserves)	£1,500,000
ICT Digital Work Programme Funding (revenue)	£1,000,000
Supplementary budget (reserves)	£1,959,000
	£4,459,000

6.14 The latest MTFP allows for annual funding of £250,000 (covering 2023/24 – 2025/26) towards core transformation team resources. Less has been spent in year 1, and to align resources with the delivery of the programme the annual budget is required up to and including the 2027/28 financial year.

7. CONCLUSIONS

- 7.1 The proposed organisational design model (Bv2) supports the strategic outcome of putting our customers at the heart of what we do. The investment in technology, improved processes and structural changes will ensure customers are kept informed on progress and instil confidence in service delivery with better and more timely feedback. Investing in data tools and skills will help us better understand the needs of our customers and communities and design our services accordingly, and increasing the number of services available online, whilst maintain telephone and face-to face contact for those who need it most will provide customers with the option to access services at the time which suits them best.
- 7.2 Implementation of the organisational design and ATC accommodation works proposed in the respective business cases will also provide the opportunity to identify and release net financial benefits. Notwithstanding the financial return both business cases also support the wider transformation objectives including significant improvements to the customer experience, using our assets to support the efficient and effective delivery of our future service provision and enhancing their financial contribution through commercial opportunities.
- 7.3 There are significant risks of not transforming including a continued service-by-service approach resulting in re-work, duplicated investment and fragmented customer experience, not achieving the £1.75m MTFP target and improvements being piecemeal and superficial. Staff would also continue to need to deal with high demand, capacity and a lack of cultural change.

8. RISK CONSIDERATIONS

- 8.1 Both business cases involve complex change projects which will alter ways of working and the organisation's culture. Appendix A includes the risks associated with not transforming and a change impact assessment which considers the significance and management of the proposed changes. Other risks include:

Risk	Mitigation
Failure to deliver digital projects	Technical and project resources identified and included in the business case. All projects to be run through the discipline of the transformation programme management office and reported on through the governance arrangements in place.
Payback period not met	Regular monitoring and reporting will identify slippage at an early stage and steps taken to mitigate impact.
Financial benefits not realised	Detailed benefit tracking will be established to monitor the achievement of all transformation objectives. Regular monitoring and reporting will identify slippage at an early stage and steps taken to mitigate impact.
Lack of buy in to support changes	Organisation development and change management expertise will ensure regular staff communication and engagement.
Letting opportunities for ATC not realised	Works to be undertaken on a phased basis.

9. FINANCIAL IMPLICATIONS

- 9.1 The financial implications are set out in the body of the report, explicitly within section 6. The business cases propose invest-to-save projects totalling £4,459,000, aimed to positively contribute to the Council's MTFP with an estimated net ongoing annual benefit of £1.154m.

10. ENVIRONMENTAL IMPLICATIONS

- 10.1 Climate and sustainability is one of the four key drivers of transformation and meeting national and local targets to reduce emissions and support nature will require changes to the way we use resources and deliver services. The business cases will ensure a clear strategic focus on future environmental sustainability of the council by enabling customers to contact us differently, staff to work in different ways and making better use of our assets.

11. EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 A change impact assessment is included in Appendix A and a detailed equality and diversity impact assessment will be undertaken as plans emerge to understand and mitigate any adverse impacts to customers and staff of service delivery changes.

12. DATA PROTECTION IMPLICATIONS

- 12.1 None arising directly from this report. Changes impacting the collection and use of personal data will be appropriately assessed and taken under advisement of the Council's Information Governance team.

13. EMPLOYEE SIDE COMMENTS

- 13.1 None received.

14. RESOURCES AND TRANSFORMATION OVERVIEW AND SCRUTINY PANEL COMMENTS

- 14.1 The Resources and Transformation Overview & Scrutiny panel provided feedback on the report which included comments on the importance of an asset strategy and better utilisation of Appletree Court, retaining our workforce talent through retraining and redeployment of staff and support for improved customer technology providing residents with a more consistent experience. Consideration was given to the change in Government and the need to keep the impact of emerging policies under review. The panel supported the recommendations and the role of the panel in monitoring delivery of the transformation programme was recognised.

15. PORTFOLIO HOLDER COMMENTS

- 15.1 **Leader:** This report and the two business cases brings together extensive work over the past year to set out an exciting and clear direction for the council and I am pleased to see this ambitious but proportionate response to a future way of working that has been specifically focussed around our customers and designed to suit the needs of this council.
- 15.2 The proposals put our customers are at the heart of our transformation programme making it as easy as possible for our residents to interact with us in an efficient and effective way and in a method that suits their needs. The investment in technology and the redesign of processes will also make it easier for our staff to undertake their roles in a modern and joined up way. Making better use of our assets and accommodation is a key theme of our transformation objectives and the proposals for responding to the underutilised accommodation at Appletree Court provides a commercial opportunity for revenue generation.
- 15.3 The invest to save basis of these proposals shows our commitment to transforming the way we do things with an emphasis on financial responsibility to ensure the sustainability of the council, prioritising our customers and residents, recruiting and retaining great people by being an employer of choice and making the best use of our assets and accommodation.
- 15.4 As Portfolio Holder and Leader of the Council I am happy to support this report.
- 15.5 **Portfolio Holder – Finance and Corporate:** As Portfolio Holder for Finance and Corporate I am happy to support this report and the two proposed business cases.

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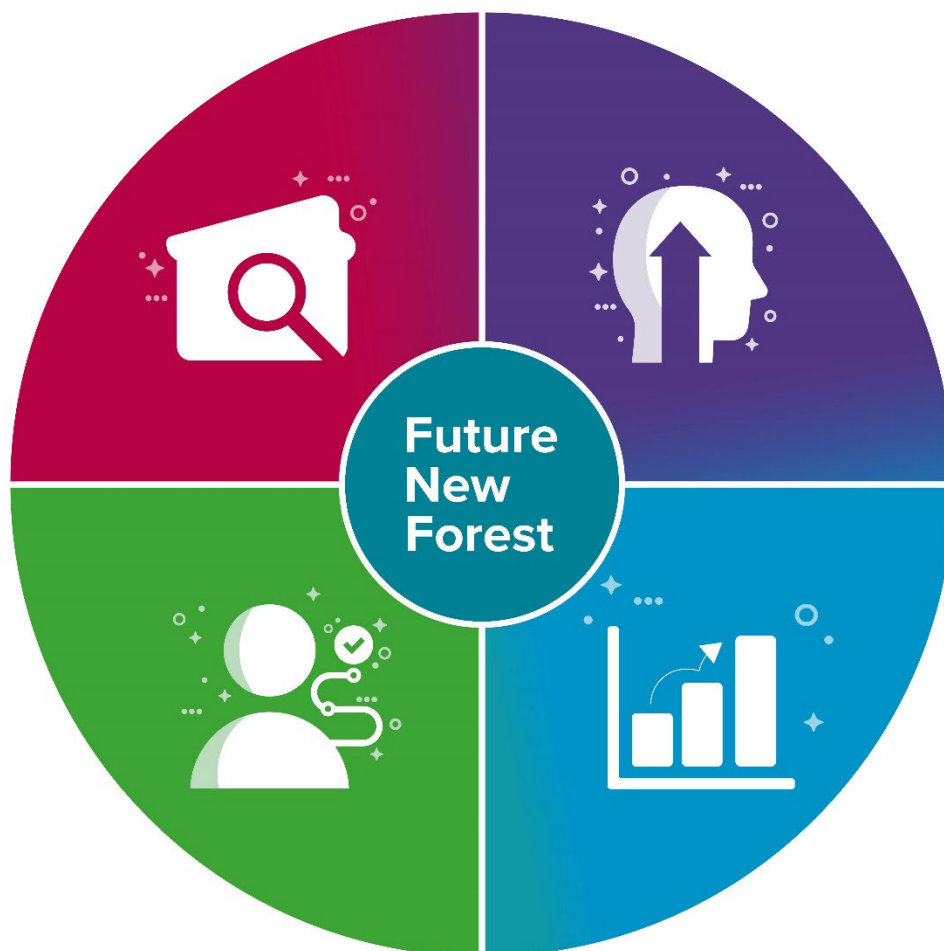
Background Papers:

Cabinet 6 December 2023 -
Transformation Strategy

Cabinet 6 September 2023 – Feasibility
Study to deliver Long Term Value from
Appletree Court, Lyndhurst

Future New Forest

Customer & Digital Services (including Organisational Design) Business Case



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1. Introduction

1.1. Purpose

This business case has been developed following New Forest District Council's (NFDC or 'the council') adoption of a new transformation strategy at the Council meeting on 6 December 2023. The business case inherits the vision and objectives of the transformation strategy and assesses how different options for transformation might deliver those objectives.

The goal of the business case is to collect, analyse and present enough data and insight to enable the council to select a preferred option, with sufficient confidence in the costs and benefits to approve the necessary funding. It is a sample-based exercise, built on our extensive work with you over the last 15 months, to develop evidence and test justification for a course of action.

The business case will shape the Future New Forest programme structure and plan, but it does not define, or seek to quantify in detail, every workstream and task involved in delivery. Once approved, the business case enables the organisation to mobilise the programme and get into action.

This business case has been drafted by Ignite Consulting Ltd and reviewed and approved by NFDC in line with the [version control table](#). References to 'we', 'us' or 'our' in the document means Ignite rather than NFDC.

1.2. Executive summary

This business case is part of a strong golden thread from the council's Corporate Plan and the transformation strategy that supports it (see section 2.1). It is based on a very strong evidence base, covering a comprehensive range of datasets, developed with NFDC in a series of work packages over the last 18 months (section 2.2).

The purpose of the business case is to assess whether there is justification for investing in significant transformation across the council, including the extent to which it contributes to the requirements of the MTFP and the financial target for the transformation strategy.

While any business case has an overt financial focus, this one also assesses the extent to which the proposed transformation programme could address the customer and staff outcomes expressed in the transformation strategy (section 3.3.6).

Following significant engagement with staff across the organisation, in both this phase of work (section 3.2) and the preceding engagements, a series of options for the future organisational design of the council were developed based on the evidence base and strategic outcomes sought (section 3.3).

The Executive Management Team (EMT) assessed the financial and organisational consequences of these options over a series of four co-design sessions in March and April 2024.

This process resulted in the development of a future organisational design for the council (section 3.3.4) that seeks to balance all the considerations that are important to NFDC – financial, cultural, technological and customer feedback.

This future organisational design will leverage new technology, service and process redesign as well as changing the way the council's teams and roles are structured in order to improve the efficiency and effectiveness of the organisation.

The successful implementation of this design will provide the opportunity to identify and release annual net financial benefits in the region of £0.9m (section 3.3.5) in return for an estimated delivery cost of £2.1m (section 3.3.7), of which £0.8m is considered by EMT to be required irrespective of transformation in order to replace outdated systems and maintain service delivery. This represents a payback period of just over four years, or three years if the £0.8m of essential investment is excluded (section 4.1).

Notwithstanding this financial return on investment, the preferred option of EMT does not fully meet the target set for the transformation strategy within the context of the MTFP. There will be a need to identify additional strategies to support the delivery of the required savings.

To support the identification of additional savings, we refreshed the spend analysis we first conducted in October 2022 using the council's latest revenue outturn data. This enables us to benchmark NFDC's spend with its comparator group of councils (section 3.2.4). We used this analysis, along with your contract register and budget data, to assess the potential for spending reductions.

This analysis has identified some areas where further consideration should be given but they are likely to be challenging to deliver. As a result, they are considered more likely to be medium- to long-term savings opportunities and potentially outside the horizon of the current MTFP.

The delivery of the preferred design option, as part of the wider transformation strategy, will be challenging for the council. It will require strong leadership support (section 5.1) and an integrated and effective governance architecture (section 5.2), both of which will need to maintain a clear and consistent focus on the strategy, its target outcomes and the programme delivering them.

2. Context

2.1. Strategic context

In December 2023 the council's Cabinet considered the new draft Corporate Plan 2024 to 2028 and the transformation strategy covering the same period.

The Corporate Plan is the single most important strategy that shapes the way the council works and defines its ambitions. In doing so it brings together strategic and service objectives, helping the organisation to work towards the same vision, values and priorities.

The three priority themes of the Corporate Plan 2024 to 2028 (People, Place, Prosperity) are all underpinned by the transformation strategy and the Future New Forest transformation programme that will be developed in response to the strategy.

The vision for Future New Forest is: "Investing in our people and services to meet customer needs, protecting the council's financial position, and embedding sustainability through our Future New Forest transformation programme."

Future New Forest also plays a key role in the delivery of the Medium-Term Financial Plan 2023 to 2027 (MTFP), which established cumulative savings targets of £1.25 million for the general fund and £500k for the housing revenue account arising from the transformation programme.

This business case sets out options for the delivery of the financial benefits but also supports delivery of all four Future New Forest strategic outcomes, as shown in Figure 1 below:

Strategic outcome	How will the investment outlined in the business case support delivery of this outcome?
Putting our customers at the heart of what we do	<ul style="list-style-type: none"> ✓ By investing in technology such as customer relationship management we will be able to keep customers informed on progress and instil confidence in service delivery. ✓ By investing in our data tools and skills we will be able to understand our customers better and meet the needs of our diverse communities. ✓ By increasing the number of services available online, whilst maintaining telephone and face-to-face contact for those who need it most, we provide customers options to access services at the time which best suits them.
Being an employer of choice	<ul style="list-style-type: none"> ✓ By redesigning inefficient processes and investing in technologies to automate steps where appropriate, we will create capacity to respond to rising demand without overburdening staff. ✓ Investing in new tools and technologies will also mean investing in skills development and training to use them.
Being financially responsible	<ul style="list-style-type: none"> ✓ By redesigning inefficient processes and investing in technologies to automate steps where appropriate, we will create opportunities to reduce costs. ✓ By remodelling parts of the organisation, we will create opportunities to reduce costs and build resilience.
Designing modern and innovative services	<ul style="list-style-type: none"> ✓ By replacing outdated, poorly performing systems we will enable the design of modern, digital services. ✓ By standardising and applying common design patterns and digital capabilities across the council we will design more consistent and usable services.

Figure 1: Strategic alignment of the business case

2.2. Existing arrangements

The preparation for this business case has involved extensive engagement with staff and customers to understand NFDC's current ways of working. We have:

- analysed customer demand across the range of services and channels currently available (phone, face-to-face, email, web)
- conducted more than 4000 customer surveys as well as a series of focus groups, see Appendix 1: Summary of customer research
- held 10 workshops with staff looking at a cross section of council services.

This in-depth research and analysis provided a clear picture of how NFDC works today, and this is illustrated in Figure 2 and summarised below.

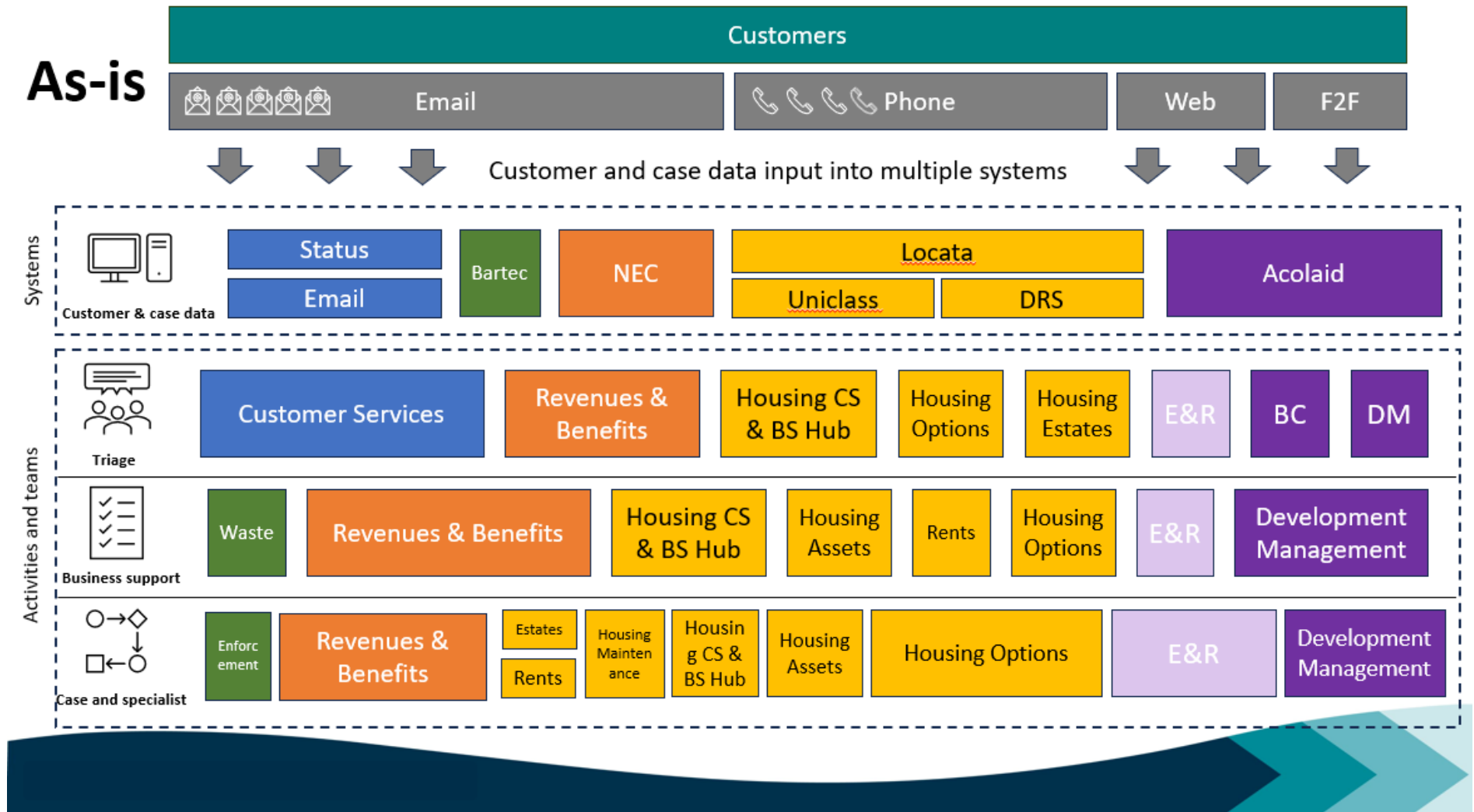


Figure 2: Diagram illustrating current NFDC structures and ways of working

Phone and email are main channels

Phone and email are the main channels used by customers currently.

There are multiple published email addresses and phone numbers for customers to use. This sometimes results in misdirected calls and emails because customers are confused or reluctant to spend time finding the right route in.

E-forms create emails not cases

Most e-forms generate emails rather than creating cases in line of business systems. This means that data provided by customers in e-forms is usually manually re-keyed by staff into other systems. This is wasted effort and increases the risk of data errors.

There is a very basic Customer Relationship Management (CRM) system, Status, that is used to log a range of service requests via e-forms or by customer services staff. Cases are not managed through this system, they are sent to service teams via email and Word documents. The Word documents created by Status use an outdated Word format that is not supported by some council devices, resulting in manual effort to convert and open them. Status is not fit for purpose because it benefits from little, if any, product development and is increasingly unlikely to meet modern standards regarding system maintenance, design and security.

Some e-forms are built in Status whilst others are built using Verj.io (formerly ebase). These forms are generally better designed and have richer functionality but, again, most simply generate emails. The biggest user of Verj.io forms is the revenues and benefits service. This team has managed to integrate one Verj.io form with the NEC revenues and benefits system, to remove the need for rekeying, but the effort and time this took was significant, and external technical consultancy was required.

