

CABINET RESPONSE TO THE TASK GROUP REPORT OF THE RESOURCES & PERFORMANCE SELECT COMMITTEE

Item under consideration: TASK & FINISH GROUP – ‘DB&I LESSONS LEARNED’

Recommendations:

1 - A robust business readiness assessment to test the functional services' capacity to receive any new system - PRIORITY RECOMMENDATION

2 - Future projects should employ greater discipline in stage control, even where there may be time/cost impact - PRIORITY RECOMMENDATION

3 - The Council must ensure that robust testing strategies are in place for all projects that require them.

4 - The Council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit).

5 - The council's Transformation Support Unit should review existing protocols around effective testing regimes, programme stage control, and environment management.

6 - Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system.

7 - Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity - PRIORITY RECOMMENDATION

8 - Ensure that there are stronger links between board representatives and their service users

9 - Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change.

10 - Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions and any other relevant materials. We recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process.

11 - Give greater emphasis to the behavioural change aspects of implementing a new system - PRIORITY RECOMMENDATION

12 - Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process.

13 - The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process.

14 - The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or 'dip testing' undertaken to test data management processes.

15 – The GDPR and Data Governance requirements must be considered and engaged at early project stages

16 - The council should implement contracting procedures for new projects that ensure that the full range of different contracting options are considered before project initiation.

17 - The council should formalise arrangements for significant engagement with stakeholder's recipient groups.

18 - The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture.

Cabinet Response:

Introduction

The Digital Business and Insights (DB&I) Programme was the largest technology enabled change programme that SCC has carried out; a "once in a generation" change programme, unmatched in terms of scale, complexity, number of stakeholders and workforce the project directly touched.

It was agreed at a Resources & Performance Select Committee in October 2023 that a Task & Finish Group would be assembled to provide some insight on 'Lessons Learned'. Interviews with key witnesses took place from February to 1 May 2024 across a broad range involved in the programme whereby they were asked questions from a list agreed by Task Group consensus.

The Task Group Report outlined 18 Recommendations all of which have been accepted. They have been useful for us to consider and include as part of our ongoing journey of improvement to strengthen processes and governance and how we plan and execute current and future change programmes.

The Report identifies key issues that emerged as the priority factors behind the delay and additional cost to the council, plus conclusions and recommendations for SCC to consider for any future programmes and projects, regardless of size and complexity

The Report has used, as the basis of its work, a review commissioned by an independent consultant, Phil Hall who undertook an extensive piece of work in conjunction with key officers and the Task Group.

We acknowledge the significant amount of work that has been undertaken by the Task Group and the breadth of stakeholders consulted in its drafting. Having accepted all the recommendations and the principles which underpin them, there may be occasions whereby they will need to be applied flexibly dependent on the size and nature of the programme. We also acknowledge the need to keep the relevant Select Committees updated on the progress of project/programme and if it

moves off-track discuss mitigations to provide assurance of bringing the programme back on track.

This document reflects the Council's response to the Task Group's recommendations. Our response in the following pages sets this out against each summary recommendation in terms of the work which is already underway and plans in place to further address the issues. Much of this work has already commenced as indicated in the lessons learned already applied column below, particularly with respect to two large cross-cutting programmes currently in train being the Customer Transformation Programme and Core Function Redesign (CFR). We will also be rolling out the findings of this report and our response to the organisation as we look for ways to improve our programme management and governance and more technical aspects of large and priority programmes across the Council.

A full list of all the 18 recommendations (including the four priority) can be found in the Report of the Task Group which accompanies our response to Cabinet. Our response sets out these recommendations in summary form.

