Report to the Cabinet

Report reference: C-073-2015/16
Date of meeting: 3 March 2016

Epping Forest District Council

Portfolio: **Leader**

Subject: **Transformation Programme – Scope & Methodology**

Responsible Officer: David Bailey   (01992 564105).

Democratic Services: Gary Woodhall   (01992 564470).

Recommendations:

(1)   To agree the purpose of the transformation programme and the benefits statement;

(2)   To agree the scope and approach to managing change and the transformation methodology;

(3)   That arrangements to govern the transformation programme, including the Transformation Programme Board and Programme Management Office, be noted; and

(4)   To agree the transformation workstreams and mandate further discovery to identify opportunities for change.

Executive Summary:

The Transformation Programme was initiated through the adoption of a scoping report to Cabinet on 3 December 2015. This report sets out the purpose, drivers for change and benefits statement for the programme. It also outlines the authority's approach to the management of change, including transformation methodology and project management. The arrangements to govern business transformation are detailed, alongside the four workstreams for the programme:
- ▶ Customer experience;
- ▶ Business culture;
- ▶ Resources, accommodation and technology; and
- ▶ Major projects.

The programme will recommend investments in technology and changes to working practices that will improve customer service and deliver efficiency savings. Major recommendations brought forward through the programme will be reported with fully costed business cases for either the Cabinet or the Council to approve any investment required.

The initial programme will be co-ordinated by the Head of Transformation, with assistance from the National Management Trainee, from within existing resource budgets.

Reasons for Proposed Decision:

To establish a robust approach to govern and manage business transformation, including workstreams, programmes and projects, aligned with the Corporate Plan.

Other Options for Action:

The Cabinet could substitute other actions or suggest additional actions.

Report:

Introduction

1.   Our customers rightly demand that Epping Forest District Council provides good value for money for the taxes they pay. Our residents have the second lowest Council Tax rates in Essex and the Council is committed to keeping Council Tax low. However, we are not complacent and our customers expect the services we deliver to be well-managed and modern.

2.   The demographics of our residents are continuing to change, with an ageing population.

Management of Change

3.   A key challenge for local authorities is to balance two parallel and co-dependent imperatives: Business as usual and business transformation. They can be encapsulated in the concept 'Run the business; change the business', which has a cyclical nature.

4.   'Business as usual' refers to the way the authority normally achieves its everyday business. 'Business transformation' refers to changing these processes, in order to respond to changes in our external environment and customer expectations. Taken together, they enable the authority to deliver its strategic aims and objectives, expressed in the Corporate Plan.

5.   There are three types of change: Transactional, transitional and transformational. The approach to managing change is affected by the anticipated complexity of the change and our assessment on the predictability of the outcome. Transformational change has complex and unpredictable outcomes, where more fundamental modifications to policies, systems or structures within the authority are needed. Achieving these kinds of changes requires investment in infrastructure, new ways of thinking and working, and the development of new skills and abilities.

Change Drivers

6.   There are four drivers for change, as detailed in the Corporate Plan 2015/20:

   ▶ our customers and their needs are changing;
   ▶ our customers expect modern, customer focussed services;
   ▶ our customers demand well-managed, value for money services; and
   ▶ our customers want us to reduce our costs and protect front line services.

Purpose

7.   The purpose of the transformation programme is to make fundamental changes in how we deliver services (known as 'business as usual'), in order to deal successfully with our

drivers for change.

8.   Business transformation is achieved through developing:

▶ new ways of working;
▶ the way we organise ourselves (known as our common operating model);
▶ our services; and
▶ the use of technology.

Benefits Statement

9.   The purpose of the transformation programme is to realise the following benefits:

▶ recognising what customers' value about our services and placing them at the heart of everything we do;
▶ focussing on getting things right first time through joined up services;
▶ reducing red tape to simplify how we work; and
▶ delivery of resource savings and income generation, to keep Council Tax low.

Transformation Methodology and Project Management

10.   Our methodology describes the way we will approach transformation, and consists of five stages:

▶ define the problem;
▶ discover and analyse the service;
▶ initiate the project with defined business case;
▶ design and test service prototypes; and
▶ transform and embed the change.

