

Report subject	Organisational Design - Implementation & Budget
Meeting date	24 June 2020
Status	Public Report
Executive summary	<p>Cabinet adopted our Organisational Design and Operating model as the basis of the BCP Council Transformation Strategy. Below is set out the results of the Market Pre-Engagement process, the estimated budget requirements for the implementation of the programme and the preferred procurement and contract structure for the partner/supplier relationship(s). Also recommended is a change in approach to the direction of travel agreed in February with regard to the Estates & Accommodation Strategy and the utilisation of Bournemouth Town Hall campus as the BCP Council Civic Centre and administrative hub.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> a) Note the feedback from the Pre-Engagement process with potential partners/suppliers; b) Approve the Procurement approach and contract structure, including the capped Framework Limit; c) Authorise the commencement of the procurement process and delegate authority to award the contract to the Chief Executive in Consultation with the Leader and appropriate senior officers; d) Approve the proposed governance including the establishment of a Cabinet Working Group to provide oversight of the programme e) Approve the funding proposals as set out in section 39 a to b f) Approve the acceleration of the adoption of Bournemouth Town Hall Campus as the BCP Council Civic Centre and administrative hub <p>It is RECOMMENDED that Council:</p> <ul style="list-style-type: none"> g) Approve the budget set out in Appendix 1b; h) Approve the funding proposals as set out in section 38 a to c.

Reason for recommendations	To approve the budget and procurement approach required to successfully deliver the BCP Council Transformation Strategy adopted by Cabinet in November 2019 and to approve a short term shift in the Estates & Accommodation Strategy in light of the impact on ways of working by the Coronavirus/Covid-19 crisis.
Portfolio Holder(s):	Councillor Vikki Slade, Leader of the Council and Portfolio Holder for Corporate Services
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Wards	Council-wide
Classification	For Decision and Recommendation

Background

1. In November 2019 Cabinet considered the output from the Organisational Design Project. This was facilitated by KPMG and co-designed with Members and Officers and expressed a view of the potential Operating Model for BCP Council following the successful delivery of the Local Government Reorganisation of Dorset.
2. Accompanying the Operating Model was a high-level business case which showed potential net benefits of up to £36 million per annum (£43.9 million per annum gross) of savings in return for an estimated one-off investment of up to £29.5 million.
3. Cabinet endorsed and adopted the Organisational Design and Operating Model as the basis of the Transformation Strategy for BCP Council and asked that the following activities be undertaken
 - a. Carry out a Pre-Market Engagement exercise with potential partners and/or suppliers to test the underlying assumptions, costs and delivery models for the implementation of the programme, and
 - b. Assess the impact of the costs and benefits arising from the implementation of the programme on the Medium Term Financial Plan (MTFP) and develop a financial strategy to support them
4. In addition, Cabinet established a working group to consider the Estates & Accommodation Strategy and the potential for a single BCP Council Civic Centre. This is being managed and delivered separately and will not be considered within the ambit of this report.
5. This report will set out the output from 3. above covering the following specific areas:
 - a. The structure, process, feedback and findings of the Pre-Market Engagement
 - b. The anticipated budget for the successful implementation of the Transformation Programme

- c. The resulting preferred procurement approach for taking the programme forward
 - d. The financial strategy for supporting the budget
- 6. With the key recommendations relating to the implementation of the Transformation Programme originally intended to be considered in April 2020, it is inevitable that the unprecedented impact of the Coronavirus/Covid-19 Pandemic should be considered in the context of the Council's approach to both significant streams of our Transformation Strategy, i.e. Organisational Design and Accommodation Strategy.
- 7. This impact, along with any changes to the principles and approaches that were considered and adopted by Cabinet in November 2019 and February 2020 will be set out in a dedicated section below.