There are also e-forms developed using other technologies such as Microsoft Forms, eg for damp and mould reports.

Case management via email

Email is currently central to the management of case work across most NFDC services. This causes the following problems:

- Customers can email most services direct, rather than using a form and this means they choose what information to include and often miss important details. This results in additional emails back and forth to fill in gaps.
- Once emails arrive, they are commonly forwarded to multiple NFDC individual and group mailboxes. Staff do not know who is owning the enquiry, so it is common for staff to reply-to-all. This results in a proliferation of emails and it is not unusual for staff mailboxes to fill up so no more emails can be received.
- There is no easy way to know the status of a case which is being managed via email. Managers cannot 'see' the case via reports or dashboards and therefore performance issues and bottlenecks are often invisible until customers chase or complain. Customers have no visibility of their case and no means of tracking progress, resulting in more calls and emails.

Silo-ed teams, systems and data

Phone calls are managed by multiple teams using the Enghouse Interactive TouchPoint contact centre management software.

Customer Services handle calls for waste and a mixture of other services but calls for revenues and benefits, housing and much of environment and regulation and planning and building control are directed to hubs or mini contact centres hosted in those services. In total there are 8 separate contact centres for external customers, plus the ICT service desk.

Most contact centre teams will create cases directly in line of business systems and/or email details to colleagues. Some of those line of business systems are old, perform poorly or are not meeting business needs, eg Uniclass and DRS which are used to log and schedule housing repairs.

Business support teams are likewise located with the service they support. Having multiple customer and business support teams aligned to each service gives service managers a high degree of control over their resources but you are less able to benefit from economies of scale.

The vertical, service-based approach causes the following problems:

- Inconsistent service levels for customers of different services, eg tenants can call to report a housing repair from Monday to Friday but the housing options line is only open on three days, and not for the full working day.
- Smaller teams lack resilience and the loss or long-term absence of 1 or 2 important individuals can have a disproportionate impact on service levels.
- It is difficult to analyse demand across channels and services because data is recorded differently or not at all. This is a barrier to effective channel shift initiatives.
- Customer data is stored in a fragmented fashion in multiple systems and customers get frustrated when they must repeat information they have already provided. Further, staff handling customer calls do not have a fully rounded picture of the customers' history, needs or circumstances.

Legacy ICT challenges

Historically systems have been chosen based on individual service needs without regard to strategic factors such as interoperability, common data standards or digital design principles. At times services have felt compelled to go their own way due to a lack of ICT resources at the centre to provide enterprise architecture, business analysis and project management support.

Steps are being taken to shift to a more strategic approach but the legacy of the service-driven approach is a set of ICT challenges including:

- Patchy digital services with fully digital services in some areas (eg housing applications) and gaps in others (eg rent accounts).
- Duplicated spend on the same digital capability, eg multiple e-forms platforms.
- Inconsistent customer experience across services as shown in Appendix 2: Examples of e-forms driven by different technologies.
- Different solutions to similar problems, eg some services have a dedicated customer portal just for that service while others are waiting for a corporate solution.
- Outdated systems such as Status, Acolaid and Uniclass that cause operational difficulties and/or are not being developed by the supplier, with limited resources to support implementation of replacements.
- Some systems have the capability to integrate and share data in real time (eg Bartec) whereas others are more limited and rely largely on transferring flat files due to the need for multiple integrations (eg Locata).

2.3. Scope

The transformation strategy covers four strategic themes:

- Customer and digital services
- People and capabilities
- Assets and accommodation
- Finances and delivery

For full details of what each of these areas of scope include see Appendix 3: Future New Forest scope.

In developing this business case, we were asked to treat assets and accommodation as out of scope due to work already underway to develop an asset strategy. For the other three themes, some of the strategic objectives were more of a focus than others when developing the business case. Figure 3 below lists all 12 transformation strategy objectives and shows whether they were:

- **Directly in scope** – the options explored in the business case will impact the delivery of these objectives and we have considered this when assessing options. For example, in relation to objective F1, different options will be more or less likely to deliver the MTFP targeted savings.
- **Indirectly in scope** – the options explored in the business case will impact the delivery of these objectives, but we have not gathered data or formally assessed this. For example, in relation to objective P2, different options will require different levels and types of skills development and training, but we have not considered this in detail.
- **Out of scope** – none of the options relate to or address these objectives. This applies to all three assets and accommodation objectives.

As discussed in section 1.1, the business case is a sample-based exercise and the council agreed the scope of council processes to review (see section 3.2.2) to gather data to inform the potential efficiency savings available. We provided a list of candidate processes from which the council selected the sample.

transformation strategy Objective	Directly in scope	Indirectly in scope	Out of scope
Objective C1 Our customers will be at the heart of our digital-by-design approach	✓		
Objective C2 We will use data and insight to plan services, manage performance and direct our focus for transformation	✓		
Objective C3 We will have the right systems, processes and devices to ensure work can be done in the right place, right time and the most efficient way	✓		
Objective P1 We will ensure our values, behaviours and culture are aligned and support the future organisation		✓	
Objective P2 We will invest in our people to ensure we have the skills, experience and equipment that we need		✓	
Objective P3 We will ensure the work is done in the right way in the right place, reviewing roles and structures as necessary	✓		
Objective A1 Our assets will support efficient and effective delivery of our future service provision			✓
Objective A2 We will continue to challenge our asset portfolio to reduce environmental impact and enhance their financial contribution			✓
Objective A3 Our accommodation will meet the needs of our staff, customers, culture and ways of working			✓
Objective F1 Through transformation, we will deliver agreed levels of savings in line with MTFP targets and council priorities	✓		
Objective F2 We will adopt a more commercial mindset, open to innovative service models and guided by strategic priorities		✓	
Objective F3 We will shift to a more empowered and accountable, less top-down, management culture		✓	

Figure 3: Scope of business case in relation to transformation strategy objectives

2.4. Objectives

Any spending decisions must be backed up with SMART (specific, measurable, achievable, relevant, time-bound) investment objectives, and the selected option should be the one most likely to deliver those objectives. The council has a range of measures already defined which are relevant to this business case; these are listed below with their source and notes on how they might be made SMART-er.

Customer and digital services

We will achieve a resident survey average satisfaction score of 3.5 or higher (out of 5) for the question 'How do you rate the quality of digital services at the council?'

Source: Corporate Plan 2024-28

Note: This objective could be improved by specifying the timeframe for achieving the score. The council could also consider capturing this data via real-time feedback from users of digital services rather than periodically via the resident survey.

People and capabilities

Percentage staff turnover.

Source: Corporate Plan 2024-28

Note: This objective could be improved by specifying the target percentage (either as a number or in terms of a reduction over time). The timeframe is also relevant since transformation can result in an initial increase in staff turnover whilst changes are made before stabilising. However, because staff turnover is affected by many factors this may not be the best measure of the success of the chosen transformation option. An alternative would be to consider a specific measure around the development of new skills eg digital and change skills.

Finances and delivery

£1.25m annually recurring savings from the general fund and £500k annually recurring savings from the housing revenue account delivered by April 2027.

Source: Medium Term Financial Plan, Cabinet 21 February 2024

2.5. Risks of not transforming

The risks associated with implementation are discussed later in this document. This section discusses the risks of not pursuing any of the options in the business case.

The council identified a need for transformation via a report to Cabinet on 5 October 2022 and this was reinforced through the adoption of the transformation strategy in December 2023. The transformation strategy explains the drivers for change and the risks of not getting into action are detailed in Figure 4, linked to each driver.

Driver for transformation	Risk of doing nothing
Modernising Services	NFDC could continue with a service-centric approach to developing new and improved digital services to meet current and future customer needs. The risks of this approach are: <ul style="list-style-type: none"> more re-work, as similar problems are solved in isolation, service-by-service.

	<ul style="list-style-type: none"> • duplicated investment, as each service seeks its own vertical solution resulting in multiple customer portals, multiple e-forms platforms, multiple data analytics platforms. • fragmented customer experience, as customers have to register with multiple portals and use digital services that all look and feel different.
Financial Constraints	The transformation programme has a £1.75m target to achieve within three years. If none of the options in the business case are chosen there will be a delay while other approaches to closing the budget gap are sought, risking failure to achieve the savings in the target timeframe.
Capacity and Capability	<p>If demand is not better managed and efficiencies are not found, there is a risk that staff in areas of high demand may leave the organisation.</p> <p>The evidence gathered to support the business case shows that there is a lack of empowerment and a risk aversion in NFDC's culture that frustrates some staff and slows progress. There are recruitment challenges and skills gaps. If the council cannot agree on a transformation option there is a risk that there will be little cultural change and limited opportunities to invest in new skills. This could make the council less attractive to future, younger workers as the current workforce ages and retires.</p>
Climate and Sustainability	Sustainability cuts through the whole organisation and must be 'designed in'. Without transformation, there is a risk that changes are piecemeal and superficial.

Figure 4: Risks of not transforming aligned to transformation drivers

3. Options analysis

3.1. The transformation continuum

Any organisation considering fundamental transformation will be faced by choices. There is always more than one response to the drivers for change. Councils consist of a wide range of service teams and need to consider whether they want change to be led at a service level or an enterprise, or whole-council, level. This is not a binary choice but a continuum, and the council needs to decide where it wants to aim on this continuum.

Figure 5 illustrates the idea of the transformation continuum and outlines some of the possible implications of positioning the organisation towards the service-led end or the enterprise end of the continuum.

There is no right or wrong answer to where the council wishes to place itself, but the choices it makes will impact the investment required, the benefits that can be achieved and the challenges faced during implementation.

We used the transformation continuum as a framework for developing and discussing design options for NFDC with the Executive Management Team (EMT) in four co-design workshops held in March and April 2024.



- Customer contact more likely to be handled in service
- Customer service standards may differ across the organisation
- Digital services will look and feel different without very strong standards
- Less need to tackle complex technology and data silos but duplicated investment
- Driven by service-specific technology
- Scope for savings constrained by service boundaries
- Less structural change required
- Harder to build resilience
- Can be easier to gain manager/ staff buy-in (less cultural change)

- Customer contact more likely to be centralised
- Consistent approach and standards for customer service
- Digital services use standard capabilities and same look and feel
- Higher complexity of resolving legacy technology and data silos
- Driven by fewer enterprise tools with common capabilities
- Greater scope for savings
- Greater need for structural changes
- More opportunities to build resilience
- Bigger 'sell' to the organisation

Figure 5: The transformation continuum

3.2. Development of options

3.2.1. Activity analysis

The purpose of the activity analysis was to:

- understand the time spent on different activities across the whole council.
- understand how different roles are involved with similar activities or processes.
- categorise the different types of activities to inform conversations about organisation design options.

Activity analysis provides a council-wide evidence base **built by NFDC staff** showing how time is spent on key activities, processes and customer journeys.

Representatives from all NFDC teams were provided with templates to complete, shown at Appendix 5: Activity analysis template. These templates were pre-populated with activities relevant to their service and they had the option of adding additional activities where required. Every activity was mapped to one of 17 activity types, which form the basis of the analysis, explained in Appendix 6: Activity types glossary. The rest of this section uses these activity types throughout so it is advisable to review the glossary to understand what each involves.

A summary of the activity analysis is provided in Appendix 7: As-is activity summary. At a very high level, we made the following observations based on the data gathered:

- Leadership and management is lower than average – normally 7-8%
- Triage is higher than average – normally 10-11%
- Mobile business support is lower than average – normally 6-7%
- Business support and case management together are higher than average – normally 18-19%
- Specialist is higher than average – normally 15-20%

These and other insights and analysis were used during four co-design sessions with EMT to identify and discuss a range of future organisation design options, described in section 3.3.

3.2.2. Process analysis

The purpose of the process analysis was to demonstrate, using a sample cross-section of council processes, that there are genuine opportunities to deliver transformation outcomes through the redesign of council processes. This evidence base was then used, in conjunction with the activity analysis dataset, to inform benefits estimations associated with the design options explored in section 3.3.

In November 2022 we carried out a demand review and a range of customer journey assessments. This exercise highlighted council teams with high demand processes that may benefit from a review of effectiveness and efficiency.

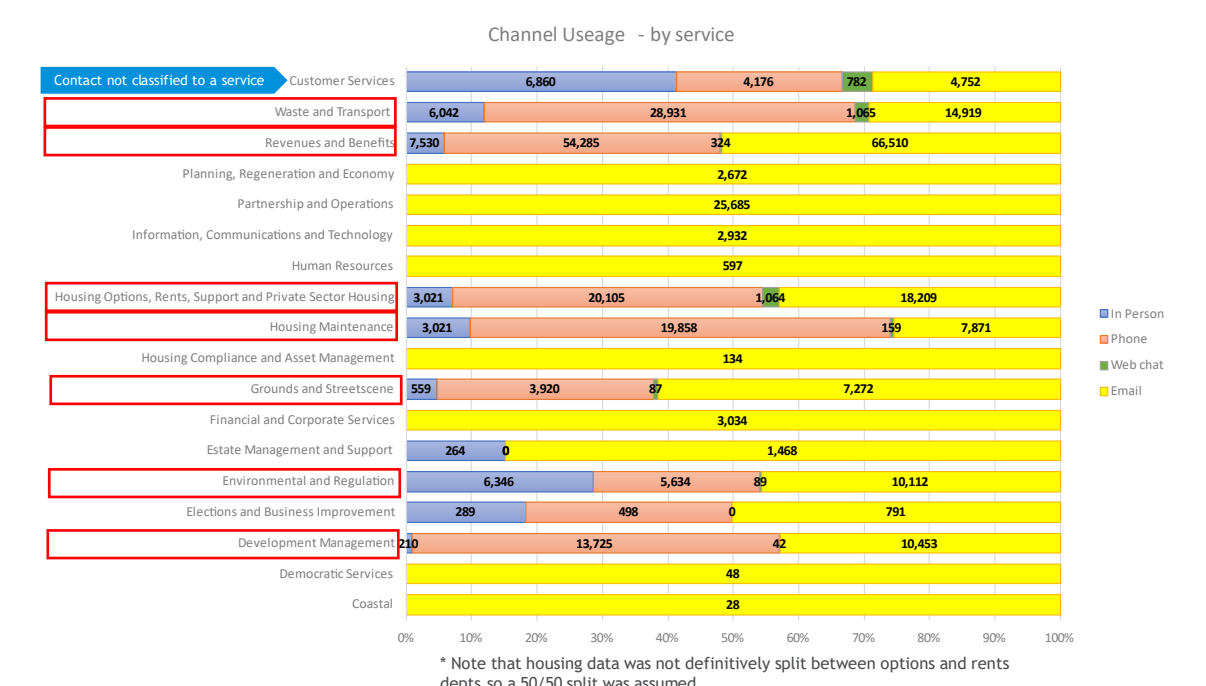


Figure 5: Demand review summary: channel usage by service

We used this data to propose a list of potential processes for review from which NFDC selected ten high demand services for process analysis:

- Report a missed domestic bin
- Report a Council Tax change of address
- Enquire about Council Tax
- Enquire about and pay rent
- Apply for the housing register
- Report a housing repair
- Report a fly-tip
- Apply for a taxi driver licence
- Apply for planning permission
- Apply for a job (recruitment end-to-end process)

We assigned a design pattern to each process that was used as a basis to review the main stages of service delivery and identify staff and customer pain points across all the process stages.

The application of design patterns also enabled the identification of common pain points across the range of services and a means to infer that the issue existed more widely across the organisation.

Subject matter experts for each process completed a pre-workshop survey and attended a workshop to discuss the survey outcomes as well as providing detail for the process stages. Pain points were identified and captured. Where a solution to a pain point had already been identified, this was also captured.

154 improvement opportunities were identified and assigned benefit categories. Some opportunities were linked to more than one benefit category. Opportunities by council department and their benefit category are shown in Figure 7 below:

Service	Cashable benefit potential		Non-cashable benefits		
	Staff capacity release	Non-staff budget saving	Improved customer experience	Improved service effectiveness	Shift activity
Business Support & Customer Services (Housing)	15	1	16	3	0
Development management	13	1	1	2	3
Finance	2	0	0	0	0
Grounds & Street Scene	9	0	3	7	1
Housing Register	10	0	10	3	1
Housing Rents and Support	2	0	1	1	0
Human Resources	12	0	21	5	2
Licensing	10	0	9	2	1
Revenue and benefits	16	1	11	3	1
Waste operations and administration	6	0	8	3	0
Grand Total	95	3	80	29	9

Figure 6: Summary of opportunities uncovered in process workshops, by category and team

Where an opportunity was categorised as potentially cashable, we met with staff who were involved in the delivery of the business process to capture metrics that would allow us to calculate the potential time and cost saving.

For staff capacity release opportunities metrics were captured for:

- Transactional volumes of service requests or enquiries, as appropriate.
- The potential estimated time saving for the step or stage of the process that realisation of the opportunity would impact.
- The type of activity being undertaken, aligned with the activity types captured in the activity analysis exercise.
- The extent to which the opportunity could be delivered in the first 12 months of operation.

For non-staff budget savings metric were captured for:

- The unit being saved. For example, printing, mileage.
- The number of estimated units that could be saved if the opportunity benefit could be realised.

Non-staff cost savings were found in three service areas totalling an estimated **£15,000pa**.

Staff capacity release savings equating to ~**5.6FTE** of effort at a nominal value of **£203,000** were identified and estimated.

The chart below shows the size of staff capacity and non-staff budget savings estimated:

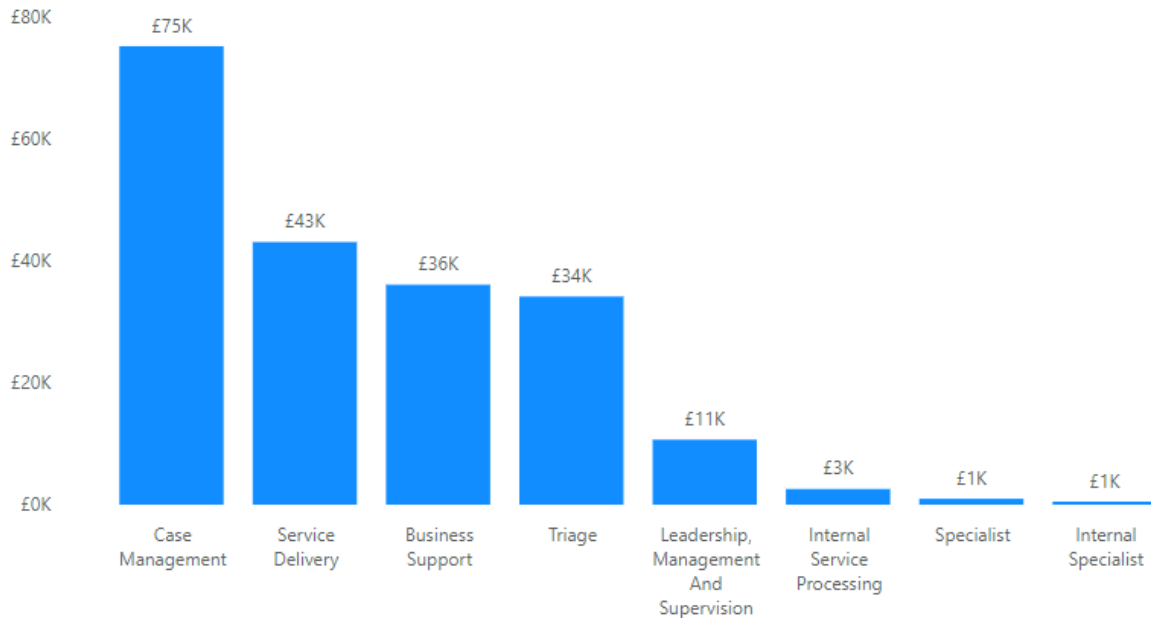


Figure 7: Breakdown of benefit by activity type

3.2.3. Technology assessment

As outlined in section 2.2, the council's past technology choices have been service-led without a strong strategic framework, leading to inconsistent decision-making. **If the council wants to move away from being at the service-led end of the transformation continuum, it will need to invest in enterprise digital capabilities.** By enterprise capabilities we mean digital solutions that can be applied across a range of services to create standardised digital services and processes and joined up views of data.