Four Key Themes emerged from the recommendations; Programme Management & Governance, Technical Design & Control, Data Management and Procurement, against which we have mapped our responses.

| Recommendation Themes | | | |
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| Programme Management & Governance | Technical Design & Control | Data Management | Procurement |
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SCC Response

| Summary Recommendation from Task Group Report | Lessons learned already applied | Our planned approach to apply lesson learned in future | Theme |
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| <p>1 - PRIORITY RECOMMENDATION</p> <p>A robust business readiness assessment to test the functional services' capacity to receive any new system thus enabling a realistic</p> | <ul style="list-style-type: none"> Updated governance for transformation in place since September 2023 Introducing a more robust and transparent approach to our transformation portfolios with the introduction of thematic boards (increasing collaboration and engagement) which has enabled better CLT and Member oversight | <ul style="list-style-type: none"> To explicitly include business/change readiness and identification of key skills, data and business capabilities on key project documentation and stage control throughout lifecycle by the end of June 2024. | <p>Programme Management & Governance</p> |

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| <p>implementation timeline</p> | <p>and understanding of business readiness.</p> <ul style="list-style-type: none"> In April 2023 we launched the Programme and Project Management (PPM) Academy across the organisation. This is a knowledge hub and learning site with a best practice document depository to support a more consistent approach to how programmes and projects are run in SCC | <ul style="list-style-type: none"> To include business/change readiness as a mandatory section in key project documentation throughout lifecycle (Outline Business Case, Project Initiation Document, Full Business Case). Strategic Design Authority (SDA) meetings will include a mandatory section on business readiness for current and pipeline projects to ensure Programme Directors and SROs are demonstrating consideration for business readiness and SDA Members can check and challenge plans. As part of the stage gate control approach the initial set-up and discovery stage will include the baseline assessment of key business capabilities including skills, owners for key processes and data sets used for key reports or transactions. | |
| <p>2 - Future projects should employ greater discipline in stage control, even where there may be time/cost impact.</p> | <ul style="list-style-type: none"> Full end-to-end external review and assessment of the transformation system (including the movement through each project stage) commissioned by new Director of Design and Transformation. Focus on Programme Management Office (PMO), Programme and Project Management | <ul style="list-style-type: none"> Implementation of the full end-to-end review of PPM to support all of Council's transformation activity once completed in July 2024. | <p>Programme Management & Governance</p> |

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| | <p>(PPM) and Governance (incl corporate assurance). Review to be completed 12 July 2024 with recommendations and implementation timeframes determined then.</p> <p>Refreshed programme governance applied:</p> <ul style="list-style-type: none"> • Strategic Design Authority (SDA) to bring constructive challenge and support to council wide priorities. • Technical Design Authority (TDA) to inform, advise and approve the designs of the technology and information within the council. • Refreshed Governance and oversight by PMO. • Strengthened Surrey, Transformation, Improvement and Assurance Board (STIAB) to provide better CLT and Member oversight and scrutiny primarily focused on the strategic critically & important programmes of change. | | |
| <p>3 - The Council must ensure that robust testing strategies are in place for all projects that require them.</p> | <ul style="list-style-type: none"> • Testing regimes have been reviewed and enhanced for IT&Digital upgrade, change and replacement projects. | <ul style="list-style-type: none"> • Major IT&D/system projects stipulate the requirement for the full business case to identify all user testing groups and officer reps. • Plans to embed data governance and data management best practices into IT&D projects (including testing regimes) are being progressed with | <p>Data Management</p> |

