

RESOURCES AND PERFORMANCE SELECT COMMITTEE

18 October 2019

Transformation Programme Update



Purpose of report: To provide the committee with an update on current progress regarding transformation of the council, to seek their input to the next phase of work, and identify approaches to ensure effective ongoing scrutiny.

Introduction:

1. Over the last year the council has embarked upon an organisation wide programme of change and improvement to address a number of performance, financial and cultural shortcomings in order that we can help deliver the very best outcomes for the people of Surrey.
2. On 13 November 2018, Full Council endorsed a strategic and financial direction for the council in response to the agreed Community Vision for Surrey in 2030. This included a major [programme of transformation](#) for 2018 - 2021, designed to secure the council's financial sustainability and fundamentally reform the function, form and focus of the organisation.
3. Through the work to date we have established the foundations for longer term change and improvement, including a stabilised budget position. We have also introduced new service models and approaches that are successfully delivering different ways of working with our residents and partners. For example, the Effective Family Resilience Model in Children's Services and the practice model for "front door" conversations in Adult Social Care are helping prevent problems earlier and better supporting residents and communities to be independent.
4. The purpose of this report is to present the following aspects of transformation for scrutiny:
 - Overall progress and direction of transformation across the council
 - Those (enabling) projects under the remit of the committee

Overall progress and direction

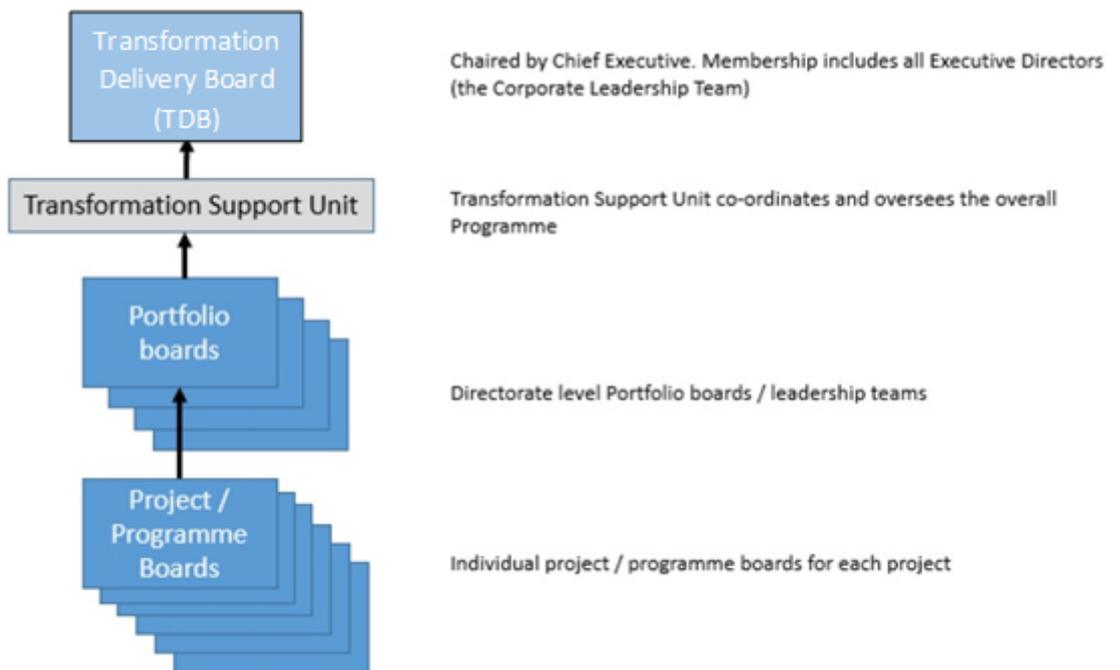
Ambition

5. Transformation on this scale represents a new and complex challenge for the council. The programme is delivering an ambitious and far reaching portfolio of change projects that address a range of fundamental issues the council faces in responding to the changing needs and expectations of residents and communities. We are already becoming a very different organisation, working in new and innovative ways with our residents and partners to achieve the ambitions in our Community Vision for Surrey in 2030.
6. Our transformative work is already making a significant contribution to required savings and demand management. This is much more than a savings programme or even a collection of projects and programmes.

