



Transformation Programme
Highlight Report

14th November 2018

Executive Summary

Programme Status Report

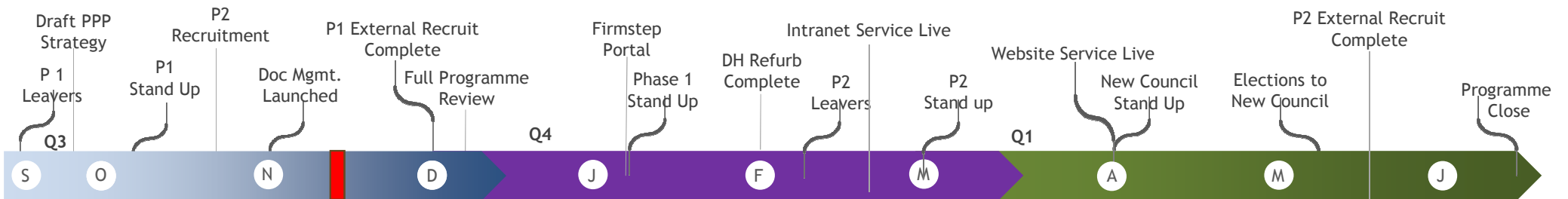
Programme Name	One Council Transformation
Senior Responsible Owner	Penny James
Programme Manager	Christopher Gage
Target Programme Completion	30/06/2019

Programme Cost	
Baseline Cost Transformation	(Accom) £7.1m (£7.5m)
Forecast Cost Transformation	(Accom) £9.5m (£7.5m)
% Spent To Date	49% (76%)
Transformation ROI	
Baseline	Current
2.29 Years	2.7 Years

Programme Status		
Benefit Delivery	Current Report	Previous Report
Saving >£3m/yr.	On Target	N/A
ROI <3 years	On Target	N/A
HL Business Case	On Target	N/A
Programme Delivery		
Resource	At Risk	N/A
Time	On Target	N/A
Cost	Off Target	N/A
Quality	On Target	N/A

Open Risks	
1 High	7 Med
12 Low	72 Complete
Overall Progress	
50%	
Process Redesign	42%
People & Change	55%
Accommodation	70%
New Council	42%
Technology	42%

Milestones





Chief Executive, BAU & Programme Commentary

Chief Executive	Commentary
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Redundancy Costs

My commentary in the September Scrutiny report made it clear that redundancy costs remained the key risk. At that point in time we had a picture of those in Phase 1 opting for voluntary redundancy (VR). We have now completed recruitment into Phase 1 (P1). In addition, we now have data for those in Phase 2 (P2) (the rest of the organisation) opting for voluntary redundancy. We have also completed recruitment to CIC (Commercial Investment and Change).

The original Business Case did not include the DLO workforce. However, it became quickly clear that to leave them wholly outside of transformation was wrong. Including them, and, redesigning the role as Localities Champions, gave us both an opportunity to drive the localities agenda further and to also ensure all colleagues embraced the Behaviour Framework and design principles especially around customer. The added benefits we're exploiting by taking this decision are:

- Applying trade and practical knowledge and expertise in the direct delivery of tasks to maintain/repair property, the environment and support people.
- Supporting customers with wider council enquiries and being a wider champion for the areas and people they are looking after.
- Enabling and encouraging customers to shift channels and self serve.

We now know 32 people (22.85 %) opted for redundancy in P1 and 121 people (24.25%) in P2. This number may increase as we continue recruitment to P2 if colleagues do not secure a role. The Business Case was predicated on an estimated saving equivalent to 23% of staff costs. In total approximately 23.9% of staff have opted for voluntary redundancy (VR). The Business Case included an estimate of £3 million to fund redundancies excluding the DLO workforce.

The redundancy cost attributable to the DLO is currently estimated at £798K. It is suggested that this cost is recovered on the same basis as the original Business Case of 2.29 Years. This requires annual saving of £348K and this will be achieved by reducing the number of Locality Champions recruited by 13. Whilst the Consultation Document shows approx. 150 Locality Champions on varying grades our financial model allows for approx. 167. Therefore the outcome can be delivered in line with the consultation document whilst meeting the additional savings target. The total savings target for the business case would be revised to £3.5m with a net pay back period of 2.7 years which is still regarded as acceptable in terms of value for money.

