

Southend-on-Sea City Council

Report of the Executive Director (Strategy and Change) to Audit Committee on 19th July 2023

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Agenda
Item No.

Transformation Programme *A Part 1 Public Agenda Item*

1. Purpose of Report

- 1.1 To report to the Audit Committee the Council's approach to the planned transformation programme across the Council.

2. Recommendations

- 2.1 **That the Audit Committee notes the content of this report which outlines the need for transformation, the approach to defining the transformation, the oversight mechanism and how delivery will be effected, as well as the risks and opportunities associated with this programme.**

3. Context

- 3.1 Southend Council needs to transform the way in which services are delivered to become a modern and sustainable council. With a concerning deficit having arisen during 2022/23 and a forecast budget gap in 2023/24, which is expected to rise further, the Council must change and modernise to maximise the output and impact for residents, from the constrained resources that are available.
- 3.2 Southend, like many other local authorities, is facing increased demand for services and therefore needs to do more with the same amount of income. This is causing an excess of expenditure compared to income, with the financial result for 2022/23 being the largest deficit the Council has experienced since it became a Unitary authority in 1998. In this context the Council needs to work out how to become financially sustainable for the future, whilst delivering the right services at the appropriate level of quality.
- 3.3 Demand for services is increasing and the cost-of-living crisis is the latest in a series of events which have impacted the financial sustainability of local public services. Covid-19 perhaps had the biggest impact for many residents, including their expectations of the way that they access and receive services from Councils, and this has been quickly followed by the effects of inflation and the cost-of-living crisis, that have increased underlying costs for the Council and further increased demand from the public.
- 3.4 Southend is still relatively 'traditional' in its mode of service delivery and there is significant opportunity to digitalise and streamline, apply early interventions, and prevention methodologies to build more sustainable solutions. Previous transformation programmes have been unsuccessful and their failures can be attributed to a lack of buy-in, and a lack of common purpose.

- 3.5 A 'transformation blueprint' was created in 2022 which identified 51 service areas across the council and summarised a number of areas suitable for such change and the potential impact of this change. This also identified initial potential savings of circa £13m. The LGA Peer Review in 2022 also identified some of these, as well as other areas of potential and necessary change.
- 3.7 A number of other transformational programmes are already underway in areas across the council, to modernise and transform aspects of activity such as data use, adults social care services, ICT, Finance, HR and MySouthend, and while these are already in progress and will ultimately contribute to the future sustainability of the council, more is needed.
- 3.8 A far more extensive and challenging approach, based on experience in other local authorities, that is able to question current ways of working which are embedded in the culture, explore different ways to achieve the same goals while forming clear As-Is and To-Be views and outlining efficiency and effectiveness to be gained, is required.
- 3.9 A procurement exercise to find a transformation partner to challenge the status quo and assist with forming the As-Is and To-Be views and outlining projects to close the gaps has recently been concluded. Proven experience in delivering such outcomes at other local authorities was a key criteria in the selection, as well as the ability to transfer knowledge and skills.
- 3.10 While the partner will bring needed expertise and experience, the Council services need to own and be accountable for the transformation and a Transformation Board has therefore been established to bring together a comprehensive view of all transformation activities and manage the governance of these. It is very likely that new target operating models will be defined for service areas as part of the transformation.
- 3.11 The board is very mindful that there are potentially hundreds of projects or programmes which could arise from the partner work and that these will need proper management and goalsetting, will need to be approved, prioritised and scheduled, and then outcomes tracked. A clear delivery framework has been agreed as a means to prioritise and schedule these projects while the tracking and management of these as the Transformation Programme will be overseen by the corporate programme management office, with programme reporting to Transformation Board.
- 3.12 The Corporate Leadership Team have agreed that the corporate programme management office will support the projects with best practice guidance and tools, and to the establishment of the Transformation Board to oversee and track the outcomes of transformation.

4. Purpose, and Principles of the Transformation Programme and the Transformation Board

- 4.1 The purpose of the Transformation Board is to drive transformation aligned with strategic goals to enable the council to be modern and financially sustainable.
- 4.2 The Transformation Board has been established to provide a strategic framework to oversee delivery of outcomes, drive accountability, manage risk and opportunity and ensure appropriate governance of the programme of work.