11.   Managers and staff will receive training to use this transformation methodology, project management and other useful tools and techniques, including ways to save and improve our services.

12.   We seek to engage all stakeholders through the stages of the transformation methodology, including our customers, staff, partners and councillors.

13.   All projects will benefit from an appropriate level of project management and support as indicated by an assessment of their complexity (known as risk potential).

Workstreams

14.   The management of all change within the authority is organised into workstreams, which each contain a set of transformation programmes and projects, arranged in a timeline as tranches. Existing projects from the Corporate Plan: Key Action Plan will feature in the workstreams, alongside new projects.

15.   A workstream is defined as a related set of programmes and projects being undertaken across the authority, according to an agreed business case.

16.   A project is defined as a temporary organisation that is created for the purpose of delivering one or more business products, according to an agreed business case.

17.   Initial analysis of corporate strategies and plans has led to the identification and organisation of transformation opportunities into four workstreams (below).

Workstream	Project examples
1. Customer experience	▶ One-stop customer reception ▶ One-stop customer contact centre ▶ Channel shift to self-service ▶ Light customer relationship management system ▶ Customer communications
2. Business culture	▶ Common operating model ▶ Smarter working ▶ Learning and development ▶ Internal communications ▶ Project management and business planning ▶ Process improvement, new ways of working ▶ Shared services
3. Resources, accommodation and technology	▶ Use of resources ▶ Office accommodation ▶ Staff car parking ▶ Technology ▶ Electronic documents and multi-function printers
4. Major projects	▶ Commercial developments like the Epping Forest Shopping Park, St. John's Redevelopment Scheme and North Weald Airfield ▶ Council house building programme ▶ The Local Plan

18.   Programmes and projects will be established to complete further discovery and gain detailed insight on opportunities for change. Individual business cases will be produced for formal approval to move each project to the design and prototype stage.

19.   Each workstream would be supported by the Transformation Programme Office, with projects within the workstream sponsored by a member of Management Board. Workstream sponsors and project teams will be appointed by the Transformation Programme Board.

20.   Transformation projects and programmes will be categorised using a prioritisation and optimisation technique. Prioritising projects is critically important in order to determine where resources should be invested. A failure to prioritise projects risks every project trying to deliver at the same time, using the same resources, which could lead to chaos and significantly increase the risk of non-delivery.

Quick Wins

21.   Quick wins provide momentum and confidence to the authority that the programme is viable and worth supporting. A quick win is an improvement that:

▶ is visible;
▶ has immediate benefit; and
▶ can be delivered quickly after the project begins.

22.   A quick win needs to be something that many stakeholders agree is a good thing. The criteria for evaluating potential quick wins are:
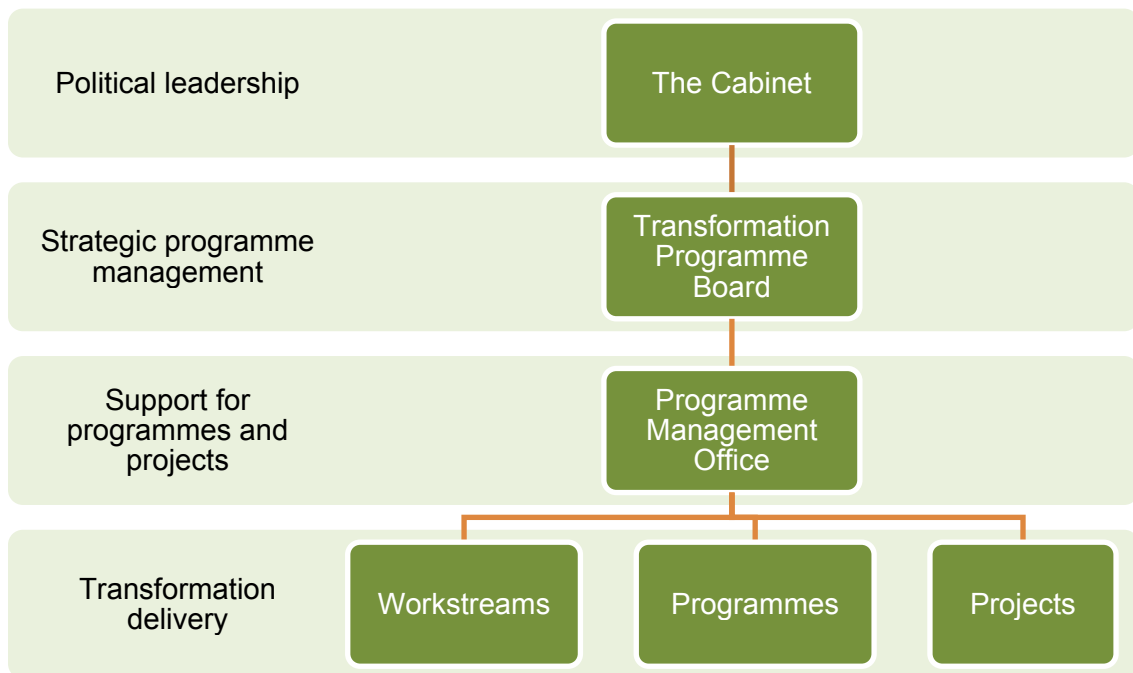
▶ requires minimal or no capital expenditure;
▶ low risk;