Through the process analysis workshops, combined with meetings with the council's data, development and delivery manager, we developed a view of the council's current technology transformation capabilities. Figure 9 and Figure 10 below summarise and explain this view.

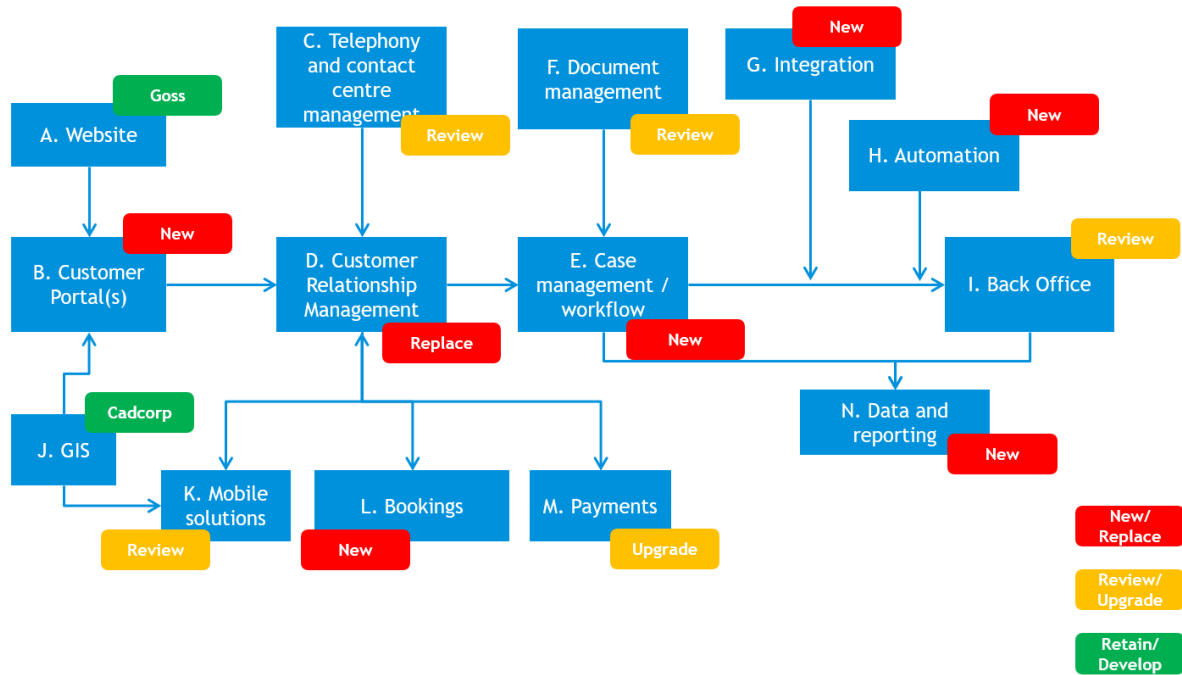


Figure 8: High level digital transformation capabilities map

Capability	Recommendation	Rationale
A. Website	Retain Goss CMS	The GOSS content management system (CMS) is used to manage the council's website. It is a widely used platform in local government and we saw no evidence that it needs to be replaced. A caveat to that recommendation is that there are suppliers of customer relationship management (CRM) solutions that include a closely integrated CMS, and if the council were to choose such a solution it may be worth considering a change.
B. Customer portal	Invest in new corporate solution	The council has some service-specific customer portals, eg the Locata platform provides a portal for people to apply to join the housing register and bid for properties. However, there is no overarching customer account and portal to provide customers with a view of their accounts and cases in one place. This is a key gap.
C. Contact centre management	Review current Enghouse solution	The council's current solution from Enghouse is adequate but there are more powerful solutions available which would provide additional capabilities to manage demand across channels and encourage adoption of digital channels.
D. Customer relationship management	Replace Status with modern solution	Status is not fit for purpose and it is essential that it is replaced. Modern CRM platforms will provide significantly greater capabilities and a much better customer experience.
E. Case management	Invest in new corporate solution	Various line of business applications hold case data currently but few have a concept of workflow guiding the case management process, few cases can be tracked by the customer online and many requests are managed via email. A corporate case management solution would enable a far higher proportion of case types to be managed digitally from end-to-end and tracked online.

Capability	Recommendation	Rationale
F. Document management	Review document management solutions	Every service has its own approach to managing documents and it will be difficult to shift to a single solution across the council. A pragmatic approach is to review document management needs as processes are redesigned and seek to apply a standard set of principles, using different technologies.
G. Integration	Invest in new integration capabilities	One of the most common causes of inefficiency and silo-ed working is the lack of integration between different systems. The council will need to enhance its integration capabilities, although this may be possible with tools and capabilities introduced through D and N rather than investing in a dedicated integration platform.
H. Automation	Invest in new automation capabilities	Automation will be another key driver of efficiency. The council has some existing automation capabilities through its Microsoft 365 E5 licence, ie the Power Platform. However, these capabilities are limited and to automate processes driven by line of business applications will require investment in new automation modules from existing suppliers.
I. Back Office	Review selected back-office systems	The council has already identified a number of systems for replacement eg the regulatory services and housing repairs systems. In replacing these, careful consideration should be given to how new systems will interact with the enterprise digital tools and capabilities.
J. GIS	Retain Cadcorp	Whilst there may be a need for additional GIS skills, we saw no evidence that Cardcorp needs to be replaced.
K. Mobile solutions	Review current capabilities	There are some limited mobile working tools currently in use and it is likely that enhanced mobile working capabilities will be introduced as a result of other investments, eg a new housing repairs system and an enterprise case management solution. A pragmatic approach is to review mobile working needs as processes are redesigned and seek to apply a standard set of principles, using a mix of service-specific and enterprise capabilities.
L. Bookings	Invest in new booking solution	The council has no corporate booking solution currently. This is a key gap.
M. Payments	Upgrade existing solutions	The council has recently upgraded the online payments solution but there are older elements of the overall payments architecture which need to be upgraded.
N. Data and reporting	Invest in new enterprise data solution	The council has no data warehousing solution to enable data from multiple sources to be loaded, cleansed, transformed and matched. This is a key gap assuming the council wants to create a more joined up data architecture to support a master data management (MDM) approach to underpin data-led decision making. MDM involves creating a single master record for each person, place, or thing in a business.

Figure 9: Explanation of technology capability recommendations

The capabilities described in Figure 9 and Figure 10 are not the same as individual systems or solutions. For example, B, D, E, F, G, H, K and L might all be delivered, wholly or in part, by a modern digital platform such as Microsoft Dynamics, Netcall Liberty Create or Jadu Connect.

In addition to investing in new capabilities to enable transformation, **it is likely that the council will need to invest in key enabling and digital skills** such as:

- Project management
- Business analysis
- Data analysis and engineering
- Data integration

The current ICT team has some capacity and capability in these areas but more will be required to deliver a programme of technology-driven process improvement.

3.2.4. Spend analysis

Redesigning business processes can save time and release capacity, creating choices about how much of that capacity to release as cashable benefits, ie by reducing the size of the staff establishment. However, that is only one approach to delivering financial savings. If the transformation programme is to achieve the MTFP target savings, all potential approaches need to be considered. One of these is through challenging the asset portfolio to enhance its financial contribution (transformation strategy objective A2), however this work was outside of our scope. Another approach is by examining budgets across the council to seek opportunities to reduce spend or increase income.

As part of our work we carried out an updated benchmarking review of NFDC spend against its CIPFA nearest neighbour councils, using the latest published revenue outturn data. We also identified and quantified both statutory and discretionary spend against the council's priorities and KPIs as detailed in the Corporate Plan 2024 to 2028.

The detailed results of this work have been provided to NFDC as a separate report, but in the context of this business case it is worth noting that **NFDC's net annual expenditure of £19.6m is significantly lower than the net comparator average of £28.6m**. This difference appears to be due to a combination of genuinely lower spend than similar councils and lower levels of income from fees and charges.

Our report outlines a number of potential areas where the council could consider reducing spend and/or increasing income. Increasing income through fees and charges to bring NFDC closer to its nearest neighbours would require Member approval but does not entail significant organisational transformation. Reducing spend where there is not currently a strong alignment between the council's Corporate Strategy and/or Key Performance Indicators is likely to be more challenging without significant engagement with Members and community stakeholders. **This means that efficiency savings combined with increased revenue from assets and fees and charges are the most likely ways of achieving the MTFP targets in the short to medium term.**

3.3. Options, costs and benefits

Using the evidence base developed from the activity analysis and process analysis, we ran three co-design sessions with EMT on 5 March, 26 March and 16 April 2024. We used the data gathered in two main ways.

Estimating potential benefit

There was strong qualitative and anecdotal evidence that there were significant opportunities to redesign processes to deliver efficiencies. The process redesign workshops provided us with specific quantifiable examples. We used this sample dataset and combined it with the activity analysis data, which covered the whole organisation, to extrapolate the potential

benefit from process efficiency alone. Our approach is described in Appendix 8: Benefits extrapolation methodology.

The strength of this approach is that it establishes a benefit baseline that is derived from real opportunities identified and quantified by NFDC staff. However, it is acknowledged that there is no exact science to efficiency calculations in a business case context and there are still assumptions and variables in the data. For example, while some staff were confident to estimate the time that could be saved by a specific opportunity (and had data to support this), others had to take a best guess approach.

Developing options for future organisational design

The activity analysis provides a mechanism to explore design options through the lens of activity types, rather than starting with existing team structures. We can look at how activity of the same type is distributed across the organisation, at different levels, as different proportions of different roles. We can then suggest different ways of grouping similar activities and explore the implications of each. Options A to C below were the original options presented to EMT. These options can be seen as moving from left to right on the transformation continuum, with option A at the service-led end of the scale and option C at the enterprise end of the scale.

3.3.1. Option A

Option A (Figure 11) involves changes to channels, processes and systems but **no significant structural change**. This option would involve investing in a new, modern CRM to replace Status and using it to manage enquiries as cases, rather than emailing them around the organisation. Along with improving efficiency within current structures, this would create greater visibility, enable customer to track enquiries and cases that are not resolved on first contact and provide better management information.

The council could also consider investing in an enhanced contact centre management system to provide enhanced functionality to shift customers to online channels. This could enable removal of email addresses from the website and drive customers to use structured online forms instead. **Option A delivers benefits by increasing the range of online services and then strongly encouraging channel shift to ensure customers use them.**

Under option A, the council would continue to manage triage and business support activity via separate teams aligned with each service. As such, it is unlikely that investing in technology to combine customer data across services would offer much value. For this reason, this option does not include investment in master data management (MDM). It is important to acknowledge that some benefits identified in the process design workshops would be difficult to deliver in this case.

Option A would enable the council to deliver **incremental benefits with relatively low organisational disruption**, maintaining service stability whilst modernising services and delivering efficiencies. However, the lack of significant structural changes means that **there would be fewer opportunities to enhance the resilience of services or to realise the financial benefits associated with remodelling staff and management structures**. If the efficiency gains consist of many small opportunities spread across multiple roles and teams which changing structurally it is harder to release them as cashable savings. The most likely approach would be to use staff turnover as the benefit release mechanism, which gives the council less control.

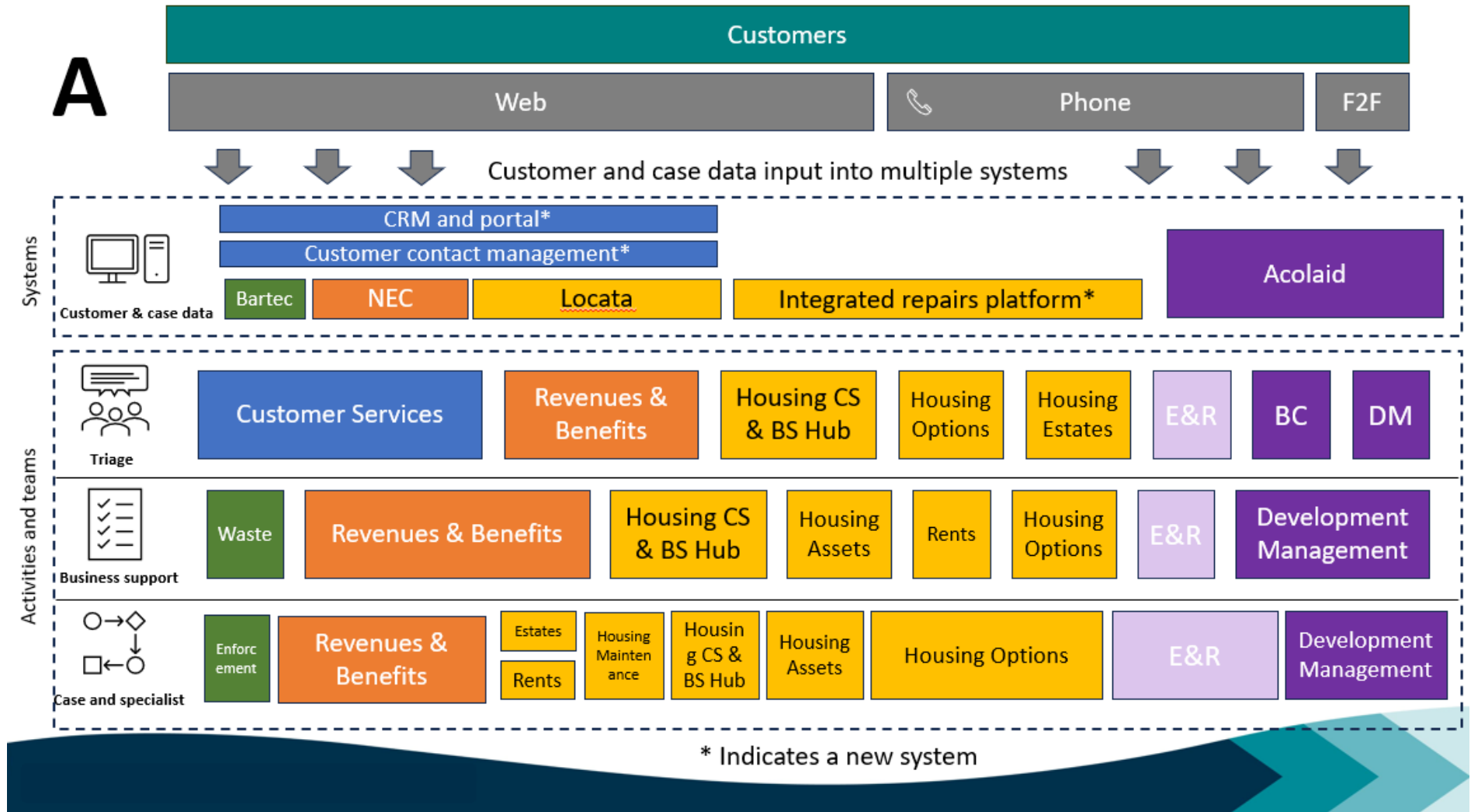


Figure 10: Design option A

3.3.2. Option B

Option B (Figure 12) involves **similar process, channel and technology changes as option A but introduces a degree of structural change as well.**

This option involves two main customer service teams handling the majority of triage activity. One team manages demand for universal services – waste, street scene, environmental, council tax - and a second team serves customers requiring a higher level of support as current tenants or customers in housing need. We have called these two teams the 'Universal' customer team and the 'Supported' customer team.

The advantages of this option include the **creation of two larger teams, creating greater resilience and fewer hand-offs.** Housing options customers would be served by the expanded housing hub, meaning they would benefit from the same access to telephone support as other housing customers. The customer demand that is currently handled directly by the housing estates team would also come into this team.

Under option B we have included investment in master data management, ie aggregating and linking customer data to create more joined up views across services. For the universal customer services team, this would mean creating a joined-up view in the CRM of customer data such as council tax account information, any relevant benefits and discounts, bin collection dates and events (eg contaminated or missed bins) and a view of open and historical cases.

For the supported customer service team, you would seek to create a joined-up view of housing customer data across rents, repairs, planned maintenance, tenancy casework and housing need. This would address the problem housing staff have highlighted that this data is spread across systems and modules, resulting in wasted time spent searching for data and poorer customer service.

All but the simplest enquiries for place services – environment and regulation (E&R), planning and building control - would continue to be directed to those services, but the volumes are lower here. There would also be opportunities to incrementally shift more enquiries for these services to the universal customer team over time. However, this option has a limited scope for master data management, excluding data related to place services.

With option B, we have also assumed that the **business support activities are carried out by the universal and supported customer teams.** For example, most council tax processing would be completed in the universal team with only complex cases being handled outside the team. An example for the supported customer team is that it would handle all validation and initial assessment of housing applications.

The advantage of this approach is that you have **two teams dedicated to managing enquiries, setting up cases, validating applications and resolving simple requests for their respective customer groups.** The culture and purpose of these teams is to resolve as much as possible without hand-offs, freeing up capacity for specialists to focus on complex cases, quality assurance and enhancing performance.