- 4.3 The corporate programme management office will provide a cross programme support office to facilitate and track work across all the approved projects and programmes. This will include oversight of transformational projects and programmes already in flight in some services.
- 4.4 This will also include providing guidance and around common approaches and ways of working; ensuring sufficient information is available for the Transformation Board to prioritise new projects or programmes; identifying common themes/projects; tracking the management of inter-project dependency; and tracking of progress and reporting.
- 4.5 Principles which will be used to drive forward the transformation objectives have been agreed. The principles guide the activity to ensure any change initiatives across services align to the following:
- Digitally enabled: reducing manual tasks and improving self service opportunities.
 - Efficient and Effective: driving a shift to outcome based and customer centric approaches which use early intervention and prevention methodologies and appropriate structures.
 - Prioritisation: Focusing on greatest needs and meeting the desired outcomes in the prioritisation.
 - Collaboration: Working with services, health and third sectors to drive efficiency and effectiveness.
 - Best value: driving for best value for residents in terms of what and how services are delivered.
 - Culture Change and Learning: Culture change is essential to create and support a modern council, and embedding new skills via learning will build confidence and grow the talent that will be needed.
- 4.5 The purpose and principles were defined and agreed with the Councils Corporate Leadership Team and the Cabinet. They reflect the two sides of the organisation which are both important: Protecting the Council and Supporting vulnerable residents.
- 4.5 Proper governance of this programme of work is recognised as critical and a delivery framework has been created to ensure coherence and decision making aligned with corporate priorities.

5. Delivery Framework

- 5.1 Due to the complexity of this transformation work, which will encompass 51 service areas across aspects that cover people, organisation, technology and information, the Transformation Board agreed that a framework to provide structure is essential.
- 5.2 This structure will provide rigour around the assessment of business cases for change, ensuring that all aspects are covered, as well as tracking the proposed deliverables and ensuring that the programme office, and the services will have the ability to manage and deliver the transformation programme. Figure 1 on the following page shows a diagrammatic view of this framework and how the project tranches are envisaged to close the gaps between current and future states.

SCC Transformation Board – Delivery Model (Supporting Themes)

Transformation Board

Transformation Enablement – Establishing and overseeing the environment for Transformation

- Financial targets & constraints
- Transformation Policies
- Workforce development
- Organisation Change
- Cultural Change
- Transformation Support
- Elaboration of Future State goals / making them relevant to service areas
- Supporting service area transformation
- Building in Climate Change
- Stakeholder Management (Members, Public, staff etc)
- Communications
- Defining & maintaining focus on customer experience