Pre-Market Engagement

- 8. The background and context of the Council and its aspirations was set out in writing including the provision of the output from KPMG that accompanied the November 2019 report to Cabinet. The focus of the engagement was on four core areas:
 - a. Whether the Organisational Design and Operating Model was clear and understood, and how they would go about delivering it, and
 - b. Proposing a simple framework for the core technology requirements to support the Organisational Design and Operating Model, and asking for their recommendations on appropriate technology solutions and how they would go about implementing it, and
 - c. The costs, risks and timelines for delivering 6. a and b, and
 - d. Their views on different options for partnership structures and/or procurement routes
- 9. A range of potential partners and/or suppliers was identified and invited to provide their written responses to detailed questions in the above areas, as well as then meeting with a panel of key officer stakeholders to review and discuss all aspects of their responses in more detail.
- 10. The organisations identified and invited included large Management Consultancies and implementers, technology consultants and implementers, as well as large software providers. Due to commercial confidentiality, as well as to effectively mitigate the risk to any open procurement process that may follow, the respondents and their submissions are not provided as background papers to this report.
- 11. At a high level, the key responses can be summarised as
 - a. There was widespread acknowledgement that the Organisational Design and Operating Model was an appropriate and understandable response to the context provided by the Council. Interestingly, some respondents expressed a view that, given the scale of the programme and the likely level of investment required to deliver it, the level of estimated benefits was lower than they expected.
 - b. There was a majority of respondents that expressed a clear preference for, and rationale in support of, a consolidated and strategic technology architecture to support and optimise the successful realisation of the Council's objectives for the organisation and ways of working.

- c. A period of up to four years was generally accepted as the appropriate horizon for the purposes of planning and implementing the transformation programme.
- d. There was a majority of respondents who stressed that the capacity and capability of the Council would be a significant determinant of the speed of delivery for the programme as well as the ability to support and improve the organisation once the partner and/or supplier(s) had concluded their role(s).
- e. There are clearly a number of variables involved in any assessment of likely costs, ranging from the capacity and capability of the Council itself, through to the structure of any partner/supplier mix as well as any future decisions on preferred technology provision.
- f. There was a majority of respondents who believed that the best contract structure for the Council, in order to manage the complexity and risk of such a large programme, is a “prime” or “strategic” partner who is able to draw on a wide range of other partners in order to support as many of the programme’s requirements as possible.
- g. There was a majority of respondents who, based on their views on their preferred technology solutions, believed that the procurement of significant elements of the resulting software licensing should be procured separately through well-established central government Procurement Frameworks.

Transformation Programme Delivery Budget

- 12. The budget requirement is set out in Appendix 1. This is based on both the original high-level design and business case undertaken by KPMG but also the feedback and engagement process that has been outlined above.
- 13. The total one-off budget requested is £37.62 million, including a contingency of 10%, while the additional revenue consequences over the four-year anticipated delivery period of the programme grow to £4.5 million per annum.
- 14. While the additional revenue cost is in line with the high-level cost-benefit analysis in the November Report, the one-off costs requested are higher. This is due to several factors that are discussed below.
- 15. During the Pre-Engagement process it became clear that a significant emphasis was being placed on the capacity and capability of the Council to support, deliver and continually improve the model once delivered. There were different views expressed on this point ranging from a very deep reliance on any partner/supplier relationship both during and after the implementation of the programme through to the Council resourcing itself to be a more capable organisation during and following the successful implementation.
- 16. As a result of these considerations the approach that is proposed, and therefore represented in the budget, is for the Council to rely no more heavily than is absolutely necessary on the partner/supplier during the delivery phase, but instead look to strike more of a balance between external and internal resources.
- 17. The budget is therefore profiled so that the Council will leverage the strategic relationship(s) with partner/supplier as strongly as possible during the early phases of the programme, while transferring knowledge and experience to strengthened in-house teams. This will allow us to transition more of the programme delivery away from the partner/supplier sooner than had been originally intended.