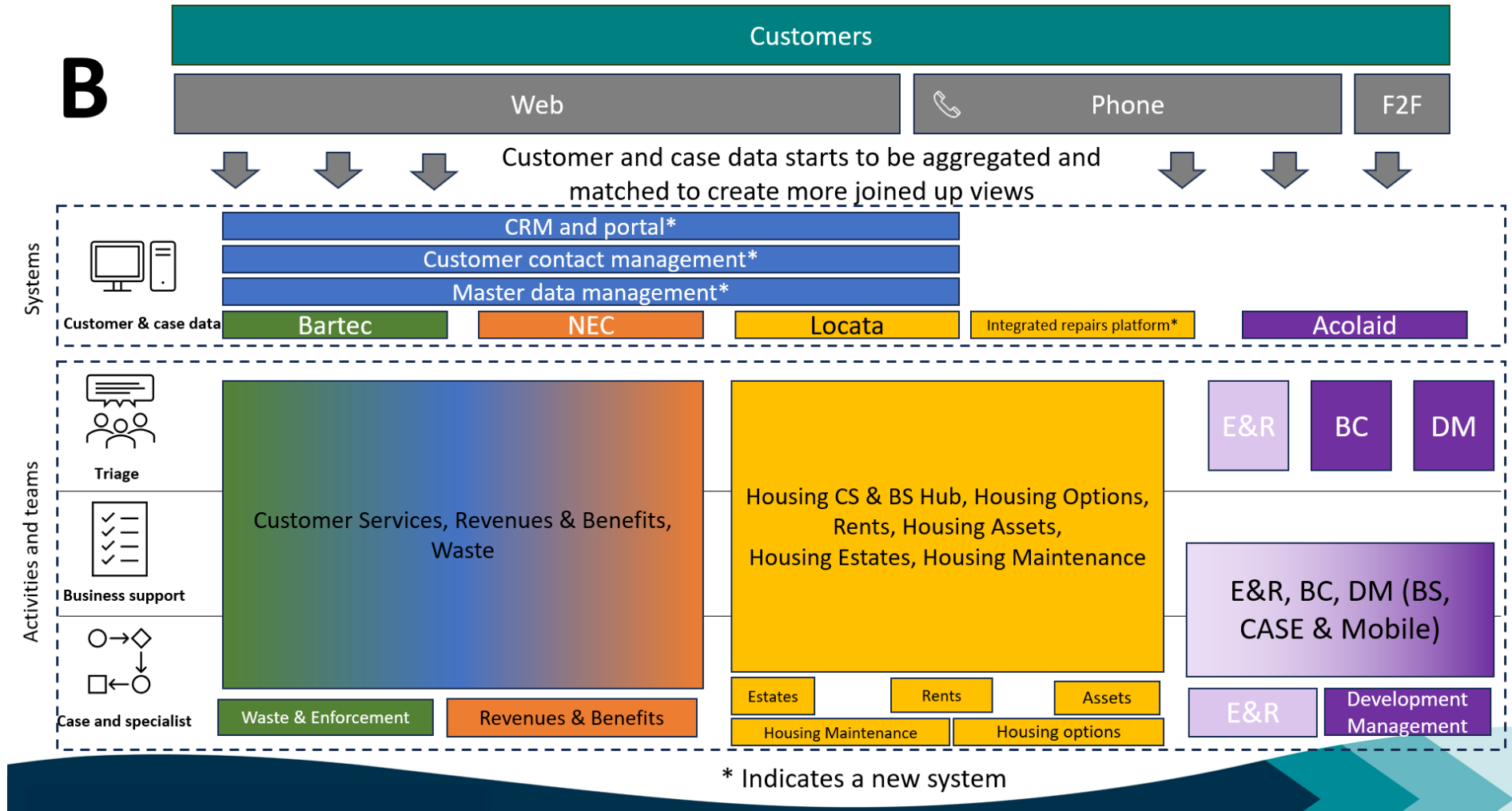


Figure 11: Design option B

3.3.3. Option C

Option C (Figure 13) **goes further in terms of structural change and technology deployment than option B**, although it could also be seen as a natural evolution of that option.

In this option rather than two customer support teams there would be **one single customer service team for maximum economies of scale** and there would be a greater focus on including E&R, planning and building control customer and business support activity.

This option would mean deploying the enterprise capabilities such as CRM, master data management and contact management across the full scope of public-facing services. The scope of the master data management work is wider with a greater onus on joining up data views across most high-volume council services.

Most requests would be logged via the CRM (whether via self-service or by staff) and there would be a greater need for integration between the CRM and line of business systems. This increases the complexity and cost but offers the greatest scope for joined up customer service.

This option also entails **closer aggregation of case and specialist activities in two main clusters**: a people focused cluster covering revenues, benefits and housing and a place focused cluster covering environmental enforcement, E&R, planning and building control. There is the potential to look across the place functions and create **a multi-functional team based out in the district**, carrying out non-specialist inspections, gathering evidence and monitoring and enforcing environmental standards across the district.

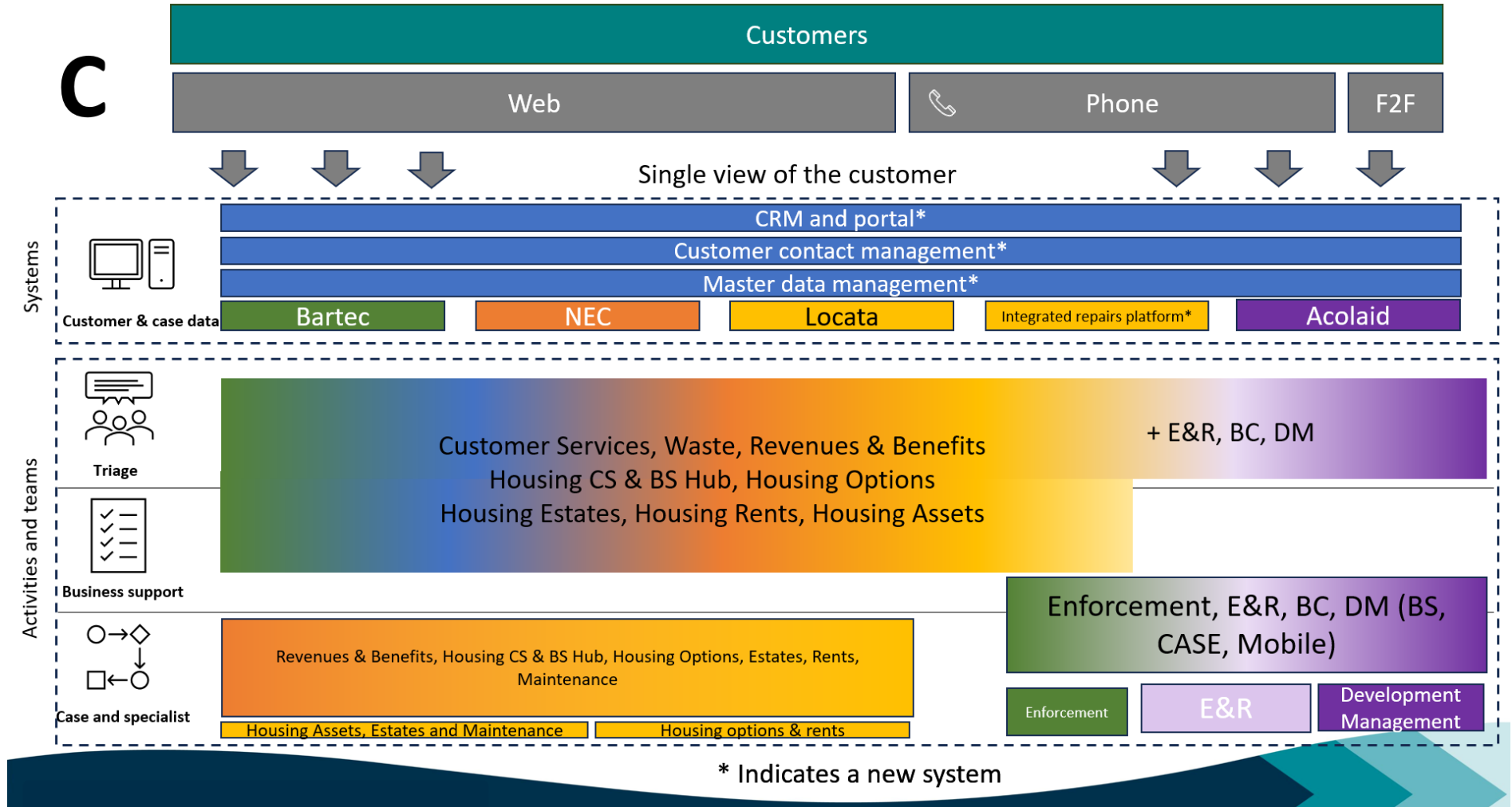


Figure 12: Design option C

3.3.4. EMT feedback and revised option B for NFDC

During the co-design process, EMT provided the following feedback:

- The target position is somewhere in the middle of the transformation continuum, with some structural change.
- Structural change at the case management and specialist level must be balanced with the need to retain in-depth professional knowledge and experience, especially in the context of a challenging recruitment market.
- Supportive of the universal/supported customer split of Option B.
- Elections activity, eg handling elections triage activity, should be considered in scope of the design.
- Keen to see enterprise capabilities applied to all services, including place services, as shown in Option C.
- Preference for a single customer services team, not aligned with business support.
- The customer service offer is likely to be different for different services. For some, eg waste, is should be a 'deep and wide' offer, managing all waste enquiries without hand-offs. For others, eg planning, it would be narrower and shallower, with simpler enquiries handled by the customer services team but complex enquiries being handed-off and case-specific enquiries going direct to the case officer.
- Business support could be somewhat aggregated, into three teams aligned to universal, supported and place customers/services.

This feedback resulted in a fourth design option which borrowed elements of option A (separation of triage and business support), option B (the universal/supported customer concept) and option C (enterprise capabilities applied to all services). We have called this option B(v2) because it feels like an evolution of option B and is in the middle of the transformation continuum.

Figure 14 illustrates option B(v2) and it is important to understand that this is a high-level view of an operating model, not a future service structure. There are different paths to the final design for different services and there will be design questions which will need further discussion during detailed design and implementation if this option is selected. For example:

- There are a range of strategic and support services not illustrated in Figure 14. How might the design of these teams need to evolve to reflect the wider reorganisation of public-facing services?
- While Figure 14 shows the benefits service aligned with the 'supported customer' group, is it viable or desirable to separate this service from the revenues service?
- Is there an appetite for an enhanced, visible presence in the community via some form of multi-skilled team carrying out non-specialist inspections, gathering evidence and monitoring and enforcing environmental standards across the district (as referred to in option C)?

and Figure 15 provides a comparison with the two versions of option B and draws out some of the key implications of choosing option B(v2).

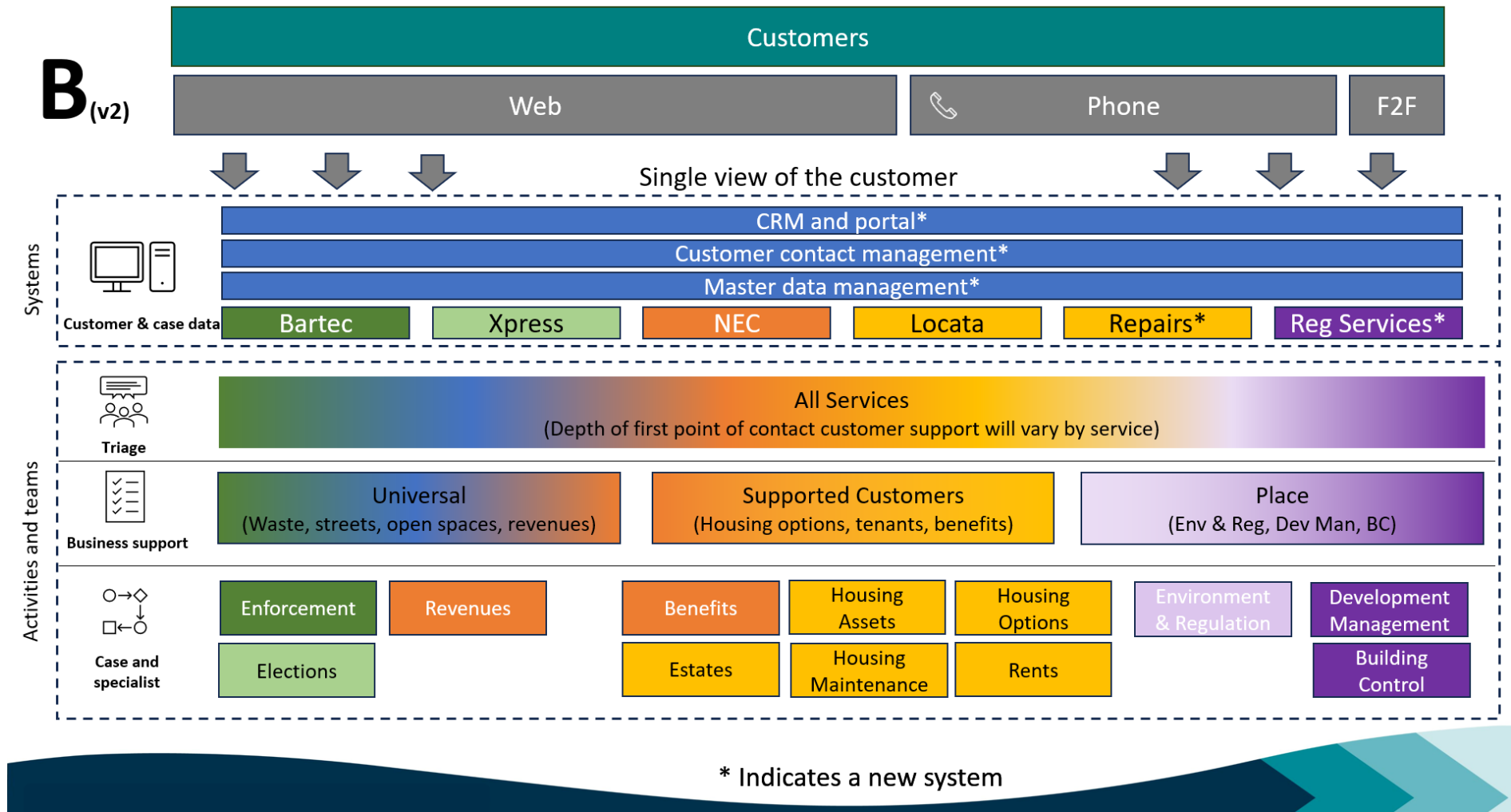


Figure 13: Design option B(v2)

Design component	Option B (v1)	Option B (v2)	Implications of Option B(v2)
Data and technology	Application of enterprise capabilities to the universal and supported customer services but not to place services.	Application of enterprise capabilities across all services	All services can benefit from these tools. A combination of MDM and CRM enables a fully connected view of the customer using data from all relevant systems. This will enable a better customer experience but the cost of delivery but will be higher.
Triage	Rationalisation of multiple service-based customer contact operations into two teams, one focused on universal services and one on customers that need extra support. Place services continue to manage customer contact in service.	Creation of a single customer service team managing most enquiries for some services and a smaller subset for others.	<p>The ‘depth’ of the customer service offer for each service would be established through detailed design work. The potential to realise benefit in this layer is higher due to greater aggregation and more organisational change. It is essential to minimise the number of systems customer services needs to use; the CRM should be the primary system. Enquiries referred to ‘back office’ teams would be recorded via CRM to enable tracking of progress and continuous improvement.</p> <p>Creating training and cross-skilling plans to take on new services or enquiry types will be critical. The relationships between this team and the back office will need to be strong. The culture/vision for a single customer services team should articulate that they are much more than a switchboard.</p>

Design component	Option B (v1)	Option B (v2)	Implications of Option B(v2)
Business support	Business support activity is also incorporated into the universal / supported customer teams. The goal of these teams is to resolve enquiries and set up clean, valid cases for case workers and specialists to resolve.	Business support is managed separately from triage but is aggregated into three teams aligned with the universal, supported and place services. Revenues work is aligned with universal and benefits with supported.	<p>Multiskilling of business support staff in each team is essential to build resilience and release benefit. If revenues and benefit staff are multiskilled across the two services currently then the impact of separating them will need to be managed carefully.</p> <p>There is less scope for benefit delivered by aggregating triage and business support activity, although there may be future potential to push more case activity into this layer.</p> <p>Where customers currently walk in or attend appointments to provide documents, payments or other business support type information they will be interacting with the single Customer Services team. There is potential for increased handoffs, delays or poorer customer experience (waiting time etc) if the right balance isn't found.</p>
Case and Specialist	This activity is largely managed in similar team structures as now, with the potential to empower the customer teams to take on more simple case work.	This activity is largely managed in similar team structures as now, although benefits activity would be more closely aligned with housing activity.	<p>With the customer services team managing a narrower range of enquiries for some services than others there is a need for careful design of the triage activity handled in the back office. The CRM should be used by back-office teams to manage referred enquiries and cases to enable tracking and visibility.</p> <p>There will be less opportunity to rationalise, standardise and optimise duplicated and similar activity/ processes e.g., change of circumstances, direct debits.</p>

Figure 14: Comparison of design options B and B(v2)

3.3.5. Financial benefits

The benefit extrapolation exercise outlined at the beginning of section 3.3 provided us with our baseline benefit estimate for option A. In other words, option A is based purely on process efficiency benefits with no assumptions around benefits derived from wider remodelling of teams or changes to leadership and management structures.

All other options inherit the baseline benefit figure and are then adjusted to reflect the degree of remodelling and leadership and management benefits we believe are achievable, based on our experience of similar programmes with other councils.

Figure 16 provides a summary of the estimated financial benefits for each option. Numbers have been rounded for ease of reference and in each case represent a middle figure in a +/- 10% range.

Option	Estimated annual benefit	Notes
Option A	£900,000	Extrapolated from quantified sample of process efficiency opportunities
Option B	£1,610,000	As Option A plus significant remodelling benefit from reorganising triage, business support and some case management activity.
Option B(v2)	£1,260,000	As Option A plus some remodelling benefit, largely from reorganising triage activity.
Option C	£1,890,000	As Option B plus additional benefit from wider remodelling of leadership and management activity.

Figure 15: Estimated benefit by option

Where will financial benefits come from?

Whilst the process analysis did show the potential to realise some small non-staff budget savings, for example through reduced printing and distribution costs, the majority of financial benefits from process efficiencies, remodelling and leadership and management are likely to be realised through workforce reductions.

The average fully-loaded FTE cost for NFDC is ~£44k (excluding service delivery roles such as waste operatives, grounds maintenance roles and housing maintenance roles). Based on this average cost, to realise the entire MTFP target of £1.75m through staff costs would require a reduction of 40 FTE, or approximately 5% of the workforce. However, it is expected that the financial benefits will be delivered through a combination of mechanisms, not all of which involve FTE reductions. Section 4.1 explores other mechanisms to realise some of the savings which would reduce the amount delivered through FTE savings.

Where will FTE savings come from?

It is not possible at the business case stage to say exactly where FTE reductions might take place. This will be affected by the option chosen, decisions about releasing capacity back into the organisation or removing cost and the outcomes of process reviews and technology changes such as automation. However, we can describe the key areas or drivers of FTE savings:

- **Cross-council aggregation**

Where new teams are formed that bring together activity from multiple teams into a new, horizontal team, it is expected that this aggregation will result in FTE savings.

- **Aggregation within departments and services**
Where activity is reorganised and somewhat aggregated within vertical structures, some FTE savings should be expected but the potential is less than with cross-council aggregation.
- **Within case and specialist teams**
The council has been clear that there is little or no appetite to redesign case and specialist activity. However, if processes are digitised, automated and customers do more online, it is likely that some of this benefit will flow down to case and specialist roles. There may be some opportunity to tactically realise FTE, potentially working with natural turnover of staff.
- **Leadership and management**
If the council chooses to redesign leadership and management activity to achieve more consistent spans of control and greater empowerment of staff, it is likely that there will be an overall reduction in the number of managers, given the high number of roles with some element of management (134 roles out of ~420 distinct roles / 32%). However it must be recognised that many roles with a 'manager' designation are spending considerable time on non-management activity which will still need to be done, unless other changes release capacity.

3.3.6. Non-financial benefits

The nature of the business case is to focus on the costs and financial benefits of the programme due to the fact the programme has a significant financial target to deliver. However, it is important not to lose sight of the other transformation strategy benefits.

The non-financial benefits that closely relate to the design options are:

- Improve customer outcomes
- Release capacity
- Enhance performance culture

In addition to these, the transformation strategy also identifies two other non-financial benefits:

- Staff skills development
- Ensuring sustainability by reducing the impact of services on the climate

For all options, the way the programme is managed and the extent to which leadership focus is given to non-financial benefits will determine the extent to which they are realised. However, the option chosen will have an impact on non-financial benefit delivery, for example:

- **Improve customer outcomes** – we know from the customer research that customers currently feel frustrated about repeating information and sometimes perceive that the council isn't joined-up. Option A largely preserves current structures and, whilst it would deliver enhanced digital services, there is less scope than with other options to join up the customer experience at the front end.
- **Release capacity** – redesigning processes and shifting customers to digital channels can release staff capacity, and all options have the potential to do this. However, redesigning teams to build resilience and enabling some teams to carry out a wider range of duties is another way to do this, and options B and C have the greatest potential in this regard.

3.3.7. Costs

We worked closely with the council's Transformation and ICT teams to identify and estimate programme costs. These are summarised for each option in this section.

