

## **Taunton Deane Borough Council**

**Report of the Acting Head of Client (Jill Sillifant) to the Executive – 16 July 2008**

**Southwest One - General Progress Update 2007/2008 and Performance Monitoring 2008/2009**

**(This matter is the responsibility of Executive Councillor Mrs Smith)**

### **EXECUTIVE SUMMARY**

SouthwestOne began operating in full on 1 December 2007. This report summarises the work that has been done since then to embed the services that SouthwestOne now manage, and sets out the key developments that have taken place since that date.

The report also sets out the work that has been done to establish a performance monitoring framework for SouthwestOne services, sets out performance indicators for each service, and summarises how performance will be monitored, reviewed, and reported in 2008/2009 for both operational services and the wider Transformation Projects.

### **1. Purpose of the Report**

- 1.1 This report summarises the general progress made in SouthwestOne following the transition of services to it at the end of 2007, and since its early months of operation.
- 1.2 The Executive is asked to:
  - a. Note the progress made and developments in relation to both operational services and transformation projects;
  - b. Note the arrangements for the future reporting of services within SouthwestOne.

### **2. Background**

- 2.1 On 28 September 2007, Taunton Deane Borough Council and Somerset County Council concluded the “deal” with IBM that saw the creation of SouthwestOne, the ambitious and unique Joint Venture Company set up to transform the way we provide services to our customers. At the end of March 2008, Avon and Somerset Constabulary subsequently joined the arrangement as a third public sector founding partner. Its services became fully integrated on 1 July 2008.

### **3. Service Transition**

- 3.1 Since the council's services began moving to SouthwestOne last November, a great deal of work has been done to embed each service into the new organisation, and to begin plans for each service's development. Each service has gone through a transition phase; firstly to allow a thorough understanding and analysis of current ways of working, but subsequently to position each service for future improvements and to prepare for future integration with like county council services. Development Plans have also been produced for each service setting out key initiatives to be implemented; driven by this transition and developmental work but also driven by our Corporate Strategy and Corporate Priorities.
- 3.2 This work has been the major focus of activity since December. It has involved detailed planning and co-ordination to ensure that service "mobilisation" was effective, and was achieved without any disruption to the services and individuals dependent on those services. A measure of the quality of the transition planning is that no complaints were received, or performance drops noted in the run up to, or aftermath of the launch dates.

### **4. Transformation**

- 4.1 Members will recall that the council's desire to transform the organisation, to better join up the delivery of our services, to focus more on the customer and how they can better access services, and to access world class technology was key to the formation of the ISiS programme.
- 4.2 Consequently, in addition to managing our support and transactional services, the deal signed with SouthwestOne includes delivery of a number of organisation wide transformation projects which meet the desires described above, and which are designed to radically change and improve the way customers access and receive our services. Five such projects have been signed up to in the first year of operation, known as "Wave 1" Projects. The five projects are:
- Procurement Transformation  
The project which will release significant savings by changing the way we procure goods and services
  - SAP Back Office Project & Technology Enablement  
The new technology system that will link Payroll, HR, Finance and Procurement services

- Customer Access Initiation Programme  
The project looking at improving customer access and resolution of customer queries
  - Locality Based Service Delivery  
A pilot project identifying local community needs, and how joint agencies can better respond to them
  - People Excellence Model  
A programme focused on new skills, and career development for staff
- 4.3 The Procurement Project began in December, given that savings realised from this project will be releasing the funding to undertake the others. All other projects started in April.
- 4.4 Two of these projects are being “mainstreamed” and delivered within the day job of the relevant service areas (the Locality Based Service Delivery Pilot, and the People Excellence Model). The other three projects will result in significant organisational change and need to be resourced differently; consequently we have recently appointed Change Managers to lead these particular projects. This is essential if we are serious about delivering on our priorities.

## **5. Performance**

- 5.1 The success of SouthwestOne will be determined by whether it delivers our operational services effectively and efficiently, and whether the organisational transformation proposed through these projects is delivered and achieved. Monitoring and measuring of performance of both of these aspects is therefore essential.

### **5.2 Operational Services Performance**

- 5.2.1 The contract contains a sophisticated model of performance measures designed to reflect the key elements of the services provided by Southwest One, through which we will monitor performance.
- 5.2.2 At service start up, a set of performance indicators was developed for each service; the period between December 2007 and April 2008 was then used to further refine these indicators and to agree a process for baselining the information around each one.
- 5.2.3 SouthwestOne provides detailed information on these performance indicators on a monthly basis. If service performance falls below the agreed targets on Key Performance Indicators, the contract arrangements allow the council to impose penalties on SouthwestOne.