Progress so far

7. At the heart of the transformation programme we have and are putting in place very different service models and approaches that can help prevent problems earlier and better support residents and communities to be independent.
8. A robust officer governance structure (**Fig. 1**, below) is in place to ensure that the projects within the programme deliver their projected benefits. Members are able to scrutinise progress through portfolio meetings, Cabinet and updates to the relevant Select Committees.

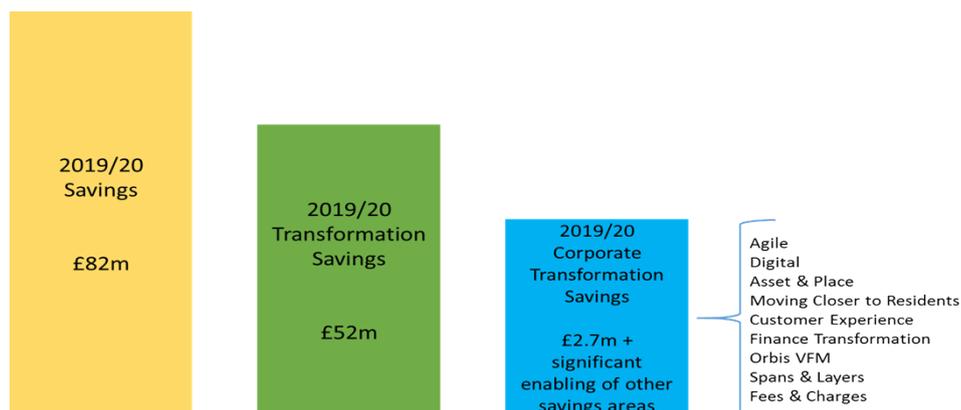
Fig. 1 – Transformation Governance Structure



9. The transformation programme achieved £12m of savings in 2018/19. The transformation savings target in 2019/20 is £52m and the overall investment in transformation is £31.4 million over the three financial years until March 2021. Both the investment and saving were approved as part of the MTFs and overall Council budget for 2019/20.

10. Both costs and benefits are scrutinised by officers and Members through the transformation governance set out above. These are also tracked as part of monthly budget monitoring alongside wider, non-transformation savings programmes.
11. **Fig. 2** below outlines the 2019/20 Council and transformation savings targets in addition to savings for projects and programmes that sit in the remit of the Resources and Performance Select Committee.

Fig. 2 – 2019/20 Transformation savings targets



12. Alongside the financial benefits already delivered and in train, a range of major service benefits have also been achieved. Some examples are outlined below.
13. Our Customer Experience programme has driven a range of innovations including successfully redesigning the council's online pothole and carriageway defect reporting. This is a significant priority for residents and we have made the process more streamlined while adding the facility to upload photos of defects. Feedback received to date has been very positive and the new system has resulted in an increase in people using the service, which is improving resident opinions of the council's response to potholes, while providing valuable information to assist our routine maintenance programmes.
14. We have delivered a Single Point of Access (C-SPA) in the contact centre as part of widespread changes to the way we deliver children's services. Service users are now able to contact a single support team with any query in relation to children's services, meaning that time and effort is no longer lost in trying to contact a particular person or team. There is encouraging evidence that this new service is having a positive impact and this was reflected by Ofsted following their monitoring visit in June '19.
15. As part of the Agile programme, Gov WiFi has been implemented across the council, allowing other partners to automatically connect when visiting a council site. Staff and members are also able to access this service from any other site where Gov WiFi is available. The upgrade of council computers to new Windows 10 devices is being rolled out as part of the Agile programme and this will be a priority in

the forthcoming period to support agile working and cyber security. It will also mean that future upgrades can be undertaken remotely which represents a future saving of £50 per device.

16. The Digital programme has created the capability to have a single view of information which has been progressed by establishing the core technology platforms to match data across multiple IT systems. The first 'single view' dataset to pilot this is in development to support the transition of data from Children's to Adult Social Care.

Corporate project/programme updates

15. Within the transformation programme there are a sub-set of projects that are acting as key "enablers" to transformative changes in frontline services. These sit within the remit of the Resources and Performance Select Committee (please note that Orbis, which is in this committee's remit, is subject to a separate detailed report on this meeting's agenda). The key projects are set out below along with some headline points on progress and next steps. The latest "Red, Amber, Green, Blue" status for each project is shown in brackets.