Assumptions

- We have presented costs as 'one-off costs' and 'recurring costs' and made no assumptions about the use of capital funding.
- All costs have been modelled over a two-year period.
- We have assumed the additional permanent staff required to maintain and develop the CRM will be recruited at the start of the programme and play a key role in implementation.
- Where there is investment in new ICT systems, we have assumed that all new systems will be cloud-based and paid on a Software-as-a-Service (SaaS) basis.
- Where current systems are being replaced by new systems, we have assumed that:
 - in year one the council will need to pay dual-running costs for both old and new systems. This may be avoidable.
 - the costs for current systems are saved by year two, and these savings have been netted against the costs of the new system. It may take longer to replace and decommission current systems.

Scope

We have included costs for:

- Additional organisational design support to assist with activities such as the development of the people strategy, training plans, job evaluation and transition management.
- Backfill of staff within the organisation to provide existing staff with the capacity to get involved with programme delivery.
- One-off costs associated with the introduction of new technology, usually implementation support from technology providers.
- Recurring costs of new technology, both SaaS costs and, in the case of the CRM, additional permanent resources to further develop the system beyond year two.
- One-off and recurring costs of systems which the council would be likely to replace irrespective of transformation, but which have the potential to contribute to transformation objectives, namely:
 - Digital housing maintenance system to replace the current DRS and Uniclass systems.
 - Planning and regulatory services system(s) to replace the current Idox Acolaid system.

We have excluded costs for:

- Roles already in the base budget which will play a role in programme delivery (eg programme and project management roles, website content design).
- Any additional asset management resources or services to develop and implement the asset management strategy, due to being asked to exclude assets from the business case. To be clear, assets remain in scope of the transformation strategy and are likely to be an important contributor to the savings target.
- Contingency (see below).

Contingency

The costs presented exclude provision for contingency but there are other items which, depending on the option chosen, may require additional funding. The costs include our view of the minimum level of resources required for the council to potentially deliver the transformation programme without the support of a dedicated transformation partner. However, most local authorities tend to seek a transformation partner to support them through a programme of this scale. The potential services provided by a transformation partner may include:

- Programme planning and mobilisation
- Organisational design
- Financial modelling and benefit tracking
- Culture change and transition planning
- Provision of resources where the council needs additional transitional capacity such as business analysis and service design.

On this final point, the business analyst and service design resource, to design and build new digital processes using the technology enablers (especially CRM), is currently limited and will constrain the pace at which you can work through the organisation. The programme costs assume two new technical business analyst roles plus one FTE released from the ICT team. We recommend the council considers ways to boost the capacity in this area.

There are other variables the contingency will need to cover. Different options presented entail different levels of structural change, which can bring additional costs. Estimated technology costs have been based on market analysis but are also subject to change.

Following discussion with the council's s151 officer, a contingency sum of up to £600k may be considered necessary to cover potential outplacement costs and any unplanned programme costs.

Costs by option

Figure 17 below shows the estimated one-off and recurring costs for each option, excluding contingency.

The costs are similar across all options with the difference in cost driven by the extent to which the council wishes to adopt MDM to connect and drive value from its datasets.

Cost type	Option A	Option B	Option B(v2)	Option C
One-off costs	£1,959,000	£2,034,000	£2,109,000	£2,109,000
Recurring costs	£376,000	£406,000	£406,000	£406,000

Figure 16: Estimated programme costs by option

The costs shown in Figure 17 comprise programme delivery costs (programme and project managers, backfill, OD support) and the costs of specific technology projects. Of these technology costs, £816k of the one-off investment and £52k of the additional revenue costs included in the business case are for replacement housing, planning and regulatory services systems which will require replacement irrespective of transformation.

The costs for options Option B(v2) and Option C, which include the widest application of MDM, are broken down in Figure 18 below. For options A and B the breakdown is identical except for the digital data platform costs.

Project	Total one off	Net recurring
Contact centre	£24,000	£34,000
CRM	£314,000	£233,000
Digital data platform	£150,000	£30,000
Digital housing maintenance system*	£230,000	£27,000
Locata data warehouse	£5,000	£2,000
Planning and regulatory services system*	£586,000	£25,000
Programme delivery resources	£780,000	
Revenues and benefits	£20,000	£55,000
Grand Total	£2,109,000	£406,000

Figure 17: Programme costs breakdown

* These two projects will need to be funded irrespective of transformation, due to the current systems approaching end of life.

4. Financial assessment

4.1. Cost benefit analysis by option

Costs and benefits for each option are presented in Figure 19 below. These are based on current prices and the council may wish to carry out its own net present value (NPV) calculation.

Option	Est. one-off costs	Est. benefit	Net recurring costs	Net benefit	GAP to MTFP
Option A	£1,959,000	£900,000	£376,000	£524,000	-£1,226,000
Option B	£2,034,000	£1,610,000	£406,000	£1,204,000	-£546,000
Option B(v2)	£2,109,000	£1,260,000	£406,000	£854,000	-£896,000
Option C	£2,109,000	£1,890,000	£406,000	£1,484,000	-£266,000

Figure 18: Net benefit by option with MTFP gap

Figure 19 shows that none of the four options fully meets the MTFP target of £1.75m so the council will need to employ additional strategies to meet the financial target for the transformation programme. Potential strategies include:

- Being more ambitious in targeting and realising process and channel efficiencies, for example by pushing harder for automation or closing more expensive customer channels.
- Increasing the revenue received from assets, for example by rationalising the amount of office space used by council teams and renting spare space to tenants.
- Using the spend analysis outlined in section 3.2.4 to guide a conversation with members around strategic reductions of services, aligned with corporate priorities.

It is important to recognise that £816k of one-off investment and £52k of additional revenue costs included in the business case are for replacement housing, planning and regulatory services systems which would be the subject of funding requests even if the council was not considering a transformation programme. On this basis, **there is an argument for excluding them from the payback calculations below but they have been included for transparency and completeness.**

We have assumed that no cashable benefits will be realised until year three and then we have assumed full realisation in year three. This profile may need to be smoothed during detailed planning. Figure 20 shows the payback for each transformation option over a six-year period. In summary:

- Option A is not projected to break even within a six year payback period.
- Option B is projected to break even mid-way through year four.
- Option B(v2) is projected to break even mid-way through year five.
- Option C is projected to break even by the start of year four.

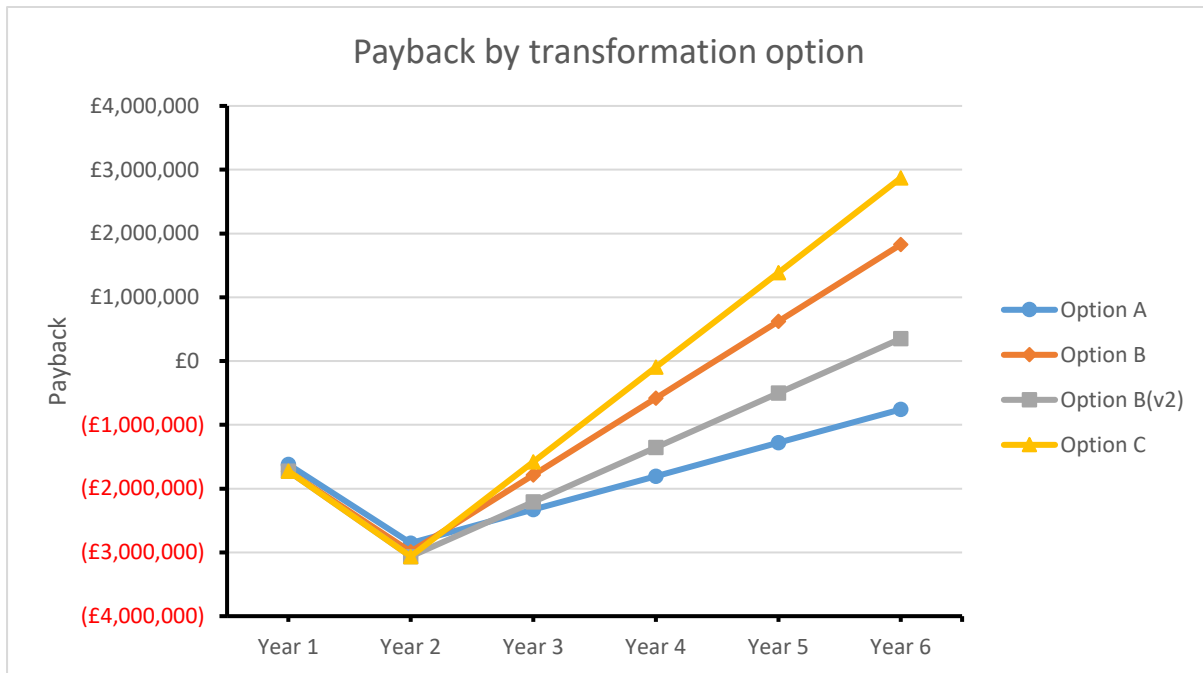


Figure 19: Payback by transformation option

4.2. Funding

When the council has chosen a preferred option, it will need to consider the appropriate sources of funding and the balance of capital and revenue. Figure 19 clearly illustrates the level of one-off and annually recurring revenue estimated for each option to inform the funding request.

5. Implementation

5.1. Leadership, culture and change

A critical success factor for all transformations is **strong leadership that is visibly and consistently aligned with the outcomes of the transformation strategy.**

Aligned leadership extends from elected members to senior and middle managers. Members set the strategic direction for the council and therefore must understand and support the need for the organisation to change to meet strategic goals. Senior leaders must present a united front, communicate the case for change and direction of travel clearly and set an example. Middle managers play a vital role in ensuring the change is translated into everyday team behaviours and ways of working.

It is important to understand that **benefit realisation decisions, such as whether to remove cost from the organisation or reinvest released capacity, are a function of leadership**, not the transformation programme. These decisions are often difficult but they are a necessary consequence of delivering successful transformation and leadership must ensure that their decisions are clearly communicated to the wider organisation.

However, leadership is not the sole domain of elected members and managers. Effective transformation programmes involve all staff in the change process: “People own what they help create” (Myron Rogers). The council must **involve staff and invest in change management** for the programme to be a success.

5.1.1. Change management

This section provides an overview of the change management activities the council should consider, irrespective of which transformation option is chosen.

Ignite’s business change approach is based on the five stages shown in Figure 21:



Figure 20: Ignite's business change approach

Figure 22 below illustrates the key activities and leadership skills required at each stage of the change management process.

	Engaged (Senior leaders)	Aware	Committed	Ready	Performing
Outcomes	Leaders have defined: <ul style="list-style-type: none"> Organisational vision Case for change How change will be managed How ready the council is for change 	Everyone understands: <ul style="list-style-type: none"> What the changes are Why we are doing them When they will be affected How they will be supported Where they can learn more 	Everyone understands: <ul style="list-style-type: none"> Their role in making this a success How they can contribute to design solutions, the changes and the way change is managed in their areas 	<ul style="list-style-type: none"> Staff have role clarity and are prepared to adopt change People understand what is expected of them – roles, systems, processes, behaviours and performance 	<ul style="list-style-type: none"> Changes have transitioned to 'business as usual' Council teams have established ways of working in the new world Performance is being proactively managed
Key activities	<ul style="list-style-type: none"> Key messages and language are developed to engage the organisation in the transformation Clear narrative on the transformed NFDC vision Initial organisational readiness assessment 	<ul style="list-style-type: none"> Stakeholder impact analysis High-level change impact assessments Interactive staff/member engagement and communications campaigns 	<ul style="list-style-type: none"> Detailed change impact assessments Tailored communications for service areas, functions, other stakeholders Immersive communications and engagement – org-level and team-level 	<ul style="list-style-type: none"> Training and upskilling for new/changed ways of working Scenario-based walkthroughs / pilots Readiness strategies and assessments 	<ul style="list-style-type: none"> Continual feedback loops Adoption strategies and assessments Consequence management for good and poor performance
Leadership Development	<ul style="list-style-type: none"> Owning and driving change How changes will be managed at NFDC Leadership principles during transformation and beyond 	<ul style="list-style-type: none"> Leading teams through change Effective change communication 	<ul style="list-style-type: none"> Strategic decision-making Empowering teams Resistance management 	<ul style="list-style-type: none"> Effective performance management Transition support 	<ul style="list-style-type: none"> Post-transition support Sustaining change

	Engaged (Senior leaders)	Aware	Committed	Ready	Performing
Leadership Success Criteria	<ul style="list-style-type: none"> Leadership consensus on the level and scale of transformation, the urgency of change and the consequences of maintaining the status quo Shared vision on how the leadership team will lead change 	<ul style="list-style-type: none"> Communicate the vision consistently and frequently Communicate openly and authentically – benefits as well as potential challenges Involve all stakeholders (i.e., staff, members etc.) to inform design solutions and how change will be managed 	<ul style="list-style-type: none"> Managers are driving change in their areas and proactively managing resistance Staff are empowered to take decisions, contribute to the changes and change process Role-model desired culture and behaviours (e.g., risk appetite) 	<ul style="list-style-type: none"> Managers are leading readiness activity in their areas The progress of changes is regularly assessed and adjusted as necessary, e.g., addressing unforeseen challenges 	<ul style="list-style-type: none"> Consistently ensuring changes are embedded and there is no return to 'old' ways of working Recognise and reward those that demonstrate the desired behaviours

Figure 21: Change management activities and leadership skills

5.1.2. Culture change

The Future New Forest transformation strategy is explicit about culture change being a key outcome of the programme. Objective P1 states “We will ensure our values, behaviours and culture are aligned and support the future organisation” and objective F3 states “We will shift to a more empowered and accountable, less top-down, management culture.”

Culture is sometimes regarded as an intangible and nebulous concept which is difficult to change in practice. However, there are many examples of organisations that have achieved significant cultural shifts. It is important to be clear about what the target culture looks like and what needs to change.

From the workshops and analysis we have done so far, we have identified four key cultural themes emerging, shown in Figure 23. These will be critical areas to address during the transformation, as they will be enablers to you achieving your strategic outcomes.

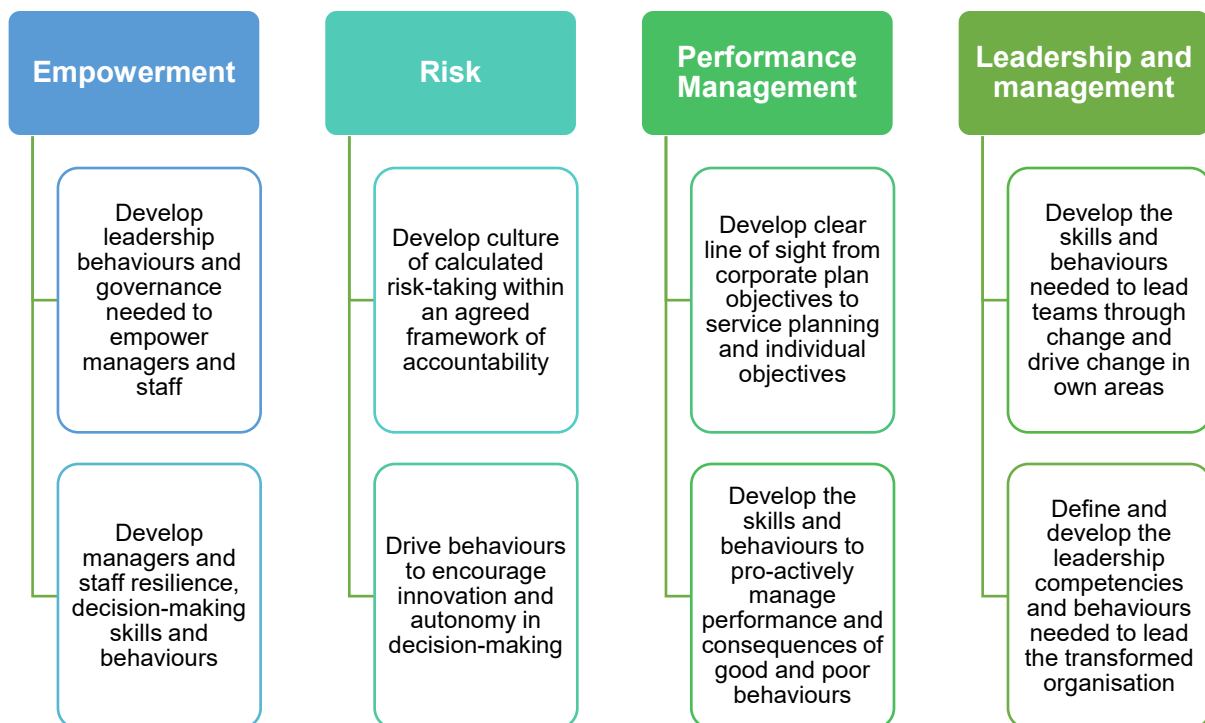


Figure 22: NFDC culture change themes

Having identified the target culture, there are practical steps you can take to start to reflect and embed the target culture through deliberate choice of behaviours, symbols and systems. Leadership is key and the way leaders and managers behave will have a significant impact on the successful delivery of culture change.

5.1.3. Change impact assessment

Appendix 9: Draft change impact assessment for Option B(v2) illustrates the potential changes involved for option B(v2) with an impact rating for each change, based on the following change categories:

- Process – this change will involve designing and implementing new business processes.
- Organisation – this change will entail changing organisational structures and roles.
- Technology – this change will entail introducing new technology.
- Behaviours – this change will require staff to change their behaviours.
- Skills – this change will require staff to learn new skills.

5.2. Delivery

5.2.1. Governance

Although the scope for this business case excludes assets and accommodation, this is still one of four themes in the transformation strategy and the programme that emerges from this business case must be:

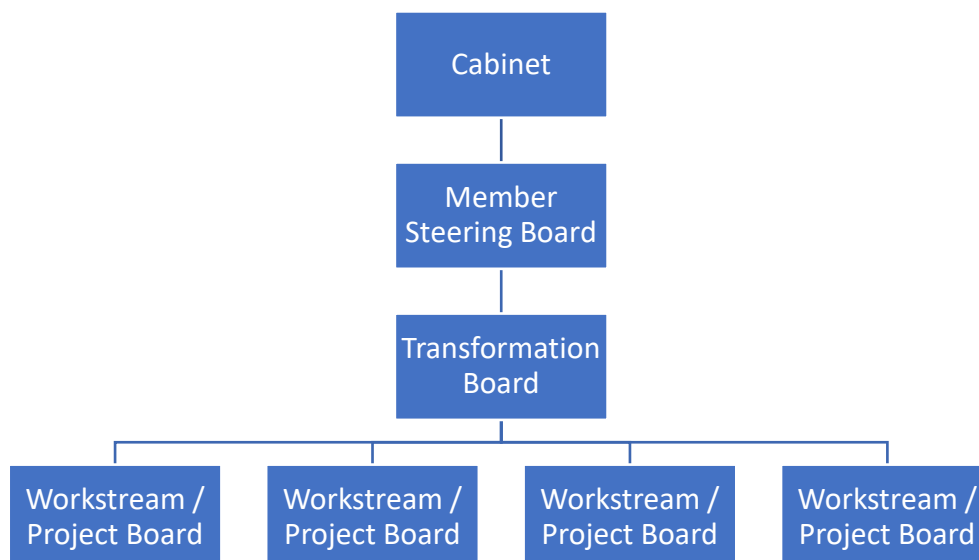
- Comprehensive, covering all transformation themes and activities including people and capabilities and assets and accommodation.
- Managed as a single, integrated programme composed of distinct projects and workstreams.
- Governed by an overall board which has decision-making power (in line with appropriate delegations) over all aspects of the programme.
- Visible to members, senior leadership and staff at levels, in terms of objectives, milestones and progress.