Current State	Project Dossier (Transformation Board Level)	Future State
<p>Process (and Policy)</p> <ul style="list-style-type: none"> • Approach to customer self-service is inconsistent and not implemented, by default, for all services. • Current tasks can be quite manual/labour intensive. • Opportunities for early intervention not always considered. • Processes duplicated across and with service areas. • Services delivered without challenge? <p>Organisation</p> <ul style="list-style-type: none"> • Workforce and organisation structures reflect pre-Covid / pre-Transformation ways of working. • Organisation location not aligned asset location or current hybrid ways of working. • Organisation focused on tasks rather than demand. • Organisation is siloed and lacks cross departmental team working. <p>Technology</p> <ul style="list-style-type: none"> • Combined on prem and cloud based solutions. • Old networking and security solutions (not compliant??) • New "Teams" collaboration tools not fully deployed. <p>Information</p> <ul style="list-style-type: none"> • Council data is difficult to access, located within departmental silos and not used effectively to support decision making and improve service delivery. • Data based reports require specialist resources to develop and are limited in scope. • Few "live" data feeds means information is generally historic and doesn't track current events. 	<p>Tranche 1 – Process and Policy Review, Development and Update Work associated with reviewing and re-developing processes and policies across the organisation with a view to moving towards the defined future state. It's likely that many of the process changes will be embedded as part of programmes or projects e.g. MySouthend or ERP. However, we should look for opportunities to streamline processes across the organisation. What Policies need to be created or changed to support the future state?</p> <p>Tranche 2 – Organisation Dev. and Change Management Work relating to organisational change, development and communication. Changes could be required at all levels of the organisation – Team, Department, Directorate or cross council. Programmes and Projects may be driving change but support will be required from other service areas. Transformation communication, workforce development etc all need to be delivered through this workstream.</p> <p>Tranche 3 – Technology Enablement Work required to enable the digital by default approach. This requires the ICT estate to be migrated to the latest cloud-based technologies and for connectivity to enable working from any location. New Microsoft 365 tooling available to enable users to build own workflows, integrations and cross platform reporting. ICT lead and support at project level to enable new solutions such as MySouthend and ERP. Connectivity required from device to device to enable automation and improved operational reporting.</p> <p>Tranche 4 – Information and Data Work required to make data more available to staff to enable better decision making based on insight and analytics. Improving the way we use data is vital to delivering the future state for processes. Powerful reporting tools deployed to enable staff to build and build their own reports and dashboards. Data availability to be enabled from connected devices providing live information from across the City.</p>	<p>Process (and Policy)</p> <ul style="list-style-type: none"> • Customer self-service as default (Digitally enabled). • Manual tasks and processes reduced through automation. • Early intervention is prioritised. • Failure demand is minimised. • No process duplication. • Opportunities to 'stop' and 'resize' are enabled. <p>Organisation</p> <ul style="list-style-type: none"> • Workforce is productive, scaled and structured appropriately to deliver. • Asset locations align with local need and we collocate where appropriate. • Resources focused on those that need it most. • Culture, behaviours and leadership aligned with new ways of working. • Teams work together to drive efficiency and outcomes (including health & 3rd sector). <p>Technology</p> <ul style="list-style-type: none"> • Technology enables Digital by default approach • Applications all cloud based enabling access from anywhere. • New networking installed to enable secure flexible working • MS Teams and other collaboration tools available to all • ?? How to describe opportunities arising from Lorawan connectivity? - IOT? Connected City?? <p>Information</p> <ul style="list-style-type: none"> • Council Information and Data more easily available, enabling better decision making / service delivery. • Data silos are removed enabling cross departmental reporting and insights. • Powerful reporting tools improve insights and presentation of Council data. • Transformation dashboard provides insight on progress and value delivered by Transformation.

Corporate Project Management Office

- Project Management - Best Practice
- Project Management - Delivery
- Portfolio and Project – Reporting
- Project Support
- Demand management

- 5.2 Under the oversight of the Transformation Board, the framework outlines key areas which are cutting across all service areas, and these are seen as foundational as they establish and support the environment for transformation.
- 5.3 Some of these key areas will be detailed and further articulated through the engagement with the transformation partner and service areas. These are needed but because we do not yet have all the detail, they are not yet fully defined. As such, we cannot impose targets on service areas at this time without these insights and detail. These include:
- The financial targets and constraints under which the teams will operate;
 - The transformation policies which need to be created to enable transformation;
 - The development of the workforce (identification and delivery of learning and skills development);
 - Changes to the organisation that will need to be enabled (structural or other changes);
 - The cultural shifts that will need to be made and embedded to support the transformation and the Council following the transformation;
 - Support that will be needed for the transformation (managerial, mental health etc);
 - The elaboration of future state goals per service area;
 - Supporting service area transformations;
 - Building in climate change considerations, so that this is embedded in new ways of working;
 - Stakeholder management (all stakeholders as this is a huge transformation programme and will include members, business, staff, suppliers, public, etc);
 - Communications – clear and consistent communications across all aspects and areas of the transformation to ensure that all stakeholders are informed at all times; and
 - Defining and maintaining a focus on customer experience through all service transformations.
- 5.3 The current state, project dossier (Transformation Board level) and future state view in the diagram will become the ‘theory of change’ and provide insight into how the projects and programmes to shift from current state (As-Is) to future state (To be). The project dossier will become the set of approved projects and programmes which will deliver this transformation and will be overseen by the Transformation Board.
- 5.4 This portion of the delivery framework builds on the POTI (People, Organisation, Technology, Information) Model of Leeds University as a way to frame thinking of change and the new target operating models which will be needed to achieve the future state.

Processes	Organisation	Technology	Information
Any operational models that will change as a result of the work that will be carried out under the initiative.	The people changes that will result from the initiative including personnel and culture.	Technology requirements encompassing systems, tools and other sources such as buildings.	Information required in the new, fully transformed organisation is noted here.

- 5.4 The foundations of the delivery framework diagram (base layer in the diagram) are:
- strong project management and support practices,
 - a clear demand management approach for filtering and scheduling project work based primarily on:
 - financial impact,
 - resident service improvement,
 - but also considers risks to existing services,
 - statutory responsibilities and speed of change.
 - Clear reporting mechanisms will be through the corporate programme management office to the Transformation Board, ECLT, CLT, Cabinet and Audit Committee.