18. While the approach expressed above is feasible, it must be acknowledged that it cannot be extended to remove the requirement for a partner(s) in total. There are several critical categories of resource that will be required to successfully deliver the programme that the Council cannot realistically hope to recruit and retain. This is due to either the value commanded by the particular resources within the market, the attractiveness of BCP Council as an employer, or the comparatively short periods of time that certain resources will be required during the overall programme.
19. There is a significant cost included within the budget for the purchase and roll-out of a large number of laptop devices. These are required to replace the current static desktops that are prevalent across the Council. While it may be argued that this is a cost that is more directly related to the Estates & Accommodation project, it has been brought forward in order to accelerate the introduction of modern ways of working.
20. There is a cost included in the budget for the Major Change & PMO team. This team will be critical to the success of the programme and the successful transition of knowledge from the partner/supplier to the wider organisation. The team is not included within the base budget of the Council, and as a result its costs must be recovered from project expenditure. The allocation of costs for the team has been split between this budget and the budget that will come forward to support the Estates & Accommodation project in due course.
21. The budget also includes an allocation for Council resources to start building our Data & Analytical capability in line with the core principles of the Organisational Design and Operating Model. This includes both partner/supplier and internal capacity and capability as well as hardware and software. This will support a real step change in our capability and help build the data centric organisation that is explicit in the Transformation Strategy.
22. Notwithstanding this, the views that have been received through the initial KPMG supported work and the Pre-Engagement with the market suggest that there may come a point during the later stages of the programme where the maturity of the organisation and its ambition and appetite for data and analytics require additional investment. The potential level of investment in this regard is likely to be in the region of £1.0 - £1.2 million and as such it has not been included at this stage and instead will be subject to a review and separate business case once we are in a better position to understand the cost/benefit analysis.
23. Finally, it must be noted (particularly the anticipated increased revenue element) that the costs set out in Appendix 1 are gross of any potential savings that may be realised throughout the implementation of the Transformation Strategy. While it is likely that there will be compensatory savings made as a result of this investment, for example in software licensing for the existing IT estate, it is not appropriate to estimate and offset these at this stage as it could result in “double counting” of benefits/savings at a later stage.

Recommended Contract Structure and Procurement Process

24. Based on the Pre-Engagement feedback, there are three potential options for the Council in delivering the Transformation Programme. These are set out and considered below.
 - a. Undertake three separate procurements, for an implementation partner, a strategic technology partner and the appropriate technology licensing

- b. Undertake a procurement for a strategic partner capable of implementing the programme. The necessary licences will be procured separately by the Council using established and more economically advantageous Framework Agreements. Under this option, alternative partnering arrangements could be sought by the Council on an ad hoc basis for smaller, niche components within the programme in the event that this is believed to be either necessary or technically/financially advantageous
 - c. Undertake a single procurement for a single strategic partner who can implement the programme, deliver the technology solutions that the Council may wish to utilise and also provide the appropriate technology licensing
- 25. Option (a) is not recommended as it will mean that the Council is responsible for managing the relationship between the implementation and technology partners. In a programme of this scale, complexity and duration this presents a significant risk in terms of both cost and deliverability.
- 26. Option (c) is not recommended for the following reasons:
 - a. there is likely to be such a limited number of potential providers that it would not support a properly competitive procurement process, and
 - b. as a result of this the Council is likely to be significantly constrained in its technology choice(s) through the implementation programme, and
 - c. the feedback is that there is no commercial or technical advantage to be gained by attempting to “roll up” the procurement of the technology licenses in a single procurement due to the nationally negotiated pricing structures obtainable through Frameworks, and
 - d. the licensing relationship will extend beyond the delivery horizon of the programme and therefore by rolling up the licensing into the implementation relationship we will be locked into the (larger) relationship for longer than necessary
- 27. Option (b) is therefore recommended as providing the optimum balance of reducing procurement and implementation risk while preserving choice for the Council in respect of technology choices.
- 28. The most appropriate procurement approach for the delivery of this is an Open OJEU process. The contract structure sought under this Open OJEU process will be a BCP Council Framework which will have a “Zero Value” at award but which will be capped at a specific financial value and expire within a prescribed period of time.
- 29. The advantages of this approach to the Council is that it will
 - a. Not require an extended period of time to develop a full and detailed specification for every element of the programme over multiple years.
 - b. It provides flexibility to allow for the development of individual work packages throughout the programme rather than being bound in by a detailed specification.
 - c. Mean that the Council is not committed to spending a prescribed amount of money with the partner, and therefore allow us to stop or reduce spend according to our needs and situation.

- d. Help create more of a “partnership” approach between the Council and the partner by working more closely to define requirements, identify and deliver solutions and realise benefits.
- e. Allow more opportunity for the Council to learn from the partner and transition responsibility for more of the programme to the in-house teams through the delivery horizon of the programme.

30. The disadvantages of this approach to the Council are that;

- a. There is no cost certainty for the completion of the programme, only a fixed cost cap.
- b. It will require strong technical design of the procurement process, framework contract and each of the individual work packages.
- c. It may be more challenging to establish and assess the appropriate evaluation criteria within the original framework procurement.

31. Based on these considerations there is a strong argument that the recommended approach provides the best opportunity for the Council to effectively procure and, manage the partner relationship given the scale, complexity and duration of the programme.