In section 3.2.3 (Technology assessment) we highlighted the importance of planning how new systems will interact with the enterprise digital tools and capabilities. In section 4.1 (Cost benefit analysis by option) we noted that the housing repairs and planning and regulatory systems would be the subject of funding requests even if the council was not considering a transformation programme, and that these account for 38% of the estimated one-off costs of the programme and 13% of the estimated recurring costs.

The implications of including these major system replacement projects in the transformation programme are:

- The projects will report into the overall transformation programme governance.
- The projects will be enablers of transformation programme benefits.
- System requirements and selection will be influenced by the wider transformation. For example, the ability to share data and integrate with enterprise systems such as CRM will be essential requirements of new systems.
- Processes will be redesigned to reflect transformation design principles and to make the most of the new system capabilities rather than new systems being configured to reflect existing ways of working.
- Organisation design changes will impact the configuration of new systems. For example, the creation of a single customer services team will require thought about how to share case information with that team to enable them to handle enquiries.

A governance structure that oversees and encourages a joined-up approach, and has ultimate decision-making power across all workstreams, will be required. The detailed governance framework must be developed when the programme is mobilised and workstreams, roles and responsibilities are known and allocated. However, an indicative governance framework is shown below.



5.2.2. Approach

Managing a whole-organisation transformation programme is complex and requires careful planning and consideration of the right approach.

Some of the considerations for mobilisation and detailed planning include:

- How to structure the programme – how many workstreams and projects are there and how will these feed into the governance process?
- How to plan and deliver different projects – some programme activities, eg the procurement of new technology, lend themselves to a waterfall delivery approach, with distinct sequential tasks or phases. Others, such as the design and delivery of new digital processes, might suit an agile approach where requirements are flexible and delivery is iterative.
- How and when to realise financial benefits – when does the MTFP require financial benefits to be delivered, how many phases or ‘benefit drops’ will there be and how will you determine the balance between releasing capacity back into the organisation vs realising savings through staff reductions?
- How to manage any staff reductions – will you aim to work within natural turnover, will you offer voluntary redundancies, to what extent will cost be a factor?

The council will need to ensure the programme office is sufficiently resourced with programme management and support roles and allow adequate time to mobilise and recruit essential programme roles. In our experience, a mobilisation period of at least three months is required.

5.2.3. Risks and dependencies

A detailed risk analysis should be carried out as part of programme planning and mobilisation, however we have provided an initial analysis of some known and high-level risks in Figure 24 below.

Risk	Impact	Probability	Overall risk rating	Explanation and mitigation
Financial uncertainty resulting in changing savings targets and/or funding challenges for the programme	4	3	High 12	The past four years have seen several major shocks to the UK economy which have placed further pressures on public services. If the council's finances are hit by further external pressures this could impact programme funding.
Too much change in too short a period	4	3	High 12	The scope of change for the programme, including implementing two major new line of business systems as well as introducing new enterprise capabilities, reviewing a large number of processes and redesigning teams, is significant. There is a risk that the organisation cannot sustain this much change within a two-year programme. Mitigation could include extending the implementation period, reducing the scope of technology change or increasing the programme support in key areas such as business analysis, change management and testing.
Lack of capacity and capability in key transformation skills such as programme management, change management, business analysis, customer engagement and digital process design.	4	2	Medium 8	The programme costs include both temporary and permanent roles to support the transformation. These represent the bare minimum required to deliver the programme. The council could consider increasing the number of roles, eg recruiting more business analysts than currently budgeted, or identifying a transformation partner that can bring in additional capacity and capability.
Cannot recruit to key programme roles	4	3	High 12	All temporary programme roles have been budgeted on a salary basis rather than contractor day rates. In practice, fixed-term roles are often unattractive to job seekers. People often want the security of a permanent role or the higher remuneration of contracting. Recruit early to gain visibility of the risk and consider creative responses, eg target new graduates or look for internal secondments that can be backfilled more easily.
Capacity savings are difficult to realise due to impacting parts of roles rather than whole roles.	4	2	Medium 8	Select a design option which allows for a reasonable degree of organisational redesign. If an option with low levels of organisational redesign (eg option A) is chosen, the probability increases because redesigning roles provides an opportunity to take advantage of multiple small process efficiencies.

Risk	Impact	Probability	Overall risk rating	Explanation and mitigation
Capacity savings are less than forecast.	4	2	Medium 8	This can happen for a range of reasons, such as a resistance to change processes, failure to implement new technology effectively, failure to achieve desired levels of channel shift. The probability can be reduced through the rigorous application of design principles, strong benefits management and strong change management.
Programme costs are underestimated	4	2	Medium 8	The business case includes significant costs of technology which have not been confirmed through procurement. However, these costs are all informed by market research so there is a good degree of confidence in them. The risk can be mitigated through strong and pragmatic financial management, balancing overspend in some areas with underspends in others. It may be necessary to reduce the scope of technology investment if high priority items, eg CRM, come in higher than anticipated. Potential redundancy costs are a significant variable which can be managed, in part, through policy and approach.
Change of political leadership, control or priorities	4	2	Medium 8	Whole organisation transformation is disruptive. Whilst this can be mitigated through effective change management (see below), it cannot be avoided altogether. It is important that the political leadership of the council recognises this and is supportive of the change throughout the programme, dealing with any staff concerns in partnership with senior leaders.
Lack of senior management buy-in	4	2	Medium 8	The importance of strong leadership has been made throughout the business case. There must be high levels of trust and openness at EMT and once decisions are made, all senior leaders must demonstrate support and stick to key messages when talking to their teams.
Backtracking when transformation becomes consequential	4	2	Medium 8	Closely related to the above, this happens when leaders commit to a change at a design stage without fully thinking through the implications, then withdraw support once the consequences of the change become real, eg when it is time to make difficult decisions about staff and structures. Mitigations include allowing sufficient time to discuss and understand the impact of change, frequent reiteration of key principles and objectives and strong leadership from the SRO.

Risk	Impact	Probability	Overall risk rating	Explanation and mitigation
Failure to invest in change management	4	3	High 12	When there is a lot of programme activity and pressure on costs it is common for organisations to deprioritise change management. This is always counter-productive in the long-term, with investment in technology often failing to deliver benefits due a refusal to change processes and a tendency to workaround new systems. Mitigation can be through working with a transformation partner or investing in change management skills in-house, or both.
Unwanted loss of staff	3	3	High 9	Change causes uncertainty and this can lead to staff deciding to leave rather than commit to the change journey, resulting in loss of valuable knowledge and experience. Clear programme communication, service planning, careful application of HR change policies and procedures and proactive management of key individuals can all help.

Figure 23: Initial high-level risk assessment

The roadmap shown in 5.2.4 provides a high-level view of the transformation programme and timeline but does not illustrate the many **dependencies** that exist between the activities shown. These will also be drawn out during programme planning, but it is worth highlighting some of the important ones:

- The design and build of new processes will be heavily dependent on the delivery of the new digital tools and capabilities. An agile approach that moves quickly from design to build is most likely to build confidence and deliver results but this will only be possible if key building blocks are in place and their capabilities are well-understood.
- Organisation design changes may be dependent on service and process design changes, which, as noted above, may be dependent on new technology.

5.2.4. High level plan

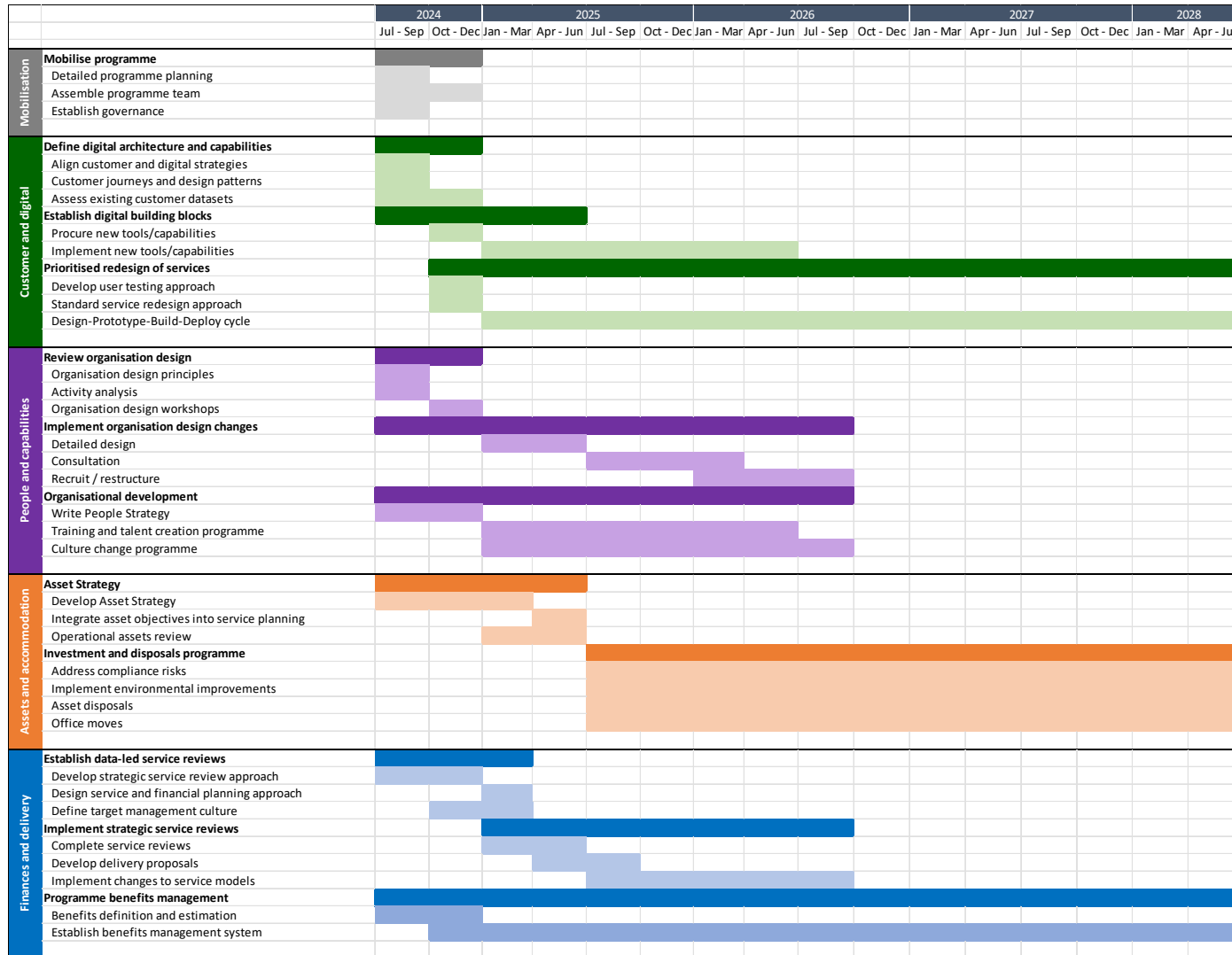


Figure 24: Indicative high-level plan showing a July start date

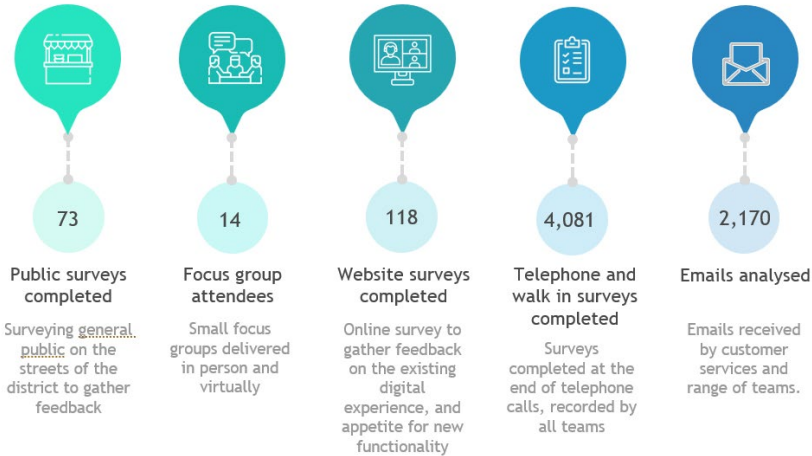
Version control

Version	Description	Updated by	Date
0.1	First draft	Ignite Consulting	07/05/2024
0.2	Amendments following feedback from Kate Ryan, Alan Bethune and Rebecca Drummond	Ignite Consulting	28/05/2024
0.3			
0.4			

6. Appendices

6.1. Appendix 1: Summary of customer research

What customer research did we do?



Themes - what did customers say?



What is the quality of the customer experience? *ignite*

"Very helpful but took ages for anyone to answer the phone. [...] I waited 20 minutes before someone pick phone up"
Website survey

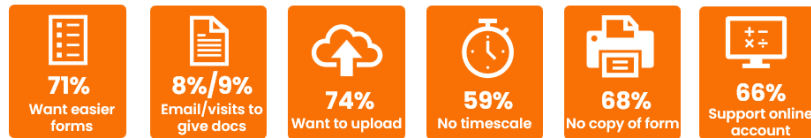
"your emails don't give a timescale for you to respond"
Lymington focus group

"human contact gives us confidence. We want to know it'll be done"
New Milton Focus Group

"The best experience customers can get is via phone"
NFDC manager

"we don't like to be passed around when we call"
New Milton Focus Group

"I usually use your chat service and love it. The ladies are so helpful and efficient."
Web survey



How efficient and joined up are we? *ignite*

"I needed an answer today, not whenever"
Focus group member

"Somebody nobody"
Focus group member describing how staff did not know what was happening in their own teams

"I just want to get this sorted, instead of going around the houses"
Focus group member

29%
Calls to CC transferred

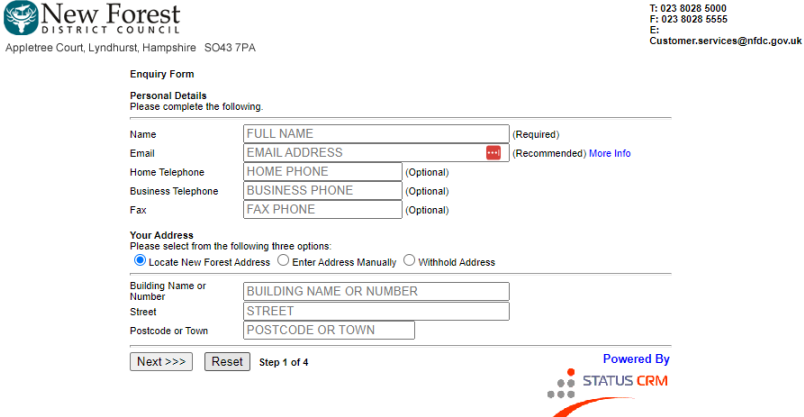
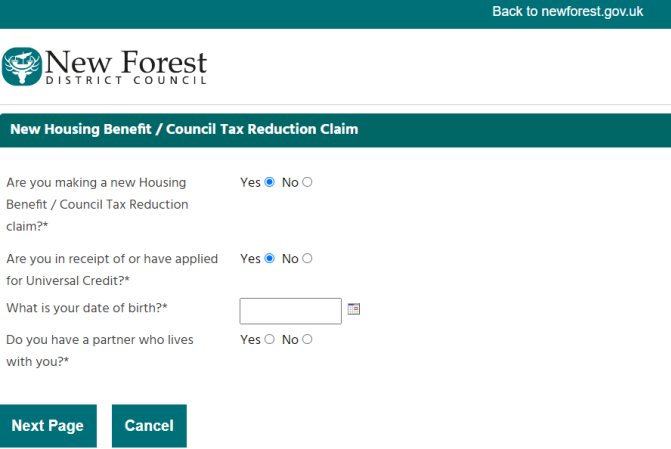
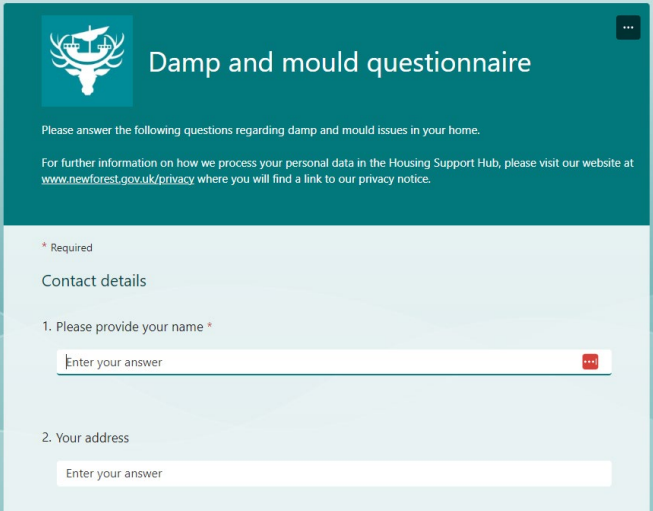
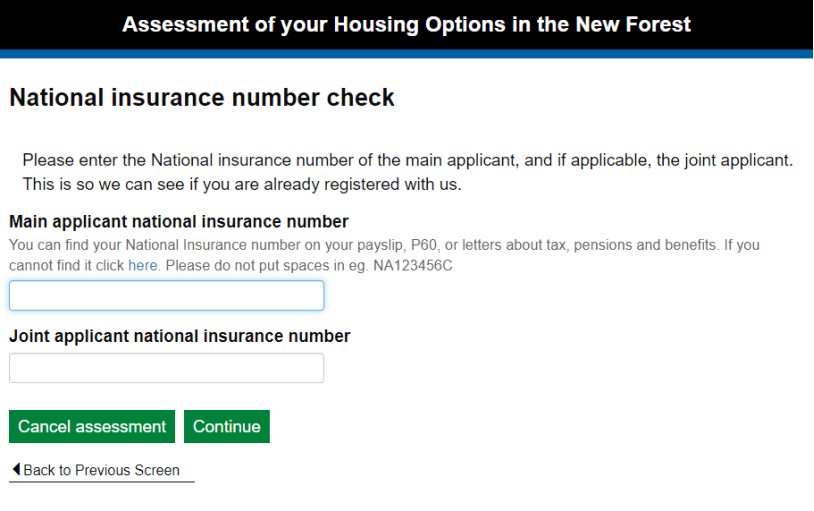
4.5%
Calls not for NFDC