- 5.5 A communication strategy and plan to ensure that all officers, members and stakeholders are informed at all stages of the transformation is seen as essential.

6. Anticipated Benefits

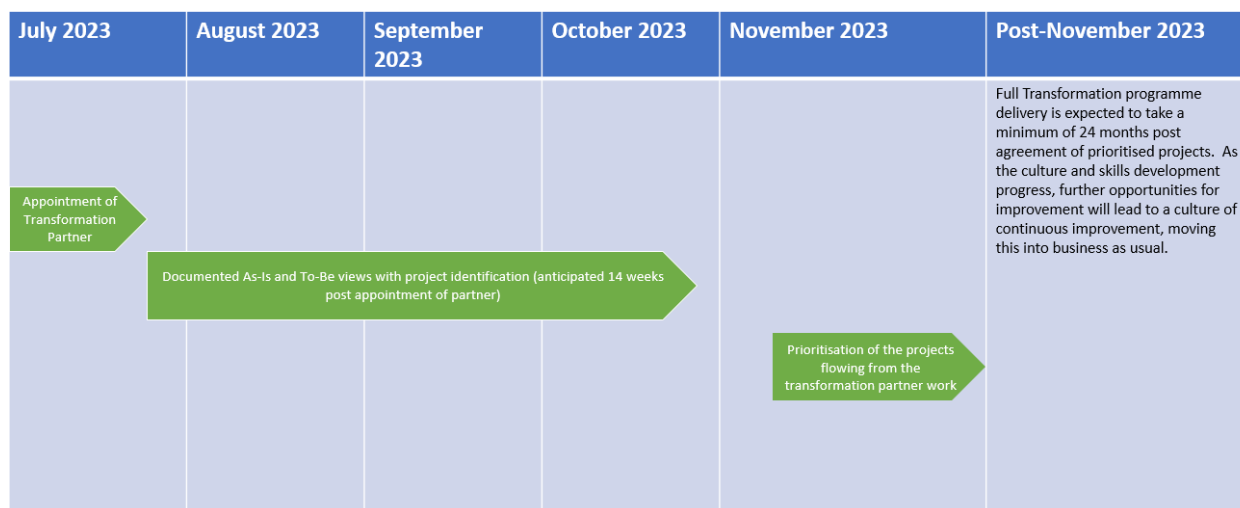
- 6.1 Modernisation of the council through digitisation, digitalisation and changing work methods to deliver better outcomes to our residents at a lower cost. Building a future-proof council which lays the foundation for future financial sustainability and smart city ambitions.
- 6.2 Elimination of double handling, wasted effort and duplication, resulting in increased resource efficiencies and reducing bureaucracy, whilst retaining order and control.
- 6.3 Clarity of agreed service standards set at the appropriate level so that this is sustainable in the context of the resources available, and expectations can be managed. At the same time, being able to apply the principles of good customer care to all interactions, with having robust and effective performance and workforce management practices to support this and deliver against the agreed service standards.
- 6.4 Reduced costs of services or future cost avoidance through improved efficiency and effectiveness.
- 6.5 Identification of potential new sources of revenue.

- 6.6 Services buy in and commitment to the programme, as key outcomes aligned to the transformation principles, will be agreed with each service through the course of the assessment by the transformation partner. A target benefits list will then be produced to be tracked by the Transformation Board. It is important that these targets are achievable and agreed with each service and not arbitrary figures.
- 6.7 A changed culture, and behaviours which embrace new ways of working. These new ways of working are proactive, collaborative and smart with a focus on service delivery. This culture change will be reliant on support from senior officers and upskilling.
- 6.8 Improved communication across different teams, bringing improved service outcomes.
- 6.9 Improved efficiency through the use of data for decision making, to automate and streamline processes.
- 6.10 Improved climate change approaches which can be woven through the updated service processes.

7. Quick wins

- 7.1 A number of quick wins were highlighted through the Transformation Blueprint and are in flight. It is envisaged further quick wins will be identified through the work of the transformation partner.
- 7.2 A quick win is also likely to be realised in parallel from a data use proof of concept which is testing early intervention in Supporting Families. This proof of concept is intended to automate the early identification of families who need support. This will reduce the costs of intervention and save time. This will also assist in the identification of further candidates, which can be utilised to bring further funding.
- 7.3 A transformation hub site has been launched to communicate the vision and provide managers and staff with information and toolkits to support the programme.