The revised estimate for total redundancy costs (excluding the DLO) is £4.48 million. The original Business Case included an average cost of redundancy of £25k. In reality this has proven to be £34k (excluding DLO). This has driven up the overall cost of redundancies. We are unable to restrict who takes or is made redundant and there was always a risk that this cost would increase.



Chief Executive Commentary (Cont.)

Chief Executive	Commentary
	<p>The Section 151 Officer and Transformation Principal Accountant have worked with me to put together a funding plan for these additional costs. The total required will cover the known costs plus a revised estimate for those costs that won't entirely crystallise until recruitment is completed by the end of Feb 2019. The Plan is detailed in the Finance update. Additional budget approvals will be required by the two individual councils.</p> <p>Other costs and financial impacts</p> <p>There are also small increases in other programme costs. In addition, the timing of savings / transition costs during 2018/19 financial year means that whilst the in year savings are broadly achieved in the design of the organisation, when taking into account transition costs to keep the 'business as usual' service capacity at acceptable levels there is a need for additional one-off funding.</p> <p>Recruitment</p> <p>Commercial, Investment and Change (CIC) has been recruited too and the structure chart annotated with the successful candidates is reproduced at Appendix 1. Recruitment of Specialists is the next step followed by Customer Champion and Case management Leads, then Case Managers and lastly Locality Champions.</p> <p>Transition</p> <p>The Heads of Function are working very closely with the Transformation Team to prepare for transition and implementation to our new model.</p> <p>Programme Sponsorship</p> <p>CIC will be the function responsible for business change in the future. Now that James Barraha has recruited to this team and as we move into transition and implementation it makes sense for him to now take on the Programme Sponsorship role.</p>



Business As Usual Commentary

Director of Operations	Commentary
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My commentary in September made it clear there would be an impact on service delivery during the implementation of our change programme. It reminded Councillors why capacity would be stretched during this period, and that this may mean re-phasing of work, stopping non-essential activity, or a temporary dip in performance.

Since the last update, the priority tasks have been:-

- **Managing the impact of the Phase 1 recruitment decisions.** We know that 24 people left the organisation at the end of September (and a further 9 Phase 1 posts will go later), and 59 people secured new roles. For both - the priority within BAU has been to understand their “old role” activity and identify true essential and priority tasks. These have been allocated to new temporary homes to allow these staff to take up their new roles (or leave the organisation). Some staff have started new roles in October, with the majority starting in December. The mapping of essential work to temporary homes, allocation of temp line management responsibilities and temp budget and health and safety responsibilities has been complex. To assist Councillors navigate the organisation during this transition phase, we have extended the “Member Case Management” pilot project until the end of February - and Dianne Blackmore will be the initial port of call for any queries.
- **Reviewing the List of Staff Choosing To Leave In Phase 2.** We have over 121 staff choosing to leave the organisation in phase 2. Their final date with the organisation varies - with the majority finishing at the end of February 2019. To ensure the impact of this is managed, we are currently looking at how their essential work will be covered for the short period between them leaving and the entire new model being populated.
- **Phase 2 Recruitment.** The first section of phase 2 (Commercial, Investment and Change) has now largely completed internal recruitment, with 21 staff securing roles in this area. We now need to plan the handover of their existing work as they move to take on their new responsibilities.
- **Extensions & Risk Areas.** There are some services that need additional capacity - on a temporary basis - beyond the end of February (eg there will still be 2 sets of Statements of Accounts to produce and support through external audit). We are currently putting arrangements in place to ensure these areas have sufficient capacity (on a temporary basis) to fulfil their essential tasks.

We continue to monitor high priority areas on a regular basis (collection of income, planning performance, support to vulnerable) and are managing any key vacancies by using agency resource. This continues to be a challenge in some areas as there is a national difficulty in sourcing some key specialist skill areas (e.g. Planning / Housing Options).

Staff are working extremely hard to keep services operating, in challenging circumstances. I am sure Councillors recognise this and continue to offer their support as we move into the largest phase of change in our programme.