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| | | further ambition to build into procurement of systems/software. This will include opportunities to adhere to data governance best practice. This is part of the going work in data management | |
| 4 - The Council should make available independent assurance and monitoring of stage control procedures (in projects of any size, if deemed necessary) by a third party (or possibly Internal Audit). | <ul style="list-style-type: none"> • SDA has been re-introduced as a stage control at key points of a project lifecycle. This group include key senior leads from right across the council to recommend continuation and/or the next stage of funding as part of stage control/milestone reviews and provide an additional layer of independent assurance. • Internal Audit representatives sit on all major programmes as they did on the DBI Programme (e.g. currently on Customer Transformation). For DBI assurance was being provided against several key focus areas using agreed principles (see Appendix 1). These are being revised and strengthened for Internal Audit as part of these Boards | <ul style="list-style-type: none"> • Strengthen the corporate PMO to have the right level of skill and resource to ensure corporate transformation oversight and scrutiny of major projects. • Strengthen our Project Portfolio and Resource Management, change our transformation model to a multi-disciplinary team approach and further review of the PPM (refer recommendation 2) | Programme Management & Governance |
| 5 - The council's Transformation Support Unit should review existing protocols around effective testing regimes, programme stage control, and | <ul style="list-style-type: none"> • Currently being developed as part of PPM review due in July 2024, at which point recommendations will be implemented. | <ul style="list-style-type: none"> • Internal Audit assurance provided against several principles, including testing (refer recommendation 4 and Appendix 1) This was reflected in a number of position statements presented to the Board | Programme Management & Governance |

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| <p>environment management.</p> | | <ul style="list-style-type: none"> • External maturity assessment currently being undertaken of end-to-end transformation system, as part of PPM review. • Review of governance and PMO as part of PPM review. | |
| <p>6 - Local authorities approaching ERP implementation programmes should secure in-house ERP knowledge of the target system.</p> | <p>The approach is currently being developed.</p> | <ul style="list-style-type: none"> • The agreement and approval of a proposed support model well in advance of system go-live will support the identification of skills to be retained and developed in-house. | <p>Technical Design & Control</p> |
| <p>7 – PRIORITY RECOMMENDATION</p> <p>Ensure that the council has sufficient leadership capacity to manage a programme of this scale and complexity by appointing a full-time SRO.</p> | <ul style="list-style-type: none"> • Strategic Director/SRO roles introduced for Customer Programme and AWHP (Adults, Wellbeing and Health Partnerships) transformation and Service Improvement programme. • Clear updated guidance on PPM Academy on roles of Project Sponsors, Senior Responsible Officers, and Programme Directors/Managers. | <ul style="list-style-type: none"> • CFR Prog SRO being explored to ensure clear separation of duties from Programme Director. • Clear criteria being established for Tier 1 (top priority) cross-cutting transformation programmes and those that would therefore require a full-time SRO. | <p>Programme Management & Governance</p> |
| <p>8 – PRIORITY RECOMMENDATION</p> <p>Ensure that there are stronger links between board representatives and their service users to deliver a better understanding of service weaknesses and issues.</p> | <ul style="list-style-type: none"> • Updated governance for transformation has been in place since 2023. This included the introduction of updated governance that ensures the right oversight and challenge at each level of the decision- making process and provides additional assurance. | <ul style="list-style-type: none"> • Service representation reviewed and enhanced on all relevant project boards. • Business Partnering approach introduced into portfolio management. • Enforcing a review and re-baselining of key milestones during | <p>Programme Management & Governance</p> |

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| | | projects and programmes | |
| 9 - Quality stakeholder engagement and leadership are required to enable effective delivery of programmes of this scale, as well as the associated behavioural change. | <ul style="list-style-type: none"> Mandatory training for all senior change leads including SROs and Sponsors on “Sponsoring and Delivering Successful Projects and Programmes” was undertaken in 2023/2024. PPM Academy was updated with improved guidance and templates in 2023. | <ul style="list-style-type: none"> Further review of PPM arrangements underway. Further training will be rolled out as part of the review, Plans to reduce reliance on fixed term contracts and interims and building more internal expertise and knowledge all large change programmes. | Programme Management & Governance |
| 10 – Lead Cabinet Members should have routine access to copies of all relevant Programme Board papers, updates, schedules, proposed decisions and any other relevant materials. We recommend that the Lead Cabinet Member is consulted at each critical gate/stage in the programme to ensure full visibility and is included as part of that decision-making process. | <ul style="list-style-type: none"> The Strategic Transformation, Improvement and Assurance Board (STIAB) provides strategic Member oversight of all major and cross-cutting transformation programmes (such as Customer Programme and CFR) including progress, performance, risks, issues and challenges. This has been in place since November 2023. | <ul style="list-style-type: none"> Sponsors and Senior Responsible Officers will ensure all relevant materials are shared and regular sessions are held with Lead Cabinet Members for full visibility of project delivery including challenges, risks and issues. We will also ensure that the governance includes consultation with the Lead Cabinet Member in moving through each critical gate/stage of the programme for clear visibility and involvement in the | Programme Management & Governance |