8. Timelines



- 8.1 Establishment of Transformation Board and Delivery framework – in place
- 8.2 Appointment of transformation partner – mid July 2023.
- 8.3 Documented As-Is and To- Be views with project identification – (anticipated 14 weeks post appointment of partner) end October 2023.
- 8.4 Prioritisation of the projects flowing from the transformation partner work – mid to end November 2023.
- 8.5 Full Transformation programme delivery is expected to take a minimum of 24 months post agreement of prioritised projects. As the culture and skills development progress, further opportunities for improvement will lead to a culture of continuous improvement, moving this into business as usual.

9. Risks

Risk	Description	Rating	Mitigation
Incorrect transformation choice	The future is always an unknown and potential transformation programmes are built on a view of the future.	Moderate	This framework ensures that the transformation choices are aligned to corporate goals and outcomes.
Resource risks: people, technology, data	This programme will place significant demand on the ICT and data teams as well as the corporate programme office teams who are already under pressure	High	The Transformation Board will need to prioritise and schedule work to be delivered
Leadership commitment and continuity	Transformation is a multiyear activity and any turnover in leadership will have an impact as any new	Moderate	The leadership team at all levels need to commit to this transformation and to keep a constant eye on the future state.

	leaders will require a steep learning curve.		
Third party risk	Much of the success will rest on work done by a third party.	Moderate	Strong contract terms, relationship building and contract management
Ineffective planning and alignment processes	This programme is likely to create many programmes or projects with dependencies and outcomes.	High	The delivery framework and planning with dependencies
Behavioural resistance to change: management need to deal with this resistance	The previous ineffective transformation attempts at Southend have created resistance to this change.	High	A change and communications programme put into place to assist with change
Black swan or unforeseen events	Another unforeseen event could impact negatively	Low	Strong resilience and leadership networks
The risk of not transforming	Should the council not opt to transform it is likely to become financially unsustainable	High	Transformation programme to be put in place that is recognised as necessary and supported by staff

10. Conclusion

- 10.1 The council needs to transform. It cannot continue to operate in the same way, as financial sustainability and better resident outcomes are needed.
- 10.2 A comprehensive transformation programme which aligns to the priorities and has a robust tracking mechanism to record outcomes is the best way to achieve this.
- 10.3 Driving transformation which is service-led, with the assistance of external experts, ensures that knowledge is transferred and changes will be embedded.

11. Reasons for Recommendations

- 11.1 The Audit Committee needs to be aware of the Council's position in respect of the transformation programme, to assist with enabling the committee to effectively discharge its responsibilities to ensure and appropriate process is in place that will deliver appropriate progress to transform the council into a modern and financially sustainable council.**

12. Corporate Implications

- 12.1 Contribution to the Corporate Plan and Southend 2050 Road Map
This transformation will be integral to all elements of the Corporate Plan priorities and 2050 roadmap
- 12.2 Financial Implications
These will become clearer once the transformation partner 14 weeks review is complete.
- 12.3 Legal Implications
There is nothing to raise at this time.

12.4 People Implications

The resulting change initiatives from the programme may result in restructure activity across the organisation. Change management will be essential to embedding the changes.

12.5 Property implications

There is nothing to raise at this time.

12.6 Consultation

Consultation around the changes that will take place will be essential and a change workstream is viewed as critical to success by transformation board.

12.7 Equalities and Diversity Implications

Changes made through the transformation programme will ensure that equality and diversity are applied.

12.8 Risk Assessment

There are a number of risks associated with this transformation programme which have been articulated in this report. There are also risks associated with not transforming.

12.9 Value for Money

Financial sustainability is a key driver for this programme of work

12.10 Community Safety Implications

There is nothing to raise at this time.

12.11 Environmental Impact

Climate change is a key element of this programme of work but there is nothing specific to report on at this time.

Background Papers

[Understanding the Future | A Practical Guide To Delivering Results \(leeds.ac.uk\)](https://www.leeds.ac.uk/understanding-the-future)

Southend City Council Financial Sustainability Strategy 2022 to 2032