Programme Commentary

Programme Manager	Commentary
	<p>Progress Since September Report</p> <p>Progress to date has been good with all work-streams delivering their key milestones despite a busy period of annual leave, interviewing and staff preparation for interviews. A test manager responsible for End to End testing of the Process Redesign & Technology Outputs was appointed this October and found the first 10 Outputs failed quality requirements required for day 1 readiness. The root cause was found to be based on reader accessibility. Based on these findings feedback has been given to the business analysts to prevent future noncompliance and continue with our right first time methodologies.</p> <p>A key outcome from the programme this month sits with initial benefits realisation. The Accommodation work-stream has successfully handed-over part of the Deane house to be occupied by the Police from December.</p> <p>Programme planning in the lead up to Christmas is two-fold; the first goal is to complete the Transition Plan. The programme needs to know when the Heads of Function are able to implement the capabilities delivered by each programme work-stream into the new organisation.</p> <p>Once the Transition Plan is established a Training plan can be developed to prepare staff throughout Q1 2019 in line with the new capabilities and ways of working.</p> <p>Following the September report recommendation to aid cost transparency the New Council Implementation budget will be included in the baseline programme cost dashboard (£6.81M to £7.1M). The ROI payback period for the programme has increased from the 2.3 years to 2.7 years (£9.528m/£3.5m).</p> <p>The forecast expenditure across 2 workstreams (Tech, People and Change) has increased with a total overspend of 0.9% compared to the original budget. This is however within the estimated overspend margins quoted in the September report (0.8-2%) which accounts for worst-case scenarios and risk budgeting.</p> <p>Risk mitigation has been a key focus of the programme which has successfully mitigated the strategic risk from the September Report. The latest strategic risk identified relate to potential gaps in personnel upon completion of interviews as well as risks found at the programme level. These risks assessed at programme level have been assessed as Amber and are continually being monitored.</p>

Programme Finances (£'000's)

As referred earlier in this report, we can now report with sufficient confidence an update on the projected programme costs. In particular the estimated costs of redundancy for staff exceeds the original business case estimates.

Financials (£'000's)					
Work Stream	Original Budget	Revised Budget	Actual to date	Current Forecast Total Spend	Variance to Revised Budget
Programme Management	1,244	1,186	859	1,185	(1)
People and Change	631	678	490	716	38
Customer Focus and Process Redesign	645	569	223	569	0
Technology	1,292	1,297	567	1,397	100
Redundancy	3,000	3,030	1,248	4,482	1,452
Redundancy - DLO workforce	-	-	-	798	798
Transformation Sub-Total	6,812	6,760	3,387	9,147	2,387
New Council	329	381	134	381	0
Total (inc New Council)	7,141	7,141	3,521	9,528	2,387
Accommodation	7,517	7,517	5,718	7,517	0

Programme Finances (£'000's)

The previous page reports an additional funding requirement for the transformation programme costs. The following table shows the recommended funding for these, allocated in proportion to existing cost sharing of programme costs (WSC 17%; TDBC GF 56%; TDBC HRA 27%). Allocations from reserves will require Council approval. Allocation of in year underspend may be approved by portfolio holders using delegated powers, but will be included in the request to Council for completeness.

Variance (£'000's)	Variance Analysed by Fund (£'000's)			
	Work Stream	WSC GF	TDBC GF	TDBC HRA
Total Transformation Programme	507	1,277	603	2,387
Funded by:				
BRR Smoothing Reserve (Pooling Gain)	0	114	0	114
General Reserves	174	335	356	865
Earmarked Reserve (SWONE exit funding provision retained for redundancy risk)	0	176	0	176
Reprioritised Earmarked Reserves	309	652	75	1,036
Allocate in year budget underspend	24	0	172	196
Transformation Total	507	1,277	603	2,387



BAU Finances (£'000's)

The commitment to maintaining service provision at acceptable levels during the transition period, the phasing of recruitment, and maintain support and service resilience for a short period after the new structure is 'live' requires additional funding. For example, we still need to produce two sets of accounts to produce and support through audit after the new single council structure is in place. It is recommended that these costs are funded through a combination of in year underspend and business rates pooling gain.