Duplication of information when accessing services - not joined up

Issues are usually resolved quickly when calling up the council



6.2. Appendix 2: Examples of e-forms driven by different technologies

 <p>New Forest DISTRICT COUNCIL Appletree Court, Lyndhurst, Hampshire SO43 7PA</p> <p>T: 023 8026 5000 F: 023 8026 5555 E: Customer.services@nfdc.gov.uk</p> <p>Enquiry Form Personal Details Please complete the following.</p> <p>Name: FULL NAME (Required) Email: EMAIL ADDRESS (Recommended) More Info Home Telephone: HOME PHONE (Optional) Business Telephone: BUSINESS PHONE (Optional) Fax: FAX PHONE (Optional)</p> <p>Your Address Please select from the following three options: <input checked="" type="radio"/> Locate New Forest Address <input type="radio"/> Enter Address Manually <input type="radio"/> Withhold Address</p> <p>Building Name or Number: BUILDING NAME OR NUMBER Street: STREET Postcode or Town: POSTCODE OR TOWN</p> <p>Next >>> Reset Step 1 of 4</p> <p>Powered By STATUS CRM</p>	 <p>Back to newforest.gov.uk</p> <p>New Forest DISTRICT COUNCIL</p> <p>New Housing Benefit / Council Tax Reduction Claim</p> <p>Are you making a new Housing Benefit / Council Tax Reduction claim?*</p> <p>Yes <input checked="" type="radio"/> No <input type="radio"/></p> <p>Are you in receipt of or have applied for Universal Credit?*</p> <p>Yes <input checked="" type="radio"/> No <input type="radio"/></p> <p>What is your date of birth?*</p> <p>Do you have a partner who lives with you?*</p> <p>Yes <input type="radio"/> No <input type="radio"/></p> <p>Next Page Cancel</p>
<p>Status CRM e-form</p>	<p>Verj.io e-form</p>
 <p>Damp and mould questionnaire</p> <p>Please answer the following questions regarding damp and mould issues in your home.</p> <p>For further information on how we process your personal data in the Housing Support Hub, please visit our website at www.newforest.gov.uk/privacy where you will find a link to our privacy notice.</p> <p>* Required</p> <p>Contact details</p> <p>1. Please provide your name *</p> <p>Enter your answer</p> <p>2. Your address</p> <p>Enter your answer</p>	 <p>Assessment of your Housing Options in the New Forest</p> <p>National insurance number check</p> <p>Please enter the National insurance number of the main applicant, and if applicable, the joint applicant. This is so we can see if you are already registered with us.</p> <p>Main applicant national insurance number You can find your National Insurance number on your payslip, P60, or letters about tax, pensions and benefits. If you cannot find it click here. Please do not put spaces in eg. NA123456C</p> <p>Enter your answer</p> <p>Joint applicant national insurance number</p> <p>Enter your answer</p> <p>Cancel assessment Continue</p> <p>Back to Previous Screen</p>
<p>Microsoft forms e-form</p>	<p>Locata e-form</p>

6.3. Appendix 3: Future New Forest scope

Customer and Digital Services	
<p>In scope:</p> <ul style="list-style-type: none"> • The redesign of all service processes to identify ways to improve customer experience, enhance performance and release capacity • Partnership working across the public and not-for-profit sectors to join up services and processes to make access to key services better for our residents, businesses and visitors. • Redesign includes changes to processes, technology, channels and ways of working • All software applications supporting front- and back-office operations are in scope. This could mean optimising the use of those applications, replacing components of them with enterprise solutions (eg customer portals), integrating them or, in some cases, replacement. 	<p>Out of scope:</p> <ul style="list-style-type: none"> • Decisions about how capacity released through service design is realised • Changes to formally documented policies that have been adopted by elected members
People and Capabilities	
<p>In scope:</p> <ul style="list-style-type: none"> • People strategy development • All services and teams • Changes to existing roles and job descriptions • Changes to organisational structures to better align capacity and capability to priority services/processes • Training and development plans • Aligning performance with new organisational structures, roles and capabilities to improve transparency and accountability • Meeting our capacity and capability gaps by working in partnership with other organisations across the public and not-for-profit sectors 	<p>Out of scope:</p> <ul style="list-style-type: none"> • Changes to pay and grading structures
Assets and Accommodation	
<p>In scope:</p> <ul style="list-style-type: none"> • Asset strategy development 	<p>Out of scope:</p>

<ul style="list-style-type: none"> • All operational buildings including disposal decisions • Changes to customer and/or staff accommodation including office moves 	<ul style="list-style-type: none"> • Decisions around commercial asset management / investment portfolio
Finances and Delivery	
<p>In scope:</p> <ul style="list-style-type: none"> • Strategic reviews of services • Benefits management • Service planning • Financial planning and budget management processes • Leadership, management and performance culture 	<p>Out of scope:</p> <ul style="list-style-type: none"> • Leadership decisions on the method of realising benefits identified and estimated through the activities of the transformation programme

6.4. Appendix 4: Transformation strategy objectives



Customer and Digital Services

This theme is about how we redesign services to improve customer experience, make better use of technology and remove manual effort. Services should be digital by design, irrespective of how customers contact us.

- **Objective C1**
Our customers will be at the heart of our digital-by-design approach
- **Objective C2**
We will use data and insight to plan services, manage performance and direct our focus for transformation
- **Objective C3**
We will have the right systems, processes and devices to ensure work can be done in the right place, right time and the most efficient way



People and Capabilities

This theme is about how we organise and develop our people and culture, making sure roles, structures, behaviours and skills evolve to meet new service designs and needs.

- **Objective P1**
We will ensure our values, behaviours and culture are aligned and support the future organisation
- **Objective P2**
We will invest in our people to ensure we have the skills, experience and equipment that we need
- **Objective P3**
We will ensure the work is done in the right way in the right place, reviewing roles and structures as necessary



Assets and Accommodation

This theme is about how we use assets, improve sustainability and change the way we work. It includes the spaces that customers visit and staff work in as well as the stores and depots.

- **Objective A1**
Our assets will support efficient and effective delivery of our future service provision
- **Objective A2**
We will continue to challenge our asset portfolio to reduce environmental impact and enhance their financial contribution
- **Objective A3**
Our accommodation will meet the needs of our staff, customers, culture and ways of working



Finances and Delivery

This theme is about how we manage finance, strategy and performance. It includes how we manage the delivery of financial and non-financial benefits and how we develop a data-driven approach to strategy and performance.

- **Objective F1**
Through transformation, we will deliver agreed levels of savings in line with MTFP targets and council priorities
- **Objective F2**
We will adopt a more commercial mindset, open to innovative service models and guided by strategic priorities
- **Objective F3**
We will shift to a more empowered and accountable, less top-down, management culture

6.5. Appendix 5: Activity analysis template

There are 17 dropdown options for activity mapping. The glossary we have provided explains these in further detail. Please allocate a dropdown to each activity. If you are unsure you can leave these blank and we can allocate on your behalf.

B	C	D	E	F	H	I
Business area	Service	Customer journey	Activity type	Service Activity	Activity Mapping	Role 1
Regulatory Services	Building Control	No	Operational management	Managing people including team meetings, 1:1s, authorising leave and managing rotas, work allocation, performance management, recruitment, budget management	Leadership, management and supervision	
Regulatory Services	Building Control	No	Functional management	Coaching/mentoring staff in an area of professional expertise; supervision and approval of technical work of other staff; input to policy or strategy as a technical expert; modifying processes and procedures in response to statute or organisational priorities	Specialist	5.00%
Regulatory Services	Building Control	No	Reporting and returns	Compiling and submitting statutory returns	Case management	20.00%
Regulatory Services	Building Control	No	Reporting and returns	Performance monitoring against statutory and local KPIs	Corporate performance management	10.00%

% of time allocated to this particular activity. Try not to allocate %'s less than 5%.

Where we have example activities for your department we will pre-populate these. Use them as much as possible but you can amend or delete them. If you add new ones you must complete column F and we encourage you to add columns D,E and G - but if you're not sure just leave them blank and an Ignite colleague will add this later

6.6. Appendix 6: Activity types glossary

Activity type	Activity description
Leadership, management and supervision	<ul style="list-style-type: none"> • Leading, managing, team leading or supervising/allocating staff activity
Strategy and policy	<ul style="list-style-type: none"> • Development of the corporate plan and target outcomes • Developing or input into strategies based on political aims and council/community need • Writing strategy and high-level policy • Input of functional/professional knowledge into development or changes to policies • Customer and community engagement strategy development
Corporate performance management	<ul style="list-style-type: none"> • Designing, developing and supporting the council's overall performance framework including the service and financial planning process • Designing KPIs and useful measurements • Internal, industry and external benchmarking • Gathering/analysing/presenting information on corporate targets • Designing interventions and initiatives to improve performance
Corporate governance and compliance	<ul style="list-style-type: none"> • Activity that ensures the organisation is running effectively and in accordance with council rules and policies • Managing democratic processes such as elections and committees • Audits and monitoring council processes and decision-making • Risk management and civil contingencies
Strategic/corporate programme delivery	<ul style="list-style-type: none"> • Managing or supporting corporate programmes and projects that sit outside of 'business-as-usual' to deliver specific council targets eg construction of a leisure centre to achieve a health-related target • Project management and PMO activity on corporate programmes
Commissioning, clienting and contract management	<ul style="list-style-type: none"> • Designing and commissioning the delivery of services either internally or externally • Procurement of services through tendering or competitive bidding • Implementing frameworks through which services can be procured • Creating, executing and managing the performance of corporate contracts, SLAs and/or KPIs • Clienting the services delivered by external organisations, using expertise to ensure standards are appropriately maintained
Communications, marketing and engagement	<ul style="list-style-type: none"> • Providing communications, marketing, social media or media work to internal and external customers • Designing initiatives to engage with customers and gather insight • Liaising with PR companies • Strategic marketing, brand promotion, communications plans, and campaigns aligning messages and themes
Community/customer enabling	<ul style="list-style-type: none"> • Delivering initiatives to reduce or reshape demand for public services. eg, behavioural insights and nudge theory, training and education for service users, empowering communities to reduce local environmental and social problems. • Community engagement activities, often discretionary in nature and specific to the circumstances of the council • Advising, supporting or intervening earlier in the lifecycle of a potential problem (usually with a view to medium or long-term prevention)

Triage	<ul style="list-style-type: none"> • Dealing with and resolving common customer enquiries that are quick to resolve (ie take less than 15 minutes). These enquiries could be received via physical mail, email, face-to-face, phone or online. • Understanding the nature of a customer's enquiry and directing more complex enquiries and cases to the relevant officer or department • Directing customers to self-service channels (eg online) • Assisting customers with self-serve options (eg helping a customer to complete an online form)
Mobile business support	<p>Activity that is based out in the community or locality that involves following a set of business rules to guide you through the process and can be easily taught or instructions followed, eg:</p> <ul style="list-style-type: none"> • resolving problems on the ground, monitoring standards, compliance and contract monitoring, straightforward enforcement activities, enabling, prevention and site visit activities that do not require a specialist or professional to carry them out • 'In-the-field' support to desk-based teams eg putting up notices, taking photos, gathering evidence
Business support	<p>Desk-based tasks supporting customer facing services that can be easily taught and/or involve following a set of simple instructions or business rules to guide you through a process, eg:</p> <ul style="list-style-type: none"> • Chasing customers for further information/documentation for simple application types, reports or requests for a service • General case administration, including creating cases in business systems based on information provided by the customer, producing and issuing correspondence, adding (scanning or exporting) incoming information into document management systems • Supporting officers with file retrieval, printing and filing • Processing payments and issuing invoices
Case management	<ul style="list-style-type: none"> • Managing customer cases that require initial training and some ongoing development and support but not a professional qualification or extensive experience. • Cases are likely to follow a fairly standard set of rules and stages but may have some complexity and involve an element of interpretation of legislation. • Managing cases includes processing customer applications, requests and reports, updating business systems and writing reports.
Specialist	<ul style="list-style-type: none"> • Providing expert input/advice to help customers, colleagues, members and partners – eg holding case reviews or dealing with complex questions from staff. • Ownership of complex cases that require a high degree of professional input and/or carry significant reputational and/or financial risk • Activities carried out in the community or locality that require a professional qualification and/or a high degree of autonomous decision-making and risk management, eg a food inspection. • Professional oversight and quality assurance of how 'technical' work is delivered across the council

Service delivery	<p>Delivery of direct, community- or venue-based services eg</p> <ul style="list-style-type: none"> • Collecting refuse, sweeping streets, maintaining green spaces • Managing and working in leisure centres, museums, art galleries, theatres or community centres • Working in schools • Managing sheltered housing schemes on site, delivering home care <p>Note: office-based business support that supports the delivery of these services should be better defined by one of the above options eg collecting a missed bin would be service delivery, but the processing of the missed bin phone call and passing jobs to operatives is triage</p>
Internal triage	<ul style="list-style-type: none"> • Resolving internal customer queries by phone, face-to-face, web or email and dealing with straightforward service requests • Forwarding more complex casework to relevant officers • Directing internal customers to self-service channels via the intranet or portals
Internal service processing	<ul style="list-style-type: none"> • End-to-end handling of straightforward internal customer cases eg new starters, new suppliers • Case administration, transactional processing and updating back office systems and accounts • Maintaining internal records and inventories • This activity usually includes following a set of rules to guide through the processing
Internal specialist	<ul style="list-style-type: none"> • Management of complex internal customer cases that require professional expertise to make a judgement or decision • Providing specialist or expert support and advice in support areas of the council (e.g. HR, finance, legal etc) • Professional oversight and quality assurance of how 'technical' work is delivered in support areas of the council

6.7. Appendix 7: As-is activity summary

Activity Type	FTE Total	Cost Total	% FTE	% FTE*	% Cost
Leadership, Management And Supervision	23.51	£1,392,757	3%	5%	5%
Strategy And Policy	13.72	£834,167	2%	3%	3%
Corporate Performance Management	8.85	£453,479	1%	2%	1%
Corporate Governance And Compliance	6.40	£352,952	1%	1%	1%
Strategic/Corporate Programme Delivery	1.07	£38,927	0%	0%	0%
Commissioning, Clienting And Contract Management	20.33	£1,072,296	3%	4%	3%
Communications, Marketing And Engagement	4.44	£220,701	1%	1%	1%
Community/Customer Enabling	4.44	£176,928	1%	1%	1%
Triage	73.31	£2,207,549	10%	15%	7%
Mobile Business Support	9.89	£400,814	1%	2%	1%
Business Support	44.95	£1,506,165	6%	9%	5%
Case Management	62.53	£2,421,830	8%	13%	8%
Specialist	170.67	£8,325,180	22%	35%	27%
Service Delivery	283.99	£9,402,644	37%	n/a	31%
Internal Service Processing	8.68	£279,222	1%	2%	1%
Internal Specialist	28.78	£1,443,722	4%	6%	5%
Internal Triage	4.86	£183,947	1%	1%	1%
TOTALS	770.42	£30,713,281			

* This column shows the percentage FTE per activity type **excluding** the 283.99 FTE of 'service delivery' activity. This activity type includes all direct 'on the ground' delivery teams eg waste collection crews, grounds maintenance teams and housing repairs operatives. The reason for presenting this view of the data is that different councils have very different levels of service delivery activity, depending whether they have adopted an in-house or an outsourced model, or a blend. Excluding this variable allows better comparison with other councils.

6.8. Appendix 8: Benefits extrapolation methodology

Step 1: Allocating benefit to activity types for each opportunity

Most opportunities have the potential to save some staff time. Some opportunities would save time for multiple roles working on different tasks. In this case we would record multiple benefits as shown. In this example, HOUREN01 has two distinct benefits recorded.

The estimated FTE saving for each benefit is recorded separately.

Benefit ID	Opportunity ID	Benefit description	FTE	Activity type
B1	HOUREN01	Faster resolution of phone calls	0.05	Triage
B2	HOUREN01	Fast processing of rents cases	0.1	Case processing
B3	HOUREN02	Fast processing of rents cases	0.01	Case processing

Each benefit will be associated with the appropriate activity type.

Step 2: **Add up all the capacity saving benefit across all opportunities by affected activity type**

Total estimated benefit for this activity type across all sampled processes (invented number)

Note: Not all activity types are shown. We have made a judgement call as to which activity types might be impacted by which opportunities.

	Total benefit by activity type						
	Triage	Business support	Case management	Internal specialist	Internal service processing	Service delivery	Leadership and management
Total benefit across sample processes	1.09	0.97	1.93	0.01	0.00	1.30	0.35
Total FTE all processes	73.31	44.95	62.53	28.78	8.68	283.99	23.51

Total FTE for each activity type
We'll need this later on.

Step 3: Using the activity analysis data, calculate how **much time in total** the teams involved in the sample processes **spend on the affected activity types**.

Some opportunities impact multiple teams. We have mapped teams to processes

Total FTE for selected activities by teams involved in sample processes							
	Triage	Business support	Case management	Internal specialist	Internal service processing	Service delivery	Leadership and management
Business Support & Customer Services (Housing)	6.24	4.43	5.36				0.27
Customer Services & Information Offices	13.68	0.57	0.30			0.04	0.78
Development Management	1.81	5.12	4.15				1.00
Enforcement	1.10	0.36	2.89			0.15	1.04
Environmental and Regulation	3.28	1.17	5.95			0.60	1.67
Homelessness and Housing Options	5.56	1.78	7.62				0.53
Housing Maintenance Operations	1.50	0.50	0.16			48.35	1.50
Housing Rents and Support	1.98	1.43	2.37				0.46
Human Resources	0.60	0.40	0.73	3.37	3.73		0.70
Revenues and benefits	11.36	7.18	15.42				1.34
Streetscene	0.86	0.44	0.13			43.19	0.74
Waste Administration, Projects & Performance	1.25	1.67	0.10				0.30
Waste Operations	0.45	0.26	0.72			114.62	2.15
TOTALS	49.67	25.32	45.90	3.37	3.73	206.95	12.48

Step 4: Estimate how much time the teams involved spend on **each activity type related to that specific process**. This will be a proportion of the total time shown at Step 3

Estimated time spent on each activity type per process							
	Triage	Business support	Case management	Internal specialist	Internal service processing	Service delivery	Leadership and management
Check Rent Balance / Pay Housing Rent	3.23	0.00	0.00	0.00	0.00	0.00	0.15
Recruitment (end to end)	0.30	0.00	0.00	0.49	1.29	0.00	1.59
Apply for a new taxi driver licence	1.47	0.00	1.16	0.00	0.00	0.00	0.08
Report fly tipping	0.48	0.10	1.19	0.00	0.00	4.03	0.54
Apply to join the housing register	1.72	0.00	3.30	0.00	0.00	0.00	0.06
Report a housing repair	4.74	0.68	4.99	0.00	0.00	34.00	0.92
Council tax moves and enquiries	6.25	1.68	1.13	0.00	0.00	0.00	0.28
Planning permission	2.63	0.44	0.00	0.00	0.00	114.62	2.30
TOTALS	21.92	7.24	11.77	0.49	1.29	152.65	6.10

Using data gathered through all four phases of our work, make an informed estimation of the FTE spent on each activity for each process by one or more affected teams. Data shown is a real estimate based on a combination of activity analysis data, channel data and call logging analysis.

Each calculation is different so a comment in each cell explains the basis of the calculation, explicitly stating any assumptions.

Step 5: Extrapolate total benefit per activity type

	Triage	Business support	Case management	Specialist	Internal service processing	Service delivery	Leadership and management	TOTAL
Total benefit across sample processes	1.09	0.97	1.93	0.01	0.00	1.30	0.35	5.7
Total FTE all processes	73.31	44.95	62.53	28.78	8.68	283.99	23.51	
Extrapolated FTE capacity	3.64				0.00	2.42	1.35	24.27
Cost per FTE	£30,112	£33,509			£2,182	£33,109	£59,235	
Extrapolated FTE cost	£109,751.80	£201,681.45			£0.00	£80,073.28	£79,955.50	£898,024.04

A. Across the sample processes, we identified 1.09FTE of capacity release related to triage.

C. Across the whole council there is 73.31FTE of triage activity.

Estimate	per process						
	Triage	Business support	Case management	Internal specialist	Internal service processing	Service delivery	Leadership and management
Check for Rent	3.23	0.00	0.00	0.00	0.00	0.00	0.15
Recruitment (end to end)	0.30	0.00	0.00	0.49	1.29	0.00	1.59
Apply for a new taxi driver licence	1.47	0.00	1.16	0.00	0.00	0.00	0.08
Report fly tipping	0.48	0.10	1.19	0.00	0.00	4.03	0.54
Apply to join the housing register	1.72	0.00	3.30	0.00	0.00	0.00	0.06
Report a housing repair	4.74	0.68	4.99	0.00	0.00	34.00	0.92
Council tax moves and enquiries	6.25	1.68	1.13	0.00	0.00	0.00	0.28
Missed bin	2.63	0.44	0.00	0.00	0.00	114.62	2.30
Apply for planning permission	1.09	4.35	0.00	0.00	0.00	0.00	0.19
TOTALS	21.92	7.24	11.77	0.49	1.29	152.65	6.10

Calculation:
 $(A / B) * C = \text{Total extrapolated benefit for this activity type}$

Using average cost per FTE for each activity type from the activity analysis, we can convert the FTE to a potential financial saving

B. Across the sample processes, we estimated that 21.92FTE is spent on triage in total

6.9. Appendix 9: Draft change impact assessment for Option B(v2)

Columns marked with a X means this category of change applies and the number of X's feeds into the overall impact of change rating.