32. While it is not intended to develop a detailed specification to support this procurement, based on the initial work supported by KPMG and also the Pre-Engagement process it is possible to outline a potential implementation timeline. This is attached at Appendix 2 and covers the major work packages that will be required to support the three benefits classes identified and estimated in the high-level business case adopted by Cabinet in the November Report, namely:

- a. The reduction in FTE numbers as a result of removing/reducing duplication through improved ways of working, technology adoption and exploitation and consolidation of resources and activity.
- b. Reducing Third Party Spend through rationalisation of the preceding authorities contract registers and more effective leveraging of our new scale.
- c. The harmonisation of fees, charges and income at a level that is benchmarked with appropriate sources.

33. In terms of the value for the Framework, based on the budget discussed above it is recommended that the Council imposes a fixed cap value of £18 million. While this may appear high in comparison with the value of £12 million included in the budget for partner/supplier resources, it is proposed for the following reasons:

- a. This will be a long and challenging procurement process for a critical, long term relationship. As such, it is worth making sure that there is sufficient head room within the procured relationship for as many possible variations within the programme.
- b. On this basis we should include within the overall assessment of potential spend with the partner/supplier.
 - i. The full contingency provided for within the budget
 - ii. The potential to accommodate the increased spend on data and analytics

- iii. The potential to draw additional resources from their networks and/or associates in the event that the Council is not able to recruit the appropriate level of additional resources
- iv. A degree of overage for unforeseen requirements throughout the lifecycle of the Transformation Programme

Governance of the Implementation Programme

34. With the implementation contract awarded and the strategic partner in place, it will be necessary to establish an appropriate governance architecture to ensure that the programme is mobilised, monitored and progressed with the pace and control appropriate for its scale and complexity.
35. It is proposed that operational management and decision making for the programme is delegated to Corporate Management Board, operating in its own right or within other established organisational Structures, comprised of
 - a. Chief Executive/Head of Paid Service;
 - b. Section 151/Chief Finance Officer;
 - c. Monitoring Officer/Director of Law & Governance;
 - d. Corporate Director, Resources (Transformation);
 - e. Corporate Director, Adults Social Care
 - f. Corporate Director, Childrens Social Care
 - g. Corporate Director, Environment & Community
 - h. Corporate Director, Regeneration & Economy
36. This delegation will operate and be effective where the decisions are:
 - a. Within the scope of the organisational design and operating model agreed by Cabinet, and
 - b. Within the budget approved by Cabinet and Council for the implementation of the Programme
37. Notwithstanding the above, the scale and scope of this programme is such that oversight of its implementation by elected Members is appropriate. It is therefore proposed that Cabinet establish a Working Group to meet regularly and provide oversight of the programme.
38. It is also proposed that there should be regular reporting to Cabinet, and therefore Overview & Scrutiny Board, with regard to the implementation of the programme focussing on:
 - a. Progress
 - b. Budget
 - c. Risks
 - d. Issues
 - e. Benefits Management

Funding Strategy

39. The identification and deployment of funding on this scale is a challenging task for the Council given the cumulative effect of the last ten years of austerity on our financial position and the impact of the Coronavirus/Covid-19 crisis. Notwithstanding this, the Transformation Strategy and the programme that has been developed is the single largest, and most comprehensive response to the continuing demands of the Council's MTFP.
40. In addition, the reorganisation of local government in Dorset was intended to create the opportunity for the new Councils to take advantage of the opportunities that the process created to completely reimagine and remake local services to not only reduce costs but bring them into line with expectations of real-world, real-time digital service models.
41. Even at the higher level of costs that are set out in Appendix 1, the underlying high-level business case for the implementation of the Council's Transformation Strategy is compelling. It may be argued, however, that as a result of the higher level of costs the Council adopts the higher level of benefits realisation assumed in the business case as its expectations for return on investment.
42. In respect of the funding strategy supporting this report Council in February 2020 made two key decisions;
 - a. As part of the 2020/21 Budget and Medium Term Financial Plan report, the approval of the application of a Flexible Use of Capital Receipts strategy which earmarks any receipts in the next two years (2020/21 and 2021/22) in support of the transformation programme. The latest estimate of such receipts before April 2022 is £14 million which is lower than the previous estimate £16.2 million for reasons mainly associated with the impact of Covid19.
 - b. As part of the Housing Revenue Account (HRA) Budget Setting 2020/21 report the approval of a contribution of £2 million (£1 million from each neighbourhood) towards the transformation programme. This contribution was agreed on the basis that the HRA will benefit in future from reduced recharges from a lower cost base within the General Fund
43. Building on this pre-existing commitment, this report requests Council approve of the residual £21.6 million funding package which supports the overall £37.6 million budget for the transformation programme as set out in Appendix 1a and 1b attached. Specifically, Council is being asked to approve the;
 - a. Transfer into a transformation programme earmarked reserve the £10.3 million previously set aside in a financial liability earmarked reserve which acted as a counterweight to the accumulated deficit on the Dedicated Schools Grant. This transfer is supported by the CIPFA Bulletin for the closure of the 2019/20 financial statements which stipulates that the reserve does not need to be in place from the 1 April 2020 onwards and can be seen as a response to the national lobbying on the issue by BCP and other affected authorities.
 - b. Release of the £4.2 million in revenue contributions previously made in support of the Oakdale Skills and Learning Centre capital scheme. These contributions were made to provide a local subsidy towards the overall viability of the scheme and will mean that the full business case for the