Transitional costs (£'000's)		Analysed by Fund (£'000's)			
Work Stream	WSC GF	TDBC GF	TDBC HRA	Total Variance	
Transition costs - post go live	85	287	143	515	
Transition costs - service capacity and phased recruitment	36	99	35	170	
Total	121	386	178	685	
Funded by:					
Allocate in year budget underspend	121	0	178	299	
BRR Smoothing Reserve (Pooling Gain)	0	386	0	386	
Total Funding	121	386	178	685	



Recommendations

Recommendations for Somerset West and Taunton Shadow Scrutiny:

- 1) Note the progress made in respect of (a) transformation programme overall, (b) business as usual, and (c) preparation for single new council implementation.
- 2) Note the position in terms of transformation, transition costs, and support recommendations to Taunton Deane and West Somerset Full Councils in respect of proposed additional funding allocations.
- 3) To support the proposed increase of the annual savings target by £348k to £3.5m.
- 4) Note that increased savings will make a positive contribution to the new Council Medium Term Financial Plan.

Proposed recommendations for Taunton Deane Borough Council:

- 1) Note an increase to the Transformation Programme Budget of £2.387m. Approve funding of £1.277m for TDBC General Fund and £603k for TDBC HRA. Note £507k to be funded by West Somerset Council General Fund.
- 2) Note an increase to service budgets for transitional costs totalling £685k. Approve funding of £386k for TDBC General Fund and £178k for TDBC HRA. Note £121k to be funded by West Somerset Council General Fund.
- 3) To support the proposed increase of the annual savings target by £348k to £3.5m.
- 4) Note the Shadow Executive to consider basis for allocating increased savings target within the new Council's Budget and Medium Term Financial Plan.

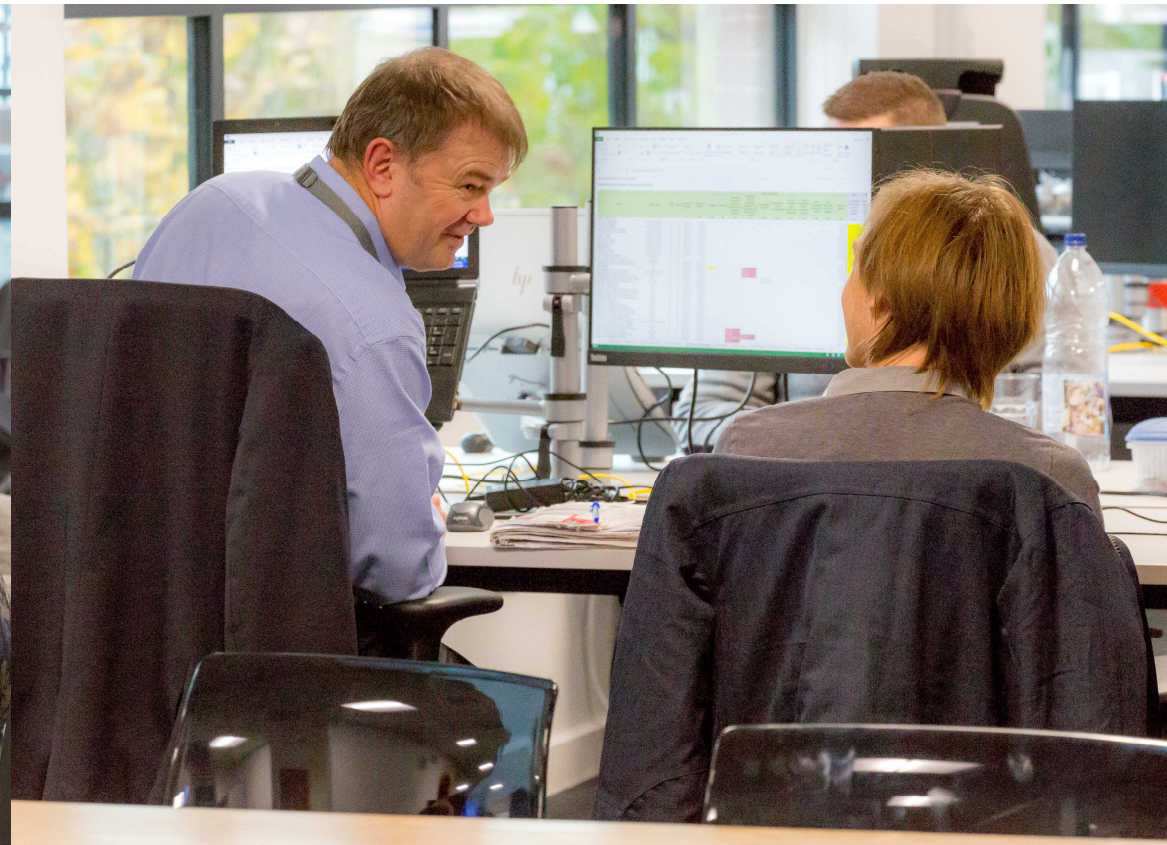
Proposed recommendations for West Somerset Council:

- 1) Note an increase to the Transformation Programme Budget of £2.387m. Approve funding of £507k for West Somerset Council General Fund. Note £1.277m to be funded by TDBC General Fund and £603k by TDBC HRA.
- 2) Note an increase to service budgets for transitional costs totalling £685k. Approve funding of £121k for West Somerset Council General Fund. Note £386k to be funded by TDBC General Fund and £178k by TDBC HRA.
- 3) To support the proposed increase of the annual savings target by £348k to £3.5m.
- 4) Note the Shadow Executive to consider basis for allocating increased savings target within the new Council's Budget and Medium Term Financial Plan.

Programme Top Risks

The below table shows the top RED (R) and Amber (A) risks extracted from the programme risk register. All risk are assigned an owner and actionee who will ensure the risk have an appropriate mitigation plan.

Title	Description	RAG	Path to Green/Closure	Strategic /Pgrm
High volume of staff gaps in new organisation	More Staff are taking VR and there is a risk that we will have more vacancies for case manager/customer/locality roles in the new organisation than expected. There is a risk that we will not have a fully resource organisation on the 1st April.	R	Forecast worst case scenario and build plan, (including resource demands). Breakdown interview plan via area/departments to highlight gaps immediately after interviews completion. Where gaps are known externally recruit as soon as practicable	S
Unbudgeted Redundancy Costs	The budget allowance for Voluntary Redundancies may be exceeded due to the numbers of individuals expressing an interest in accepting the offer of voluntary redundancy.	A	Now that the Phase 2 application deadline has passed we can confirm the total number of people requesting voluntary redundancy and hence calculate the total amount of funds required.	P
Additional Transition Costs	There may be a gap between the new organisation standing up on the 1st of April and when staff exit the organisation 1st March. Between the 1st March and the 1st April there will be a 4-6 week gap before the full channel & demand shift will occur.	A	Heads of Function to determine the gaps based on their activity and transition tracker. Assessment to be made based non essential activity (paused/stop) and if we will need additional staff to maintain the organisation.	P
SharePoint Platform	Our planned approach of building an on-premise SharePoint DMS is looking incorrect - our external SharePoint consultant has advised that we would waste significant time and money building an on-premise version based on already out-of-date technology. He advised that we should adopt SharePoint online (as part of a move to Office 365). There is therefore a risk that the timing of the SharePoint DMS build will need to be moved to later in 2019.	A	The DMS plan incorporates a 'Transition Drive' as an interim solution prior to migrating data to SharePoint. To enable the move to Office 365 this stage will be lengthened.	P
Scheduling of end to end testing	End to end testing of all the component parts brought together, i.e. new website, new intranet, Firmstep Portals - Service, Self and Dash; Firmstep self-serve forms, workflows, integrations with back office systems. All of this testing will require significant investment in resource and time to complete properly, but will come at a time in the programme where it is already extremely busy - from January onwards. Politically and reputationally it is important to get right..	A	Introduce a testing Identify a Test Manager to lead and co-ordinate activities? Revisit the plan to see when end to end testing could begin. Bring forward the delivery of as many products as possible in order for testing to start at the earliest opportunity. Test and release Firmstep products in batches over a period of time rather than in one go in April 2019.	P



