

TITLE	The 21st Century Council – Update
FOR CONSIDERATION BY	The Executive on 25 May 2017
WARD	None Specific
LEAD OFFICER	Andy Couldrick, Chief Executive
LEAD MEMBER	To be confirmed

OUTCOME / BENEFITS TO THE COMMUNITY

The transformation of the way the Council operates will achieve the following benefits:

- Improved availability of, and access to, Council services through digital channels
- Swifter resolution of issues and queries
- Ability for residents to track the progress of their issue as it is resolved by the Council
- Greater focus on problem-solving and customer responsiveness
- A leaner, more efficient Council costing significantly less to run

RECOMMENDATION

The Executive is recommended to note the progress in implementing the 21st Century Council programme.

SUMMARY OF REPORT

The purpose of this report is to inform the Executive of progress over the last quarter in the implementation of the 21st Century Council programme. The Executive receives quarterly reports during the implementation period reporting on progress of implementation and revenue return on investment.

The key highlights are set out in the report - all elements to deliver the savings and other benefits from phase 1 are underway with an expected go live in May 2017.

Background

Implementation commenced following Executive approval in September 2016. The implementation is phased over the following 18 months, to ensure transition to the new model of working is safe and effective.

Phase 1 runs from October 2016 to Spring 2017 and includes:

- Establishment of the reconfigured senior leadership team (Directors and the management tiers below)
- Establishment of the reconfigured Strategy and Commissioning and Support Services
- Implementation of the key IT improvements and integration
- Development of rules and scripts to guide the operating model

Phase 2, commencing in Spring 2017, will largely complete the programme by moving, Children's Services, Health and Wellbeing and Environment, into the new operating model.

Member Engagement with the Programme

Progress continues to be reported to the dedicated 21st Century Council Member-Officer Working Group (which monitors and supports implementation), to the Sustainable Finance Group (which monitors progress on savings realisation) and to the Member IT Reference sub group. The Audit Committee on 5th December reviewed the governance and risk management arrangements for the programme and will be receiving further updates.

The period covered by this report has seen the implementation of Phase 1 which largely involves the redesign of internal support services. However looking forward to the coming period the programme will be moving into phase 2 which involves the Council's customer and resident facing service. As part of this further Member involvement is currently being planned to ensure that service and process redesign ensures enhancements in both customer and Member ease of access to services, information and issue resolution.

Highlight Report

Further good progress has this made this period.

All workstreams within the programme are delivering against the implementation plan and Phase 1 is due to go live on 31st May.

The HR workstream has entailed the redesign of the Council's management structure at Tier 3 and the redesign of the following areas / teams:

- All specialists within Corporate Services – Finance, HR, Legal, Property, Communications
- All specialists within Governance – Audit, Investigations, Democratic and Electoral Services
- The creation of the Case Owner function – this is the new group of generalist officers who hold and resolve internal customer cases
- The drawing together of the Council's strategy and commissioning functions from

Environment, Children's, Health and Wellbeing and procurement specialists.

This has involved a significant amount of work to progress the staffing changes and complete the HR processes. Some 244 FTE of staff were in Scope (including 15 vacancies). The new structure contains 211 FTE which is a 33 FTE reduction on existing levels (circa 14%). The Council's new leadership structure is attached as Appendix 1.

Excellent progress has been achieved in process and service redesign for the new Corporate Services directorate.

- 79% of existing processes have been redesigned
- 24% have had significant process steps eliminated
- 9% have been completely automated
- 65% have introduced significant self service
- 50% have transferred completely to generalist Case Ownership away from specialists.

Process redesign is at the heart of the programme and is enabled by the implementation of the planned IT changes that are also well on track.

A great deal of staff engagement has been undertaken during the period and plans for change and transition planning are well advanced. This should ensure that as the new teams go live they are in a good position to be effective straight away. These plans include:

- Skills audits
- Objective setting
- Accommodation plans
- Governance
- Mobilisation and launch
- Learning and development plan (focused on what's required for go-live, but beginning to develop longer term L&D requirements)

Capital and revenue expenditure for phase 1 is within forecast. Financial benefit (from staff savings delivered through the design of more efficient processes and integrated IT systems) is predicted to be £2.1m full year effect for phase 1. This is on track to deliver what was envisaged in the business case and savings – see below.

The six key programme risks identified in the business case continue to be managed :- loss of key people and organisational knowledge; less capacity available post implementation; reduced performance in key service areas; non realisation of savings; increased programme costs and slippage in IT implantation. There are no current issues or concerns to report.

The next period will see start of Phase 2. This entails the Council's customer and resident facing services ie those that were in the former Environment, Children's and Health and Wellbeing directorates as well as a number of services formerly in Finance and Resources such as Registrars and Customer Services. This phase encompasses three times as much activity and people as phase 1. Some reduction in service delivery levels may need to be agreed.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£2,180 (£2,250)	Yes	As per Executive report
Next Financial Year (Year 2)	£1,500 (£2,250)	Yes	As per Executive report
Following Financial Year (Year 3)			

Other financial information relevant to the Recommendation/Decision

Financial benefits for phase 1 were set out in the business plan to be £2.250m of which £2.094 are currently on track for delivery through staffing savings. Forecast 16/17 year expenditure is within budget (£710k revenue, £2.752m capital). However capital spend has proved hard to predict accurately at the start of the project and an underspend of 1.1m has occurred in 16/17. This is required to progress phase 2 (transition, contingency, increased implementation resource) and has been requested as a carry forward.

The total programme will deliver a cost reduction of 4.5million pa. After the required investment this predicts a break even position in 2019/20 and an ongoing reduction each year after.

Cross-Council Implications

This change programme impacts on the whole Council.

List of Background Papers

21st Century Council Business Case – see Executive papers 29 September 2016

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