development on the site will need to be reflective of this decision when it is eventually brought forward.

- c. The allocation of the entire annual £2 million Revenue Contribution to Capital Outlay (RCCO) in 2020/21. Similarly, it is proposed to use the £2 million RCCO provision which would ordinarily be made in 2023/24 and £1.8 million of the RCCO provision which would ordinarily be made in 2024/25. This will mean that there are no unallocated capital resources in 2020/21 whereas in 2023/24 and 2024/25 capital resources should be available as the capital programme will benefit from any capital receipts in those years as the Flexible Use of Capital Receipts strategy does not apply to any receipts received after 1 April 2022 onwards.
44. A key risk associated with this funding strategy will be in realising c£14m in capital receipts by the 31 March 2022 which can then be used to fund the transformation programme by the application of the flexible use of capital receipts policy. Current analysis indicates plans to dispose of approximately £14.6m of capital receipts in this timeframe however there will be significant subjectivity around the actual sales values achieved in a post covid19 environment and the fact that some of the disposals will be subject to conditions such as successful planning permission. Due to such issues it is considered appropriate not to assume the entire £14.6m and therefore allow for some degree of variation. The Councils Corporate Property Group will be regularly reviewing progressing on delivering such capital receipts
45. In addition, and in further support of the funding strategy for the transformation programme Cabinet is being asked to approve the;
- a. use of £0.7 million of the residual redundancy provision in the current transition and transformation earmarked reserve.
 - b. redirection of the £0.48 million annual provision for capital related corporate maintenance in 2020/21 and in the following four years of the plan. This would leave the amounts provided in revenue for such maintenance responsibilities. In addition, it is proposed to also redirect the £0.25 million in unspent 2019/20 capital related corporate maintenance.
46. It is also worth noting that in adopting the above funding strategy the council is creating a position where the total value of the savings which will be realised through the investment in this transformation programme will be available in support of the councils annual budget process and Medium Term Financial Plan.

Impact of Coronavirus/Covid-19 Pandemic

47. Aside from the global public health impacts, it is incontrovertible that the crisis has likely forever changed the way in which we all work. In many ways, these fundamental shifts are entirely consistent with the vision and ambition that had already been adopted by Cabinet and which are set out in the Reports in November 2019 and February 2020.
48. Significant time has been spent over the last several weeks considering whether, and if so how, the crisis should impact our plans regarding the two key workstreams within our Transformation programme, specifically
- a. Organisational Design/Operating Model, and
 - b. Accommodation Strategy

49. In terms of the Organisational Design and the accompanying Operating Model driven transformation, the following shifts in emphasis are now considered necessary

- a. The high-level estimate of gross benefits (i.e. £43.9 million) must now be adopted as our minimum expectation of savings and efficiencies to be generated in return for the investment in the programme; and
- b. The pace at which we generate savings and efficiencies will have to be accelerated by comparison to the profile included in the November 2019 Report.
- c. It will be possible to accelerate some elements of the programme and realise early benefits. These elements will be focussed on the following
 - i. The identification and creation of some “Centres of Excellence”, which will involve bringing together roles from across the organisation that are carrying out similar functions
 - ii. The rationalisation of some key ICT systems where there is sufficient clarity with regard to the options available to us and their consistency with the intended Operating Model, Technical and Data Architecture
 - iii. External benchmarking and/or harmonisation of our Fees & Charges across the Council
 - iv. Early identification of Third Party Spend opportunities where commercial contracts of the pre-existing authorities are sufficiently aligned to be brought to an economic end