New Council
Highlight Report
14th November 2018



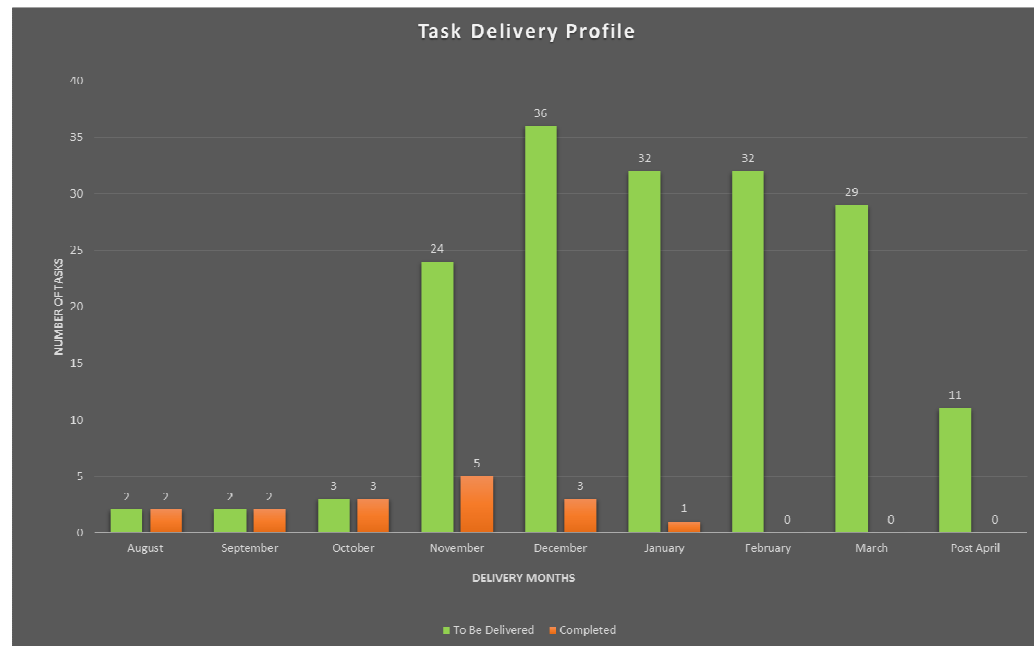
New Council Workstream Lead Commentary

Workstream Lead	Commentary
	<p>Since the last report there has been progress in a number of areas.</p> <p>Firstly, the Somerset West and Taunton Implementation Plan was approved by the Shadow Council at its October meeting. A commitment has been made to share progress with Shadow Scrutiny on a monthly basis.</p> <p>The Boundary Commission warding review recommendations were published and shared with Members at the end of last month. Subject to parliamentary approval Somerset West and Taunton Council will be made up of 59 elected members. This is a key piece of work, essential to planning for the May 2019 elections, the next key milestone for which is the publication of the combined electoral register in February.</p> <p>Work on developing the Constitution has commenced with the first two parts of new constitution having been reviewed by the Constitution Sub-group of the New Council Member Working Group. Further parts will follow, as per an agreed schedule, with approval by Shadow Council anticipated in late March. There has also been positive news regarding the three consequential orders which we have been working with the Ministry of Housing Local Government and Communities (MHCLG) and the other ‘merging’ councils to develop. The General order which deals with the transfer of assets, liabilities, decisions, orders etc. was made by the Minister, laid on 2 November and will come into force on 26 November. SHAPE legal will be creating an ‘easy read’ guide to the order that we will share.</p> <p>The first draft of Finance order has been received from MHCLG. This primarily provides the rules around Council Tax equalisation. On 6 November we attended a meeting with MHCLG and the other ‘merging’ councils to review this draft. Further meetings are planned. Regarding the place-specific order we have submitted details of the areas we believe need covering within the order. The other councils have done likewise. However, unlike the other two orders, which cover all of the ‘merging councils’ this order will be unique to each new council. MHCLG lawyers are currently reviewing the potential content. We anticipate receiving a first draft shortly.</p> <p>Finally, there has been progress on closing actions within the Implementation Plan. 16 Actions are now completed. There has also been an increase in the number of actions that have commenced. Whilst there are many yet to start, in most instances these have a known dependency (e.g. branding being agreed) or cannot start yet (e.g. closure of the accounts) so are not cause for particular concern at this point.</p>