- ▶ known root cause and obvious solution;
- ▶ narrow and focused scope;
- ▶ stakeholders will buy-in;
- ▶ high confidence of a positive impact;
- ▶ improvements may be implemented within 60 – 90 days; and
- ▶ project or service team has authority to implement the changes.

23.   Quick win initiatives that meet these criteria will be progressed by the Transformation Programme Board for implementation.

Governance

24.   The model for governing the transformation programme is given below.

Political leadership	The Cabinet		
Strategic programme management	Transformation Programme Board		
Support for programmes and projects	Programme Management Office		
Transformation delivery	Workstreams	Programmes	Projects

25.   The transformation programme will be managed within the Council's Constitution and Standing Orders. Projects and Programmes within the transformation programme will continue to report to existing Cabinet Committees and Select Committees, etc. Accountability, the information flow and key responsibilities for this governance model are given in Appendix 1.

26.   **The Cabinet** has overall responsibility for the transformation programme, including adoption of workstreams and approval of programme and project business cases. The Leader is the Portfolio Holder for transformation. Consultations with individual Portfolio Holders for specific transformation projects will be undertaken in the same way as for business as usual.

27.   The **Transformation Programme Board** will oversee, through highlight reports, the day-to-day strategic management of the transformation programme. This includes resolving conflicts across workstreams, chartering discovery projects and approving the progression of projects through stage gates as authorised by Project Initiation Documents (PIDs). See Appendix 1 for further details.

28.   The composition of the Transformation Programme Board is given below. Members

are expected to nominate a substitute when they are unable to attend specific meetings.

Role	Membership	Job title
Chairman, Senior Responsible Owner	Member	Chief Executive
Senior Customer	By standing invitation	Leader of the Council
Workstream Sponsors / Responsible Owner	Member	Deputy Chief Executive, Director of Neighbourhoods Director of Communities Director of Governance Director of Resources
Transformation Programme Manager	Member	Head of Transformation
Senior Customer	As and when, by invitation	Portfolio Holder(s)

29. Terms of Reference for the Transformation Programme Board are to be prepared and will define the role of the group and the specific responsibilities of members. The Chief Executive is responsible for these Terms of Reference and for co-ordinating the group.

30. The prime purpose of the **Programme Management Office (PMO)** is to drive the transformation programme forward and deliver the outcomes and benefits. Members will provide resources and specific commitment to support the transformation programme. The PMO consists of a set of permanent and virtual members as detailed below. Members are expected to nominate a substitute when they are unable to attend specific meetings.