50. Notwithstanding these opportunities, the critical elements of the Transformation Programme will not be possible without the engagement of the strategic partner and their expertise and resources. Their engagement will be focussed on the large technology components of the Operating Model such as the Digital Front Door, Digitally Enabled Service Delivery, Data & Analytics and the implementation of the new Transactional Enabling Services.

51. The Accommodation Strategy is significantly more impacted by the current crisis. In February 2020 Cabinet approved and adopted the redesign and refurbishment of the Bournemouth Town Hall campus as the BCP Council Civic Centre and operational hub for the Council. In doing so, they acknowledged that alternative options such as the acquisition of an alternative site was economically not viable given the then prevailing market conditions and our reasonable estimate of our spatial requirements.

52. Cabinet requested that a Pre-Market Engagement exercise be carried out to more accurately assess the potential costs and options for the redesign and refurbishment of the Bournemouth Town Hall campus. The expectation was that this would be carried out and the results reported back to Cabinet in June 2020. While the Pre-Market Engagement has now been issued, it has not been possible to undertake it in the originally anticipated timeline due to the pandemic crisis.

53. During the pandemic we have been able to accelerate the introduction of new ways of working for a very large part of the Council. The adoption and utilisation of, for the Council, new technology has resulted in many of our core office buildings being largely empty with minimal disruption to the provision of our services. While there is a great deal more to do to make this “New Normal” completely pervasive and resilient,

the experience has clearly demonstrated that we can be more ambitious in the short term than previously planned.

54. Based on this experience, it is proposed that the decision of Cabinet in February 2020, with regard to the adoption of the Bournemouth Town Hall campus as our BCP Council Civic Centre and principal office accommodation, be modified as follows:

- a. In the first instance, the relocation of all staff from Poole Civic Centre, Christchurch Civic Offices and the Bournemouth Learning Centre (to the Bournemouth Town Hall campus) be accelerated to facilitate the closure and/or repurposing of those offices as quickly as possible.
- b. As this programme evolves, we will also look to identify as many other buildings as possible that can also be included in the relocation programme in order to either support service development proposals or to generate capital receipts for the council. It should be noted, however, that there is often significant time lapse between the release of any buildings and the subsequent receipt of the transfer proceeds.
- c. In undertaking this short-term programme of relocations, we will not materially redesign or refurbish the Bournemouth Town Hall campus and will seek to reuse as much of the existing office furniture estate as possible. This will mean that the up to £29 million costs identified in the February 2020 Cabinet report will not be incurred at this stage.
- d. Notwithstanding this, there will be a need to incur some costs to facilitate this short-term programme of relocation and consolidation. These costs are required to cover aspects such as:
 - i. Removal of non-structural walls to create more open space within some parts of the Bournemouth Town Hall campus;
 - ii. Investment in appropriate facilities/solutions to comply with social distancing requirements within office environments;
 - iii. Transportation of equipment from decommissioned sites to Bournemouth Town Hall campus
 - iv. The relocation of some critical services currently located within buildings that we are vacating, such as the CCTV Monitoring service and the Telecare/Out of Hours Support service
- e. At this stage, and given the impact of the Coronavirus/Covid-19 crisis, it is not possible to provide an estimate of costs to support this revised programme of activity. It is therefore proposed that once the planning and budgeting has been completed a subsequent report will be brought to Cabinet to approve any financial consequences. In the interim, it is proposed that the Governance arrangements outlined above are authorised to utilise the contingency funding within the budget allocation outlined in this report to progress the delivery of the project.
- f. While adopting this revised short term and significantly less costly way forward, we should also allow for opportunities to re-examine some of the assumptions in the February Report. Specifically, our reduced spatial requirements along with reductions in commercial office values might present the opportunity to re-examine the option to acquire more affordable and

appropriate office accommodation. If such an opportunity presents itself, this will be expedited and brought to Cabinet for decision.