Somerset West and Taunton Council - Implementation Plan Summary

Implementation Plan Actions			
Not Started	In Progress	Completed	Total
82	73	16	171
48%	43%	9%	100%

Highlights this month
<ol style="list-style-type: none"> 1. Implementation Plan approved by Shadow Council; 2. Boundary commission review recommendations published; 3. First two parts of new constitution reviewed by Constitution Sub-group; 4. Final draft of General order received from MHCLG; 5. First draft of Finance order received from MHCLG; 6. Meeting held with MHCLG and other 'merging' authorities re Finance order.



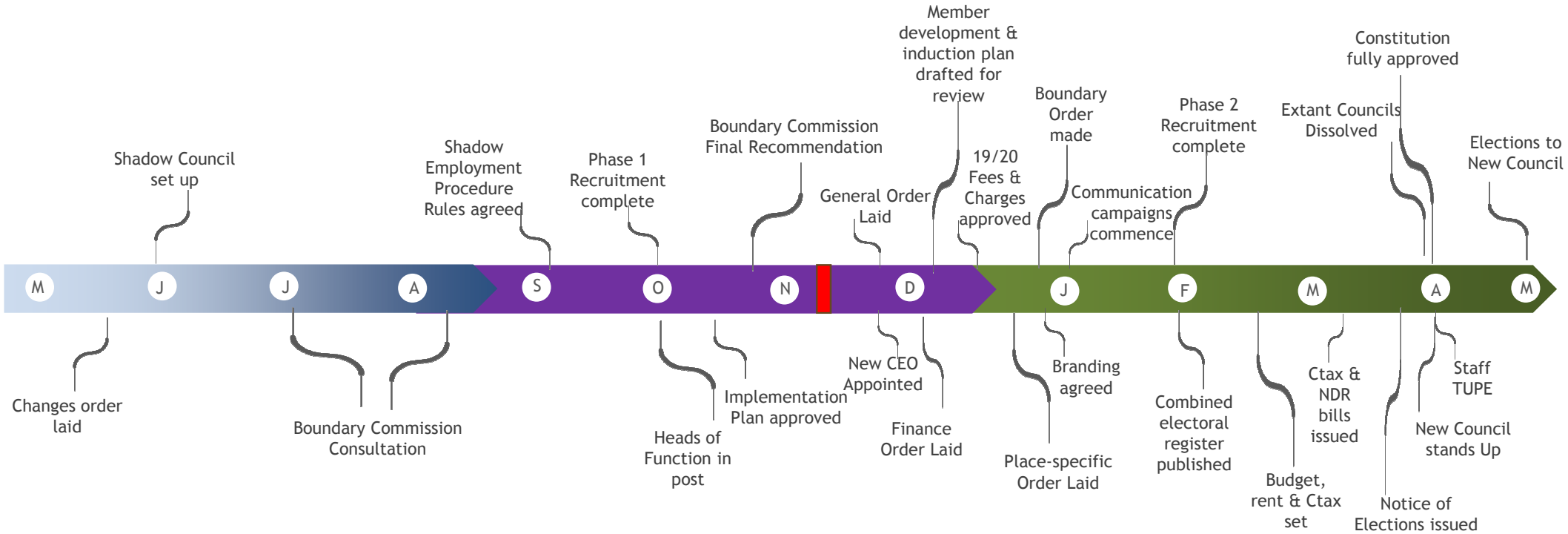
Risks and Issues
<p>Risks</p> <ul style="list-style-type: none"> A Dependencies on third parties (e.g. Government departments, technology providers, banks), causes delay beyond our control. <p>Issues</p> <ul style="list-style-type: none"> A Practicalities for decision making between 1 Apr and May 19; A Delay in finalising consequential orders; A Movement of staff within, and exiting, the council and their capacity.