- 5.2.4 A high level breakdown of the 'Service Credit' mechanism consisting of the Key Performance Indicators (KPIs) and Service Performance Indicators (SPIs) is contained at Appendix A. Performance against these measures is routinely monitored through the Client Services Team. The mechanism is designed to incentivise Southwest One to continue to deliver to the existing high standards already achieved with our "in scope" support services and, indeed, improve on them as reflected in the contract.

### **5.3 Transformation Performance**

- 5.3.1 Monitoring progress of the Transformation Projects is done through a network of linked arrangements – firstly through individual Project Steering Groups, which in turn feed through to weekly overall reviews at senior level of all five projects. Here, projects are assessed against scheduled milestones and timetables, and against agreed "deliverables". A summary of the period ending 30 June is shown at Appendix A.

## **6. The Client Services Team**

- 6.1 A small team has been set up to manage the SouthwestOne contract and to manage the overall relationships with SouthwestOne, although day to day working relationships between front line service managers and SouthwestOne remain largely as before.
- 6.2 The Client Team monitors contractual performance, manages payments to and penalties from SouthwestOne, and manages the overall delivery of the transformation projects. The Client Team also acts as a key liaison point for SouthwestOne to ensure that its purpose and direction is relevant to, and reflects our corporate objectives.
- 6.3 The team of Change Managers described in para. 4.4 works closely with the Client Team, given the close link between the delivery and the performance management of the Transformation Projects. Consequently they are located together.

## **7. Highlight Report**

- 7.1 With such a diverse range of activity being undertaken by Southwest One, the two councils' client teams have been developing reporting systems to simplify the process of monitoring and reporting contract performance. Appendix A contains the information we are proposing to produce in order to monitor delivery and performance of the Southwest One services, and to track progress of the transformation projects. The reporting format is still

being developed to ensure that it fully reflects the needs of all stakeholders.

## **8. Future Performance Reporting**

- 8.1 It is proposed that ongoing reporting on the performance of operational services is done through the Strategy and Performance Panel, alongside the performance reporting of all other council services to ensure that a corporate picture is available. The most appropriate way of reporting on the Transformation Projects and the benefits being delivered is currently under debate, and will be the subject of a future report although a summary to date is included in this report.

## **9. Recommendations**

- 9.1 The Executive is requested to note the contents of the above report.

### Contact officers:-

Jill Sillifant, Acting Head of Client: 01823 356309; email: [j.sillifant@tauntondeane.gov.uk](mailto:j.sillifant@tauntondeane.gov.uk)

Shirlene Adam, Strategic Director: 01823 356310; email: [s.adam@tauntondeane.gov.uk](mailto:s.adam@tauntondeane.gov.uk)

## HIGHLIGHT REPORT

## APPENDIX A

### OPERATIONAL SERVICES

#### Key Performance Indicators

##### TDBC - KPI Performance in May 2008

	PASS	FAIL	NOT MEASURED	NOT REPORTED	TOTAL
<b>Service Line</b>					
Customer Contact Centre	3	0	1	0	4
Corporate Services	1	0	2	0	3
Design, Print & Postal Services	1	0	1	0	2
Finance	1	0	7	0	8
HR	3	0	2	0	5
ICT	3	0	0	1	4
Procurement	3	0	2	0	5
Property Services	0	0	5	0	5
Facilities Management	1	0	1	0	2
Benefits	8	0	0	0	8
Revenues	3	0	0	0	3
<b>TOTAL</b>	<b>27</b>	<b>0</b>	<b>21</b>	<b>1</b>	<b>49</b>

##### Service Performance Indicators

##### TDBC - SPI Performance in May 2008

	PASS	FAIL	NOT MEASURED	NOT REPORTED	TOTAL
<b>Service Line</b>					
Customer Contact Centre	0	0	4	0	4
Corporate Services	0	0	5	0	5
Design, Print & Postal Services	1	0	5	0	6
Finance	0	0	13	0	13
HR	0	0	14	0	14
ICT	28	0	3	1	32
Procurement	0	0	6	0	6
Property Services	0	0	13	0	13
Facilities Management	0	0	3	0	3
Benefits	0	0	11	0	11
Revenues	4	0	6	0	10
<b>TOTAL</b>	<b>33</b>	<b>0</b>	<b>83</b>	<b>1</b>	<b>117</b>