Summary of financial implications

55. The financial implications of this report are set out in detail above.

Summary of legal implications

56. The Council has the power to enter into contracts pursuant to section 1 of the Localism Act 2011. The Council is bound to continuously improve the way in which it exercises its functions having regard to a combination of economy, efficiency and effectiveness pursuant to section 3 of the Local Government Act 1999. The services proposed to be procured are intended to support the Council's compliance with that duty and without prejudice to the Council's wider duty to consult in that regard.
57. The Council will undertake the procurement in accordance with the Public Contracts Regulations 2015 and will issue a notice in the OJEU accordingly. Should the duties on public sector bodies change following the UK's exit from the European Union, then the Council will seek legal advice to ensure that the process remains compliant with the law applicable from time to time.
58. Some specialist external legal advice may be sought on aspects of the procurement documentation and process. Such work will be awarded under an existing framework agreement to which the Council is a party. The cost of that support is included in the budget set out in Appendix 1.

Summary of human resources implications

59. There are no direct and new human resources implications arising from the Organisational Design and Operating Model elements of this Report that have not been considered in the November 2019 report.
60. Notwithstanding this, as the Transformation Strategy and its accompanying programme is commissioned, many of the individual work packages will result in human resources consequences. These will be identified, managed and resolved through the use of the Council's HR Policies and Procedures and with the full engagement of the Trade Unions.
61. The impact of accelerating and adapting the Accommodation Strategy as outlined above is the subject of engagement and consultation with Unions and staff groups. It is worth acknowledging that there is already a large-scale refresh and renegotiation of all employment Terms & Conditions under the auspices of the Pay & Reward Programme. However, it may be necessary to agree and implement a small number of interim measures in the event that the relocation of staff groups and the conclusion of the Pay & Reward negotiations are not achievable within an appropriate time frame.
62. It is also anticipated that the significant changes to our working practices, particularly for the majority of office-based staff, will help make any changes to principal office locations less impactful for most staff.

Summary of sustainability impact

63. There are no direct and new sustainability impacts arising from this report that have not actively been considered in the November 2019 and/or February 2020 reports to Cabinet.

64. However, the Transformation Strategy is a key element of the Council's commitment to create a carbon neutral organisation by 2030 in its response to the declaration of a Climate & Ecological Emergency. The introduction of new technologies and modern ways of working to reduce travel is the fundamental reason for the bringing forward of spend on appropriate devices as outlined above.
65. In addition, through the procurement process to create the Framework Contract that is outlined in this report, the sustainability credentials of the potential partner/supplier will be examined in order to ensure that it is consistent with the ideology, principles and policies of the Council.

Summary of public health implications

66. There are no public health implications arising from this report.

Summary of equality implications

67. There are no direct new equalities implications arising from the Organisational Design and Operating Model elements of this report that have not been considered in the November 2019 report to Cabinet.
68. Notwithstanding this, a high level Equalities Impact Analysis has been undertaken with regard to the proposed changes to the Estates & Accommodation Strategy and is attached at Appendix 3. This has been the subject of engagement with the Trade Unions. This high level analysis will be developed specifically for each of the facilities and teams impacted by the changes as we move through the programme.
69. However, as with the Human Resources section above, as the programme is commissioned and individual work packages are developed, it will be necessary to assess the equalities implications on all stakeholders (internal and external to the Council) and ensure that all appropriate actions are taken.
70. As with sustainability, through the procurement process we will examine the potential partner/supplier's credentials and policies as they relate to the equalities obligations of the Council.

Summary of risk assessment

71. The principle risks arising from this Report relate to the choice of, and effective execution of the procurement approach. These have been set out above.
72. The financial risks arising from the funding of a programme of this scale have been considered and set out above. Notwithstanding this, it is submitted that the principle financial risk arising from the successful implementation of the Transformation Strategy and its accompanying programme is the failure to realise the level of benefits that are expected in return for the investment.
73. This risk will need to be carefully managed and "owned" by all Members and Senior Officers as we move through the implementation of the programme. Based on the feedback during the Pre-Engagement process, all of the respondents recommend the early establishment of robust leadership and governance models to oversee the implementation of the programme.

Background papers

Appendices

Appendix 1 – Budget

Appendix 2 – Programme Timeline

Appendix 3 – High Level Equalities Impact Analysis (Estates 7 Accommodation Strategy)