New Council Cost			
Baseline Cost £329,000	Forecast Cost £381,000*	% Spent To Date 38%	*Variance relates to legal costs to ensure safe delivery of new council

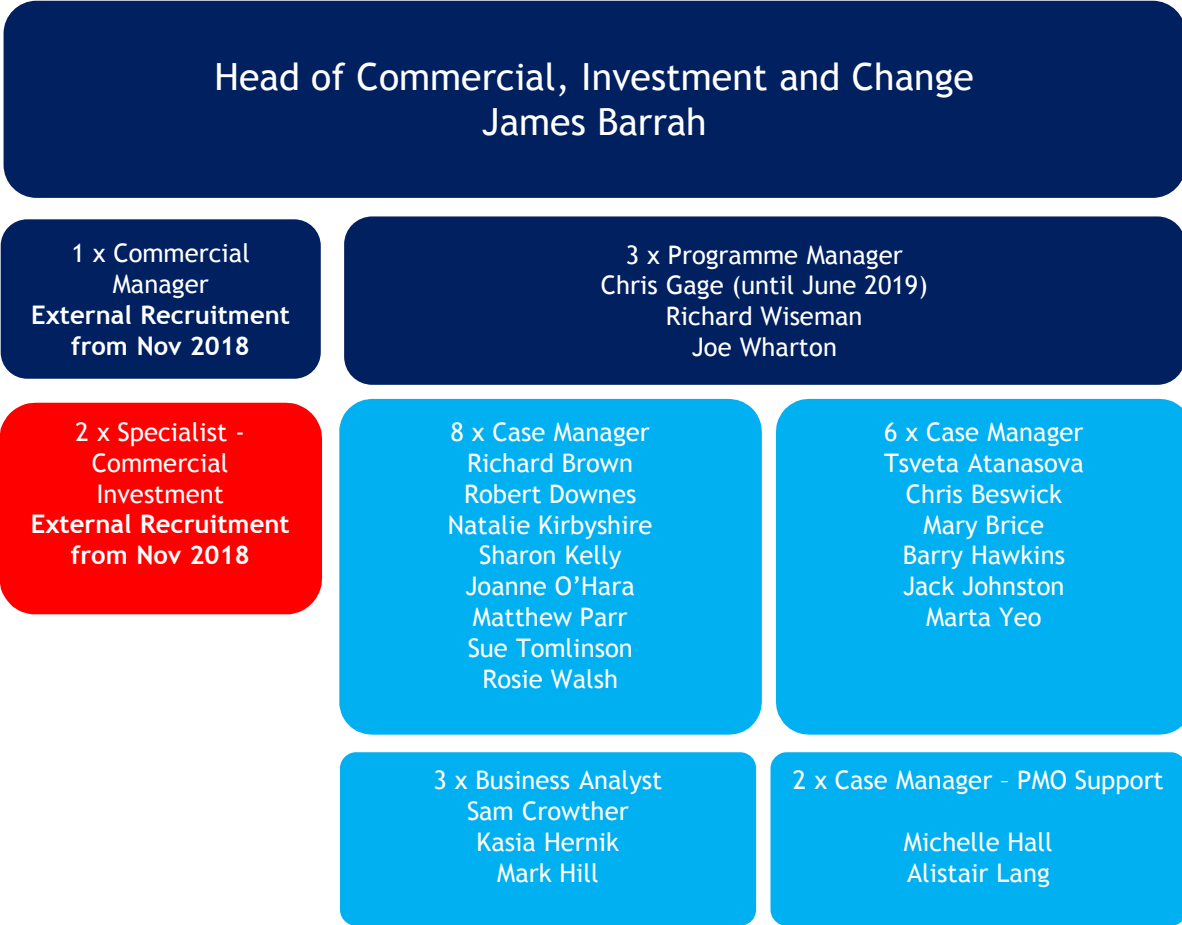


Somerset West and Taunton
 Taunton Deane and West Somerset Councils
 working together

Somerset West and Taunton Council Implementation - Critical Path



Outcome From CIC Recruitment





Appendix

Organisational Structure



Org Structure
Update November