Customer Experience

16. Work continues to deliver a 'single front door' for customer interactions and for services to be 'digital by design'. A Children's Services single point of access has been delivered, as has a redesign of the highways reporting process. Feedback received to date suggests that 35% more customers are now being retained in the customer journey (i.e. no longer dropping out of a process/giving up halfway through), and that service users find the new systems easier to use.
17. Priority activities in the next six months include improvements to the family information service (FIS), children's social care and SEND Local Offer websites and digital pathways. There is also work planned to improve online self-service options for coroner services. (Current status: Amber – a number of new online processes have been implemented and positive feedback received. Interdependencies with other transformation projects and wider changes in the organisation mean renewed focus is required to deliver all outputs for 20/21).
18. It is proposed that the Resources and Performance Select Committee undertakes a "deep dive" piece of work on the customer programme to help shape the next phase of work.

Finance Transformation

19. This project aimed to build a culture of stronger financial discipline among the council's budget holders, build Members' confidence in financial management, improve the systems and processes used to generate financial data and build the skills and capabilities of the Finance function.

20. A restructure of the Finance Team has been completed and 'go live' is planned for 1 November '19. A Partnership Agreement, outlining how the Finance Team will work with services, is currently being embedded within the organisation's processes. The development of the Finance Academy – an offer from finance to improve financial capability and capacity across the organisation - is progressing in preparation for full launch in November '19. (Current status: Blue/Delivered – restructure has been implemented, activities have transitioned to BAU and closure agreed).

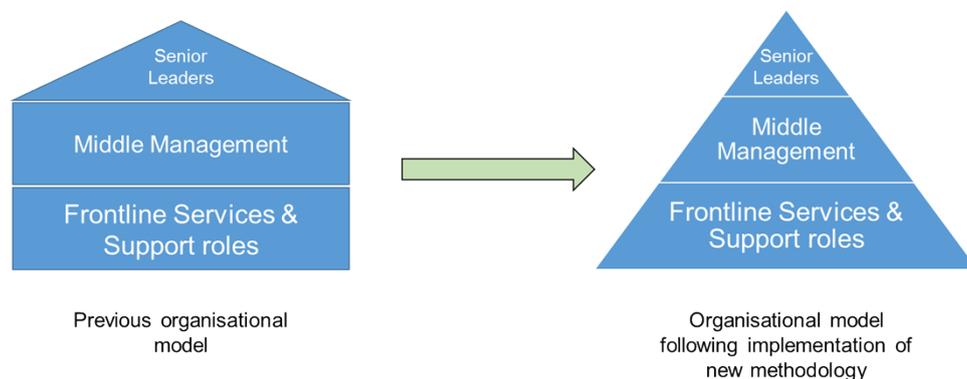
Digital

21. The digital programme is seeking to design, develop and drive our digital capability as an organisation. By enhancing our digital literacy and using digital as a key component in redesigning our services and ways of working, this programme will kick start a fundamental transformation of what we do and how we operate.
22. The focus of the initial phase of the programme has been building and putting in place improved functionality and capabilities to enable this shift to take place. The digital team have been working with services to understand the nature of the opportunity and have recently contracted a strategic partner, Rainmaker Solutions, to accelerate a number of emerging ideas to proof of concept phase.
23. We have additionally been improving some of our core digital functionality with an emphasis on making it easier and more straightforward for residents to interact with us digitally. A number of online reporting processes have been redesigned and the deployment of web chat has also been completed and proved to be popular with service users.
24. In Adult Social Care we have both improved online access to services and the ability to operate within a high demand environment. We have started to use robotics functionality to automate repetitive processes, freeing up staff time and improving the quality of services by tackling backlog tasks. We have also established the core technology required to match data across multiple IT systems, with the first deployment currently in progress to support the transition from Children's Services to Adult Social Care.
25. The programme team have started to work closely with colleagues in the insight team and are starting to establish better foundations to share data and insight and transform our ability to undertake more sophisticated and comprehensive analysis of the data that we and our partners hold. (Current status: Amber – some outputs have been delivered and a solid foundation for going forward established, though owing to wider changes across the organisation full benefits are yet to be realised. An increased focus on delivery will take place in 20/21).

Spans and Layers

26. This project has established a more consistent approach to organisational design by embedding principles including a reduction in manager roles and reducing the number of layers between senior manager and front-line posts
27. Prior to this project there were no organisation-wide standards or guidance as to how the council should be structured. This resulted in there being inconsistencies as to how individual teams were designed and consequently, there being up to nine layers between the CEO and front line services. The output of this project has been to create a leaner organisational structure with fewer middle-management posts, based on an established methodology. Fig. 3 below outlines this change.