Future reports will also cover:

- **Volumes (based on Output Specifications)**  
Future reports will include breakdown of volumes used, and volumes remaining for those Southwest One services that are volumetric.
- **Operational Contract Risks and Issues**  
A status update on the joint operational contract risks, and details of any actions that will be put in place to mitigate these risks or issues.
- **Results of Southwest One Annual Survey**  
To be reported on an annual basis once the first Survey has taken place. Customer Satisfaction Surveys are currently under development.
- **Staffing and Resources**  
A summary of current staffing levels.

## **TRANSFORMATION PROJECTS – Period to June 2008**

### **Progress of Transformation Projects**

#### **1. Strategic Procurement**

##### Achievements

- Six category management plans drafted; three Category Plans (Travel, Professional Services, and Publications) + sub Category Fleet and seven Benefit Tracking Slips (BTS) received sign-off by the Procurement Steering Group (PSG) on the 24th June.
- Significant savings confirmed through signed off benefit tracking slips.

##### Exceptions

- Sign-off process for some Category Plans and Benefits tracking slips taking longer than anticipated

##### Activities/Milestones Next Period

- Integration of Avon and Somerset Constabulary into the overall project
- Continued support needed within all four organisations to understand the baseline numbers and impact of realisation & delivery
- Focus on sign-off of category plans and benefit tracking slips

#### **2. People Excellence Model (PEM) - Southwest One staff only**

##### Achievements

- PEM went live in Southwest One on the 9th of June
- All in scope staff have been aligned to a PEM community, i.e. Finance, ICT, HR, Property, Project and Programme Management, Operational Services, Customer Service, Procurement, People Management
- All employees received details of their point of contact within the PEM team – interim People Development Managers (PDMs) are in place pending appointment of permanent PDMs.

#### Exceptions

None

#### Activities/Milestones Next Period

- PEM Communities will be implemented in Southwest One over the coming months
- As each PEM Community goes live, all staff will receive more information from their Community Sponsor about what's happening next and how they can get involved.

### **3. SAP Back Office /Technology Enablement**

#### Achievements

- Process design walkthroughs (April/May): SAP teams working with Authorities to gain a common understanding of proposed new process designs and identified gaps
- Process design validation workshops (June): the new design (incorporating all feedback and inputs from the first workshops) was re-presented to Authority representatives for final input, amendments and ultimate agreement

#### Exceptions

- Awaiting sign-off of HR support process
- Issues with changes to Authorities' systems
- SAP Health & Safety modules awaited.
- SAP functional requirements may be delayed, affecting blueprint.
- Blueprint raising some scope issues.

#### Activities/Milestones Next Period

- The new business processes will be built and tested in the SAP system
- The supporting training material will be designed and developed. Towards the end of the realisation phase (November) all affected employees will be assigned to the new training courses
- Materials to introduce staff to some of the changes to their day to day activities that will happen with SAP will be provided

### **4. Customer Access Initiation**

#### Achievements



- Process workshops conducted around processes that will need to be aligned to the new SAP CRM system
- Overall organisation design for a combined customer services operation
- Work aligned with the Portal project to ensure citizens are able to conduct more enquiries and transactions through this channel
- Reviewed and aligned the new SAP CRM system with back office systems to ensure a smooth process flow

#### Exceptions

- Issues with accommodation for Project Team
- Repairline service ownership needs to be clarified.
- Councils need to define data migration policy.

#### Activities/Milestones Next Period

- Final process workshops to be conducted and further organisational design workshops to be scheduled over the next months.

### **5. Locality Based Service Delivery**

#### Achievements

- Stakeholder interviews in the Wellington area to understand how services are currently delivered
- Development of detailed customer profiles to understand their needs and how they interact within and outside of their communities.

#### Exceptions

None

#### Activities/Milestones Next Period

- July: Presentation of initial analysis to those interviewed; validation of the analysis and prioritisation of emerging solutions.
- Phase 1 (due to complete in August 2008): Production of a Local Service Delivery Plan for Wellington, that presents the profiles and findings from the research and outlines the recommendations for service delivery in Wellington
- Phase 2 (Q4 2008): Create the more detailed business design for the solution and a supporting business case
- Final report to make recommendations to take forward the Locality Based Service Delivery proposition across Somerset.