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| | | <p>decision-making process</p> <ul style="list-style-type: none"> • A more consistent approach will be explored as part of our governance review for the regular sharing of all relevant materials with Lead Cabinet Members for full visibility of project delivery. We are in the process of reinstating the Home to School Travel Assistance Oversight Board to oversee the service and financial pressures in this area. | |
| <p>11 – PRIORITY RECOMMENDATION</p> <p>Give greater emphasis to the behavioural change aspects of implementing a new system.</p> | <p>Currently being developed as part of the PPM Review.</p> | <ul style="list-style-type: none"> • As part of the establishment of the CDC (Customer, Digital and Change) directorate, People and Change will be closely involved in the key strategic change programmes. This will build in an organisational development/ behavioural change dimension to all transformation programmes, such as an honest assessment of time and cost overruns. • Learning from past examples of where behavioural change has been successful and core to the delivery of the programme (e.g. the Agile Organisation Programme) will be drawn upon to support the development of a consistent approach. | <p>Technical Design & Control</p> |

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| <p>12 - Ensure that effective user engagement centred on all relevant users and clients begins at the outset of the design process.</p> | <ul style="list-style-type: none"> • The discovery and design phases of the digital activities include extensive engagement with stakeholders to inform and shape the digital design and identification of opportunities to adjust process design. • Programme boards and sub-boards such as working groups for council-wide technology projects or large change programmes have senior representation from the services impacted by the changes. <p>There is engagement from the vendors of technology projects throughout the stages of all IT&D or technology change projects e.g. Wide Area Network, Telephony.</p> | <ul style="list-style-type: none"> • Review existing approaches to organisational design to ensure all key stakeholders and users are identified, engaged, and needs reflected. Draw upon the digital design exemplars such as Surrey Family Help Hub and improvements to the Home to school transport process to inform this activity. • Transformation projects that are enabled by technology will adhere to the updated project standards being reviewed and developed through the PPM review. This will include clearer stage gate entry and exit criteria. | <p>Technical Design & Control</p> |
| <p>13 - The council should ensure thorough and rigorous data 'cleansing' to streamline the migration process.</p> | <ul style="list-style-type: none"> • Data migration best practice has been developed to help guide project/programme managers to understand what needs to be done and includes recommendations on the key roles required (e.g. data owners). | <ul style="list-style-type: none"> • Data fundamentals including data quality assessments and testing approaches will be defined in the early stages of transformation programmes (with support & agreement from the Data Governance Office) and tracked closely through stage gate reviews. • Data cleansing is not an activity that should only be done at the point of a change in systems but is something that we are working to build into part of what the council does, | <p>Data Management</p> |