Fig. 3 – Previous organisational model vs. new organisational model



28. This methodology has already been incorporated into the new Highways and Finance structures and will be utilised in all upcoming staff restructures. Benefits have already been realised in Phase 1 of the Highways restructure, which has delivered a reduction in spans and layers and a saving of £1 million.
29. As this methodology is rolled out across the organisation it will realise a reduction in overall payroll costs, as is already being experienced when comparing baseline salary costs year on year. Average spans of control have also risen and will continue to do so (Current status: Blue/Delivered – outputs have been achieved and implemented).

Agile

30. The agile programme aims to create the conditions that enable our workforce to work in a fully flexible, collaborative way, maximise productivity and drive up our overall organisational effectiveness. The programme has initially focused on putting the foundations in place to enable this shift, but has the broader, longer term aim to enable a more fundamental transformation in the way that all staff work. It is a key enabler to support the physical move from County Hall as part of 'Moving Closer to Residents', but this programme's impact goes far beyond that project alone.
31. The initial phase of the programme has been to secure the right infrastructure and equipment to ensure the wider aims of the programme are supported by reliable technology that the workforce has confidence in. New devices (including hybrids) have been rolled

out. Feedback received to date regarding the use of these new devices has been positive, with staff welcoming the additional security and confidentiality they bring. The viability of smaller devices for other workers (such as those on highways and other community workers) is also currently being tested.

32. Other key changes underway are the introduction of 'Gov wifi' and 'Always On', both of which enhance Wi-Fi access to enable employees and Members to access stable and reliable networks from a wider variety of locations. We are currently mid-way through the implementation of a systems upgrade which will improve access to a broader range of software. In turn, this will enable easier secure sharing of documents and access to collaboration tools, making the more collaborative working practices needed to be a truly 'agile workforce' closer.
33. The next phase of work will be focused on ensuring that the Moving Closer to Residents programme is supported and that the workforce have access to the appropriate collaboration, technology and cultural tools and are supported to use them effectively to drive the cultural change we are aspiring to achieve. (Current status: Amber/Red – Progress is being made and building blocks for future work are in place. Operational/BAU activities require careful management so as to not impact on transformation work. Greater alignment with Moving Closer to Residents programme is a priority).

Future direction of the programme

34. As with all large scale and dynamic change programmes, it is important to continue to flex and adapt to ensure that they continue to meet strategic objectives and the changing operating environment. As such, we have committed to review and as necessary refresh our transformation programme approximately every six months. The next refresh is taking place over the autumn period and is reasonably significant as:
 - A number of existing projects / programmes are nearing completion in their current form
 - There are a number of emerging priorities that will benefit from using a structured transformation approach
 - We are getting to grips with the changing context in which we operate and the future scenarios we might face
 - As a council we are in a different place to this time last year. Having delivered a range of positive outcomes over the last year in order to stabilise, we are now starting to look ahead to the medium term, setting our strategic direction and ambitions for the organisation in the context of Vision 2030.
35. This work is important in that it will build the next phase of transformation. It will be guided by and will respond to the stated ambitions for the council and any refresh to the organisation strategy. The direction of the refreshed transformation programme will be presented to Cabinet on 29 October 2019. The Select Committee will receive a further progress update once this has been agreed.

Conclusions:

36. The council's transformation programme has already made great strides towards ensuring we have a financially sustainable budget while meeting the changing demands and expectations of residents – though there is more significant work ahead. With the refresh of the transformation programme to support our medium term strategy, we are confident that as an organisation, we are on the correct trajectory towards delivering on our ambitions and Vision to 2030.

Recommendations:

37. It is recommended that Select Committee:
- a) Note the overall progress on transformation to date
 - b) Consider the key enabling projects within the remit of the committee and agree what role to play in supporting and scrutinising key projects
 - c) Note the refresh of the Transformation programme over the autumn period.
 - d) Agree to undertake a “deep dive” into the customer services programme at a future meeting.

Next steps:

- The Committee to complete a more detailed “deep dive” review of the customer services programme at its next meeting.
- The Committee will review a further update on the overall council-wide transformation programme in six months' time (April '20).

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Sources/background papers: [Community Vision for Surrey in 2030](#).