Key Changes	Process	Organisation	Technology	Behaviours	Skills	Impact	Change Interventions (examples)
Establish one council customer services team acting as the main entry point for most services	X	X	X	X	X	High	<p>Establish vision and culture – eg collaboration, customer-centric and continuous improvement</p> <p>Communications and engagement – engage staff to communicate the rationale, benefits and how this aligns with strategic objectives</p> <p>Change leadership and sponsorship – provide leadership development to lead teams through change</p> <p>Training and development –to equip staff with the knowledge, skills and behaviours to handle a wide range of queries using new technology, e.g., customer service skills, knowledge of relevant services, using the CRM</p> <p>Role clarity and job design – supported by clear and transparent HR processes</p> <p>Performance management and feedback loops – establish performance reviews and continuous feedback</p> <p>Sustainability planning – develop a plan to ensure the changes stick and are continuously monitored and improved</p>

Key Changes	Process	Organisation	Technology	Behaviours	Skills	Impact	Change Interventions (examples)
Establish three multi-skilled business support teams aligned to universal, supported and place	X	X	X	X	X	High	<p>Many of the above interventions apply, plus:</p> <p>Process standardisation – involving staff in the design and upskilling of workflows</p> <p>Pilot – if possible, piloting the new teams in a smaller scale setting to test processes, gather feedback and identify any potential challenges</p>
Implement an integrated repairs platform	X		X		X	Medium	<p>Vision and goal setting – engaging staff in how these systems support the council’s strategic ambitions and how MDM will improve data quality, consistency, and accessibility, leading to better decision-making and service delivery</p> <p>Communication and engagement – include early demos of the system, enabling staff to practice in a safe environment</p> <p>Leadership support – role-modelling and driving adoption of the new systems</p> <p>Process redesign and automation – involve staff in configuring new workflows to automate and streamline processes</p>
Implement a new CRM system and portal	X		X	X	X	Medium/High	
Implement a new/enhanced Contact Centre management system	X		X		X		
Implement master data management to create joined up data views across services			X	X	X		

Key Changes	Process	Organisation	Technology	Behaviours	Skills	Impact	Change Interventions (examples)
Implement workflow and case management, creating a standardised approach to managing customer records	X		X	X	X	Medium/ High	<p>Training – how to use the technology in the context of their new roles and processes</p> <p>Behavioural development – following standardised workflows, accurate data entry and confidence/capability in driving channel shifts</p>
Increase the range of online services and driving channel shift with customers	X		X	X	X	Medium/ High	<p>Data Governance Framework - involve staff in defining the roles, responsibilities, and decision-making processes related to data management, quality control, security, and compliance</p> <p>Data quality – establish and upskill users in data quality standards and procedures</p> <p>Testing – involve staff in user acceptance testing - evaluate usability and functionality</p> <p>Adoption planning – on-going support, e.g., appointing champions</p> <p>Performance – define metrics to monitor the usage, effectiveness, and impact of CRM</p>

APPLETREE COURT REFURBISHMENT BUSINESS CASE

1. Introduction and Background

- 1.1 Following the Covid-19 pandemic, NFDC have observed a shift in working patterns and behaviours. With the successful implementation of a hybrid working policy, many teams are now accustomed to working from home, or an alternative NFDC location, for up to 50% of their contracted week.
- 1.2 Appletree Court, in the centre of Lyndhurst, is a large and attractive premises from which many of NFDC's core services are delivered. This includes the Council Chamber, where most Planning and Council meetings are held; and the Information Office, which is the busiest within the District for residents and customers.
- 1.3 Post-pandemic, consideration was given to the future use of Appletree Court, and whether it still meets the needs of the business. There has been a search for alternative premises in the District over several years, but no suitable alternative property or location has been identified. A development appraisal received from leading property consultants in January 2023 showed the sale or redevelopment of Appletree Court for alternative use was unlikely to yield a capital sum sufficient to fund a relocation to alternative premises or the construction of new headquarters premises elsewhere in the District.
- 1.4 Since the introduction of hybrid working, our own utilisation studies have confirmed that Appletree Court has been underoccupied. Consecutive studies have reached a steady state, where approximately 40% of the office is utilised by staff at a weekly peak, equating to around 150 staff. This study did not include parts of Appletree Court which had in the past been used for office staff, being the former "legal corridor" on the North Wing Ground Floor, and the Second Floor of North Wing (the former "leisure corridor"). The real-term utilisation percentage is therefore much less than the 40% as reported.
- 1.5 Without a strong business case to support a relocation, a modernisation of the rest of the building would secure Appletree Court as the Council's principal administrative centre for the medium to long term. A key strand of the Transformation Strategy is ensuring that our staff accommodation is meeting the needs of our staff and visitors. If NFDC offer an attractive, modern, and vibrant workplace, aligned to this aim, then staff retention and wider organisational engagement should increase.
- 1.6 This rationalisation and improvement of existing space will allow NFDC to create lettable space for third party tenants and critically generate income and savings of upto £300k per annum to support the MTFP. This also demonstrates a more efficient and effective use of a property asset which is at the heart of the principles around our Assets and Accommodation strategy within the Transformation programme.

2. Scope

- 2.1 In considering how to achieve best value from Appletree Court, as both a principle administrative centre and a lettable opportunity, Officers sought a budget of £100k to commission third-party feasibility studies. These studies were intended to take a critical view of the layout, usage, and environmental quality of the building, and support a case for change.

- 2.2 Six areas were in scope for the initial retained portion of the building:
- i. North Wing - Ground, First and Second Floors
 - ii. East Wing - Ground, First and Second Floors
- 2.3 The South Wing was excluded from scope in its entirety, due to a refurbishment project in 2018. The look and feel was derived from the corporate branding guidelines, and saw the rollout of height adjustable desks, improved décor and carpeting, energy efficient lighting, and new seating options such as a workspace café and breakout booths.
- 2.4 The feasibility brief required a report detailing the suitability and works required for each of the six areas to create open plan office space, for approximately 200 members of staff at any one time. The brief required a similar standard to that of the offices in the South Wing of the building, containing both standing and seated desking, break out and meeting space, office storage and staff welfare facilities. The target up to 200 staff members allowed for growth of existing teams, and the potential future relocation of services from outlying locations, e.g., Marsh Lane Depot.
- 2.5 From early assessments of the building structure via existing record drawings, it was understood that the East Wing has several long spanning loadbearing walls. Assuming that significant structural alterations would be cost prohibitive, the brief required the consultant to apply creative logic to the existing space.
- 2.6 Peter Marsh Consulting (PMC) were selected to deliver the feasibility works having provided the best overall proposal. The PMC team consisted of Project Managers, Architects, Structural Engineers, M&E Engineer, and a Quantity Surveyor, who all attended Appletree Court to carry out a thorough inspection of the building and existing facilities. At the mid-point of the process PMC joined the NFDC Project Team, which included colleagues from the Estates, Facilities, ICT and Sustainability teams at Appletree Court, to present and 'workshop' their initial findings and proposals prior to finalising their report.

3. Key Findings and Options Appraisal

3.1 Outcome 1

- i. The first outcome report confirmed that within the North and East Wings, there is ample opportunity to accommodate 200 staff via a mixture of workplace styles. It was noted that each of the in-scope areas had differing levels of design restriction, based on the building structure.
- ii. PMC produced a summary RAG assessment, showing the suitability of each zone against the brief:

RAG Metric	(A) North Wing – Ground Floor	(B) North Wing – First Floor	(C) North Wing – Second Floor	(D) East Wing – All Floors
Brief	Area = 252 m2 Provisional Desk Spaces – 44 Semi Open Plan Spaces Possible	Area = 278 m2 Provisional Desk Spaces – 42 Semi Open Plan Spaces Possible	Area = 339 m2 Provisional Desk Spaces – 56 Semi Open Plan Spaces Possible	Area = 1,300 (estimate) m2 Desk Spaces – 174 Central corridor and structural form limits degree of open plan space possible.
Costs	Price per m2 - £2,235	Price per m2 - £2,273	Price per m2 - £2,673	Price per m2 - £2,036
Programme	Modest levels of intervention – deliverable over a 6-10 week programme	Levels of intervention may require a longer programme of 8-12 weeks	The inclusion of a new platform lift would increase the lead time for works on this floor, whilst the onsite delivery period should be 10-12 weeks	Modest levels of intervention – deliverable over a 6-10 week programme
Sustainability	Sustainable heating, cooling and ventilation strategies all deliverable.	As left	As left	As left
Accessibility	Ground floor access near to current reception	Platform lift meets minimum requirements.	Requires platform lift to meet minimum accessibility standards	Lift access provided in stair core that joins South Wing.

- iii. In addition to the structural and architectural works, PMC included allowances for alterations to heating systems, for cooling in areas where required; and for the installation of mechanical ventilation heat recovery units to bring tempered fresh air into each working area to create a more healthier and sustainable working environment.
- iv. Ultimately, the projected cost for the refurbishment of all in-scope areas (including construction, contingency, and professional fees) was within a range of £4.2 to £5.2m, which the Council was not able to justify against the expected level of letting income from the south wing.
- v. Three costed options were also produced, based on a ‘mix and match’ approach to Wings and Floors. Each of these three options were more than £3m.

3.2 Outcome 2

- i. Accordingly, a revised target was agreed to provide 175 desk spaces, rather than the original target of 200, with a £2m cost cap. Based on accessibility limitations, the North Wing Second Floor was removed from scope. North Wing First Floor was also removed, as it was felt that the focus of the investment should be within the East Wing.
- ii. To meet the revised budget of £1.5m to £2m, PMC removed some recently refurbished areas from the scope of the original proposal and reduced the requirement for MEP. This included taking out some of the proposals for air circulation on the basis that better use of existing windows and trickle vent systems is an acceptable, if less optimal, solution for the Council.
- iii. Two further options were proposed, of which Option 5 (solely focused on the East Wing) offered the most acceptable cost to benefit ratio to the Council. The Project Team asked PMC to apply some additional refinements with a view to reducing the cost further.

3.3 Outcome 3

- i. The Project Team and PMC held a further design workshop at Appletree Court. PMC focused on improvement opportunities in the East Wing, de-risking some of the earlier proposed interventions. They amended their existing Option 5 and developed a new Option 5a, which is proposed as the preferred option.
- ii. The project cost is reduced by removing all previously refurbished areas from scope, recognising that they have already been decorated to a good standard. Initial floor

plan concepts provide adequate space to accommodate 181 desks, at approximately 7sqm per desk. This is above the minimum standard of 4sqm per desk.

- iii. The projected cost of Option 5a (including construction, contingency, and professional fees) is £1.4m to £1.8m. Any further interventions to value engineer or reduce the brief will compromise the purpose of the project and fail to deliver against the objectives.

4. Costs

- 4.1 The summary of all options, include high-level indicative cost estimates can be summarised as follows:

Option	Area	Range
Initial Option 300+ desk spaces	North Wing – Ground Floor, First Floor, Second Floor East Wing – Ground Floor, First Floor, Second Floor	£4.3m - £5.2m Payback 18-19 years
Option 1 205 desk spaces	North Wing – Ground Floor, First Floor, Second Floor East Wing – First Floor	£2.2m - £2.7m Payback 9-10 years
Option 2 212 desk spaces	North Wing – Ground Floor, First Floor East Wing – Ground Floor, First Floor	£2.1m - £2.6m Payback 9-10 years
Option 3 142 desk spaces	North Wing - Ground Floor, First Floor, Second Floor East Wing - None	£1.6m - £1.9m Payback 7-8 years
Option 4 164 desk spaces	North Wing – None East Wing - Ground Floor, First Floor, Second Floor	£1.6m - £2.0m Payback 7-8 years
Option 5 192 desk spaces	North Wing – Ground Floor East Wing - Ground Floor, First Floor (some previously refurbished areas removed from scope)	£1.6m - £2.0m Payback 7-8 years
Option 5a* 181 desk spaces	North Wing – None East Wing - Ground Floor, First Floor, Second Floor (all previously refurbished areas removed from scope)	£1.4m - £1.8m Payback 6-7 years

- 4.2 Option 5a is the preferred option, with the recommendation of this report requesting a budget of up to £1.75m to see through the works associated with this option.

- 4.3 The estimated cost for option 5a includes £170,000 of required fees and additional works as follows;

Item	Est. total cost
Feasibility	£30,000
RIBA design fees; pre and post tender	£144,000
Fees contingency at 9%	£14,000
Toilet and Common Areas refurb	£20,000
Minor repair works	£15,000
ICT alterations	£12,000
Access control alterations	£15,000
Power and heating sub-metering	£20,000
TOTAL	£270,000
Approved Feasibility Budget	(£100,000)
Fees and Additional Works	£170,000

5. South Wing – Income/savings opportunities

- 5.1 ATC South Wing comprises three floors of just over 3,000 sq.ft a floor which combine to provide a total space of 9,666 sq.ft of modern office space.
- 5.2 As part of a market assessment, we engaged with a firm of regional office agents and asked them to advise us on the level of market demand for the space and the levels of rent that could be achieved on a furnished and unfurnished basis.
- 5.3 Their report (in February 2024) stated that “the office areas are perfectly acceptable and would be considered good quality in the local market.” Most interest is expected to be from occupiers that are currently located in the New Forest area seeking expansion or seeking to “Right Size” into better quality accommodation.
- 5.4 We have also received direct approaches from other public sector bodies. It would be our intention to start a hard test on the marketing, once the proposal to let the South Wing has received approval at Cabinet.
- 5.5 In terms of rental advice, they advised that this could range from £15.50 per sq.ft for unfurnished space to £18.50 per sq.ft for furnished space. This assumed that the south wing could be separated from the rest of the ATC building in order that tenants could have their own access and defined office areas either over single floors or as a combination. The costs for this split works have been identified in 4.2 above.
- 5.6 The total expected rental income from the space could therefore be in the order of £180k for all 3 floors on a “furnished basis” which would be the basis of our marketing

strategy. We would then need to add the expected savings in terms of our rating liability for the space at £80,000 per annum – so a combined total of £260,000 per annum.

Floor	Area sq.ft	Rent per annum (furnished)	Est. Business Rates liability per annum (£90p/sqm)	Total per annum based on furnished
Ground	3,003	£55,558	£25,110	£80,668
First	3,358	£62,130	£28,080	£90,210
Second	3,305	£61,134	£27,630	£88,764
TOTAL	9,666	£178,822	£80,820	£259,642

5.7 In addition, there is likely to be quantifiable savings through the service charge which could deliver between £10,000-£40,000 in further savings but will be subject to further investigation. A target figure of £300,000 across rental income and savings opportunities is therefore the figure being used in the supporting business case.

6. SWOT Analysis

Strengths:	Weaknesses:
<p>Aligns to transformation strategy and delivers against the Assets and Accommodation theme.</p> <p>Addresses the ongoing under-utilisation without disposing of a critical asset.</p> <p>Allows stronger networking within the District with an opportunity for third party tenants, of NFDC choosing.</p> <p>Opportunity for long-term income generation.</p>	<p>The original project brief was holistic in its approach and offered a significant impact. Due to the cost, the scheme has been scaled back with several compromises.</p> <p>Project no longer encompasses the North Wing Ground Floor, which would have directly addressed staff comments around a lack of suitable meeting space.</p> <p>There are negligible environmental improvements (within the building) due to the scaled back approach to cost savings. The project therefore does little to deliver against NFDC's approved Climate Action Plan.</p> <p>The introduction of third-party tenants creates an additional administrative task (preparing Heads of Terms, leases, management function etc).</p>

Opportunities:	Threats:
<p>The scheme allows NFDC to promote an enhanced offer to staff, to aid attraction and retention.</p> <p>A planned installation (24/25) of Electric Vehicle Charging Points (EVCPs) will further boost our staff and visitor benefits.</p> <p>The project has already highlighted the 'Phase 2' potential of the North Wing Ground Floor as a mixed-use break out hub.</p> <p>Common areas will require refurbishment to balance the location of toilet facilities, i.e. make all toilets gender neutral cubicles.</p> <p>A "Do Nothing" or minimal intervention approach will reinforce current habits and not encourage change or release a financial contribution in support of the MTFP.</p>	<p>If approved, the project will need to be appropriately resourced, as delivering to time and budget will be imperative.</p> <p>Due to the scale of the work, staff will need to be temporarily relocated to alternative workplaces (or home).</p> <p>Critical services in the in-scope areas, e.g. ICT Server Rooms, must have minimal disruption.</p> <p>Interest in the South Wing has not yet been fully canvassed with preferred third parties.</p> <p>Some teams have specialist requirements that will need to be relocated appropriately (e.g. Revs and Bens 'glass box').</p>

7. Preferred Option

- 7.1 The preferred option, based on the extensive data and advice that the Project Team have received, is to take Option 5a through to detailed design, at an estimated total project cost of £1.4m to £1.8m.
- 7.2 This option meets the original spatial brief and offers an enhancement of existing facilities to staff. It will create a cohesive look and feel, that can in turn be aligned to the objectives of the wider transformation agenda.
- 7.3 Further added value could be achieved later with a standalone refurbishment of the North Wing Ground Floor. Early concept designs indicate that the area can be significantly opened, to create modular and flexible spaces. This area would lend itself to a mixed-use hub, with a training suite, enhanced interview rooms, collaboration spaces and touch-down zones. Large internal meetings (that are currently held in the Council Chamber due to lack of appropriate space) could be relocated into this area.
- 7.4 Should option 5a be approved as a concept, Officers estimate that it will take up to 26 weeks for the design team to prepare a package of works for the tender of construction. In tandem with this, a robust stakeholder engagement strategy will ensure that Staff and Cllrs are involved in the journey, through interactive feedback sessions, user groups and appropriate communication.

8. Success Factors

- 8.1 The effective implementation of this new way of working would require mapping of a staff engagement strategy to the on-site activity, from pre-construction through to operational handover.
- 8.2 In particular, it should be noted that the most common 'team day' is currently a Thursday. All directorates will need to work together to agree appropriate team days, taking into account non-working days. This will help to ensure that the correct balance of collaboration and utilisation is achieved.
- 8.3 Careful consideration must be given when onboarding the existing users of the South Wing. Messaging needs to reflect that the project is a significant change for those teams, and a top-down approach will help to promote the benefits and opportunities that will be delivered.
- 8.4 Due to the scale of the works and the potential disruption, it is recommended that the East Wing is refurbished in successive phases. This allows for a soft launch of the new working arrangements and ensures that troubleshooting can be managed effectively through each stage as a step-change.
- 8.5 To support team adjacencies and promote impactful working, it is proposed that each floor of the East Wing accommodates a directorate. Layout planning will be a critical element of the design stage, to ensure this works in practise.