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| | | proactively on an ongoing basis. | |
| 14 - The council is recommended to engage in work to audit and record the ownership of data more widely, with some degree of sampling or 'dip testing' undertaken to test data management processes. | <ul style="list-style-type: none"> Data ownership is being recorded through work to catalogue our key systems. Data ownership is recognised as essential in our data migration best practice guidance. | <ul style="list-style-type: none"> The Data Strategy and associated governance will address this point, working with the TSU and working across the Council to recommend new or changed procedures for data sampling data migration procedures. Work is being undertaken to define data ownership roles and responsibilities and support staff in these roles. The embedding of data governance into our key process and the wider cataloguing of our data and information assets will also create better recording of data ownership. | Data Management |
| 15 – GDPR and Data Governance requirements must be considered and engaged at early project stages | <ul style="list-style-type: none"> Data and Digital are now fully integrated into the CFR and Customer Transformation programmes to ensure data needs and governance are identified throughout, including discovery and design. The use of DPIA's (Data Protection Impact Assessments) for technical changes, in particular the introduction of new systems. | <ul style="list-style-type: none"> Opportunities for the Data Protection Officer and SIRO stakeholders to be consulted on design will be explored. | Technical Design & Control |
| 16 - The council should implement contracting procedures for new projects that ensure that the full range of different contracting options are | <ul style="list-style-type: none"> Dedicated team has been created, to ensure there is a single point of contact between the Council and MySurrey Suppliers to review contract performance, | <ul style="list-style-type: none"> Opportunities for increased flexibilities in IT procurement resulting from the adoption of the new procurement regulations which | Procurement |

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| <p>considered before project initiation.</p> | <p>system development, and commercials.</p> <p>Payments linked to clear milestones for fixed price contracts.</p> | <p>commence in Oct 24, will be explored.</p> | |
| <p>17 - The council should formalise arrangements for significant engagement with stakeholder's recipient groups.</p> | <ul style="list-style-type: none"> • Programme boards and sub-boards such as working groups for council-wide technology projects / large change programmes have senior representation from services impacted by changes. Though representation tends to be internal. | <ul style="list-style-type: none"> • Review programme governance for transformation to reflect the requirement for formal stakeholder engagement with key groups such as Members and external parties (e.g. schools) impacted by change. This will be built into the project and PPM review. | <p>Technical Design & Control</p> |
| <p>18 - The council should undertake a review of its pre-procurement processes for stakeholder engagement and requirements capture.</p> | <ul style="list-style-type: none"> • All new procurement activity is developed with the key stakeholders. Specifications are set using an outcomes-based approach and where solutions are required, they should be developed through an 'off the shelf' approach to avoid bespoke development. • Inclusion of 'Proof of Concept' stage by IT&D to further explore solution functionality and accessibility prior to award. • Change management processes to be adopted to ensure business processes fit the standard system rather than the system being changed to meet our processes. | <ul style="list-style-type: none"> • After each procurement activity, a lesson learned exercise will be carried with respect to procurement and subsequent implementation. These lessons will then be adopted into core business processes where appropriate to improve future procurements of this type. | <p>Procurement</p> |

David Lewis
Cabinet Member for Finance & Resources
23 July 2024

Appendix 1 (Recommendations 4 & 5)

Internal Audit Programme Support

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Scope of Work – DB&I

General principles:

- Internal audit will attend programme board and working group meetings to provide independent advice, support and challenge on risk, control, probity and governance issues.
- The role of internal audit is to provide independent and objective advice and support, for this reason, when internal audit attend programme board and working group meetings or advise on projects, they will not be party to any decision making.
- It is up to the programme sponsor or Chair to ensure that internal audit is consulted appropriately on any relevant risk, control, probity and governance issues. They should also be included on all relevant circulation lists for key documents.
- The relevant internal auditor should be able to attend programme board and working group meetings as and when necessary. Generally however, they will only attend those meetings where relevant issues are being discussed.

In addition to attendance at programme board and working group meetings, we will identify a number of key focus areas to support the programme. At this early stage this is likely to include, providing assurance over the following key areas:

- Programme Governance/Risk Management
- Business processes (both on and off system)
- System security
- User access, authentication and authorisations
- Testing arrangements
- Data cleansing and migration
- Interfaces and reconciliation
- Disaster recovery and business continuity
- Training

Details of the specific focus areas and internal audit reporting arrangements throughout the programme will be set out within a formal terms of reference to be agreed by the Programme Board. Additional focus areas may however be added based on risk, as the programme progresses.

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