Role	Membership	Job title
Chairman, Transformation programme manager	Member	Head of Transformation
Secretariat	Member	Executive Assistant
Senior Responsible Owner	As and when	Chief Executive
Communications and stakeholder engagement	As and when	Manager, Public Relations
Commercial	As and when	Manager, Corporate Procurement
Finance; and Risk management	As and when	Assistant Director, Accountancy
People resource management	As and when	Assistant Director, Human Resources and/or Manager, Learning and Development
Tools expert	As and when	Assistant Director, ICT and Facilities Management
Governance	As and when	Assistant Director, Governance and Performance Management
House building programme	As and when	Assistant Director, Housing Property
The Local Plan programme	As and when	Assistant Director, Planning Policy and Economic Development

Reporting	As and when	Manager, Performance Improvement Unit

31.   Additional resource requirements to supplement the Programme Management Office will be sought as part of workstream, programme and project business cases, which follow the completion of the discovery stage. This is likely to include the appointment of project and programme management resource.

32.   Terms of Reference for the PMO are to be prepared and will define the role of the group and the specific responsibilities of members. The Transformation Programme Board is responsible for these Terms of Reference and the Head of Transformation will be responsible for co-ordinating the group.

Risk Management Strategy

33.   Making changes to the way we deliver services is not without risk. It is essential that the authority acts in a way to mitigate these hazards to have the best chance of delivering successful change. A risk management strategy is to be prepared in conjunction with the Corporate Risk Management Group and applied to transformation programmes and projects. It will cover the strategy and procedure to be followed for all risks – both threats and opportunities.

34.   The Transformation Programme Board is ultimately responsible for this strategy and the Head of Transformation will be responsible for maintaining the strategy.

Quality Management Strategy

35.   The Quality Management Strategy is to be prepared and applied to all workstreams, programmes and projects within the transformation programme. It will define the quality techniques and standards required and the responsibilities for achieving the required quality levels during transformation.

36.   The Transformation Programme Board will approve this strategy and the Head of Transformation will be responsible for maintaining this strategy and ensuring the quality management processes and procedures are implemented.

Configuration Management Strategy

37.   The Configuration Management Strategy is to be prepared and applied to the transformation programme to control and protect the programme's management products (configuration items). These include templates for Highlight Reports and Project Initiation Documents.

38.   The Transformation Programme Board will approve this strategy and the Head of Transformation will be responsible for maintaining this strategy and for managing the configuration management procedure.

Communication Management Strategy

39.   Communication and engagement activities are fundamental to the delivery of successful transformation. Each transformation project will benefit from a stakeholder analysis and communication plan.

40.   Overall, the intention for the transformation programme is to engage with stakeholders

regularly as appropriate, including Councillors, employees, partners and customers. Regular programme updates will be available through the Corporate Intranet and public facing web sites as appropriate.

41.   The Communication Management Strategy is to be prepared and applied to the transformation programme to help keep the programme's stakeholders (both internal and external) engaged throughout.

42.   Stakeholders to be engaged in suggesting a title or brand name for the transformation programme, to be agreed by the Cabinet, which is:

- ▶ neat and easily understood by stakeholders;
- ▶ customer focussed;
- ▶ not subject to copyright or other protection; and
- ▶ demonstrates our positive, future-focussed direction of travel.

43.   The Transformation Programme Board will approve and is ultimately responsible for the strategy. The Head of Transformation is responsible for maintaining the strategy.

Resource Implications:

At this stage it is not possible to be specific about the resources required. Epping Forest District Council continues to review its processes and procedures in order to remain efficient and effective. As such, as much of the work as possible will be within the existing resources. Additional resource requirements to supplement the Programme Management Office will be sought as part of workstream, programme and project business cases, which follow the completion of the discovery stage. This is likely to include the appointment of project and programme management resource.

Cabinet have specified that transformation projects must have sound business cases and show a reasonable payback for the authority. Significant transformational change will require radical thinking and significant investment. As the changes are not yet specified in detail, nor decisions made, the scale of investment cannot be quantified accurately. In due course, major proposals will be set out with a full business case as required by Cabinet.

The savings target for the transformation programme for 2016/17 is £100,000.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report.

Safer, Cleaner and Greener Implications:

There are no implications arising from the recommendations of this report in respect of the authority's commitment to the Climate Local Agreement, the Corporate Safer, Cleaner, Greener initiative, nor any crime and disorder issues within the district. Any such implications arising from recommendations made through the transformation programme will be dealt with in the specific reports.

Consultation Undertaken:

Initial sessions have been undertaken with the Cabinet, the Council's Leadership and Management Teams. Other authorities that have initiated transformation programmes have also been visited. It is envisaged that wide consultation will be undertaken will all relevant

stakeholders as proposals emerge from the programme.

Background Papers:

The Corporate Aims and Key Objectives 2015/20.
The Customer Contact Review Report.

Risk Management:

Customer satisfaction may be affected if expectations for service delivery are not met. The authority's capacity to continue to deliver high quality services will be tested through the change process. Staff morale and engagement with new working practices are also likely to be significant factors.

On-going communication and explanation of the benefits of transformational change will be necessary. Inevitably, some staff will find the experience of change more difficult than others.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

There are no equality implications arising from the recommendations in this report. The transformation programme will, however, inevitably recommend changes to the way the authority provides services in the future. A key principle in the redesign of services will be to focus on the customer. The provision of services in accessible ways will continue to be a prime consideration.

Appendix 1 – Accountabilities and information flow

ID	Report name	Accountability	Report recipient	Meeting and report frequency
Political decisions				
1	Note: Workstream reports – management dashboard and supporting papers, including benefits reviews	Chief Executive, Head of Transformation	Cabinet	Cabinet
2	Agree: Workstream mandates, initiations and closures			
3	Note: Project closures			
4	Agree: Workstream risk and issue papers for resolving conflicts across workstreams	Chief Executive, Head of Transformation	Leader	As required, key decision
5	Agree: Project initiations: ■ Business case ■ Project plan ■ Scope ■ Budget plan ■ Benefits ■ Communication plan ■ Project team ■ Risk log	Chief Executive, Head of Transformation	Leader / Cabinet	As required, key decision
Transformation Programme Board				
6	Workstream reports – management dashboard and supporting papers, including benefits reviews	Head of Transformation, with contributions from workstream sponsors and project managers as required	Chief Executive, Transformation Programme Board	Monthly
7	Workstream risk and issue papers for resolving conflicts across workstreams, and specifying significant assurance-related risks or issues for projects	Head of Transformation, with contributions from workstream sponsors and project managers as required	Chief Executive, Transformation Programme Board	By exception
8	Workstream mandates (discovery phase), initiation (business case) and closure (post workstream assessment)	Head of Transformation, with contributions from workstream sponsor	Chief Executive, Transformation Programme Board	As required
9	Project mandates (discovery phase), initiation and closure (post project assessment): ■ Business case ■ Project plan ■ Scope ■ Budget plan ■ Benefits ■ Communication plan ■ Project team ■ Risk log	Head of Transformation, with delegation to project managers	Chief Executive, Transformation Programme Board	As required

ID	Report name	Accountability	Report recipient	Meeting and report frequency
10	Note: Strategic fit with Corporate Plan and Business Plans (describing core business and changes to core business)	Directors and Assistant Directors	Portfolio Holders, via the Performance Management Unit	Annually

Programme Management Office (PMO)

ID	Report name	Accountability	Report recipient	Meeting and report frequency
11	Escalated project risk and issue papers	Project Managers	Programme Management Office	By exception
12	Benefit reviews	Project Managers	Programme Management Office	As documented in benefits management strategy
13	Report on ideas from staff suggestion scheme	Assistant Director, Governance and Performance Management	Chief Executive	Fortnightly
14	Project mandate	Project Manager	Programme Management Office	As required
15	Project business cases (Project Initiation Document)	Project Manager	Programme Management Office	On acceptance of project mandate into approved workstream or programme
16	Highlight and exception reports	Project Manager	Programme Management Office	Highlight reports may be monthly or fortnightly on acceptance of project business case
17	End project reports	Project Manager	Programme Management Office	On agreed completion of the project
18	Post-project reports	Project sponsor or nominated officer	Programme Management Office	Defined time after project completed when benefits and original business-case investment can be assessed
19	Risks and issues	Project Manager	Programme Management Office	As required