CABINET

Report subject	**Transformation Programme Update**
Meeting date	25 October 2023
Status	Public Report
Executive summary	A number of key achievements and milestones have been delivered since the inception of the programme and the last update. In the each of the principle elements of the programme; Organisational Design, Where and how we work and Supporting our Colleagues. Some of this is now so familiar to staff and Members that it is easy to overlook as we continue to thrive and operate in our new normal.
	Significant time and investment has been put in to building the foundations from which we can continue to transform as an organisation. Some of which may not be visible or obvious until such point as they are released for use and then quickly pass into familiarity with expectations and boundaries then pushed to the next improvement.
Recommendations	**It is RECOMMENDED that:**
	(a) Cabinet note the progress made on the implementation of the Council's Transformation Programme.
	(b) Cabinet note the Financial Implications set out in paragraphs 41 to 43
Reason for recommendations	To report a progress update on the Council's Transformation Programme.
Portfolio Holder(s):	Cllr Hanna - Transformation & Resources
Corporate Director	Ian O'Donnell – Corporate Director of Resources
Report Authors	Katie Lacey – Director IT & Programmes
	Matti Raudsepp – Director of Customer, Arts & Property
	Sarah Ray-Deane – Director People & Culture
Wards	Council-wide
Classification	For Update

Background

1. The programme has a number of workstreams however the principal elements of the programme are as follows:

    a. **Our New Organisational Design** – the design, implementation, and benefits realisation in relation to the Council's new Operating Model as described and approved in the Cabinet Reports of November 2019 and June 2020.

    b. **Where and How we Work** – the design, implementation, and benefits realisation in relation to Council's estate rationalisation strategy described in the Cabinet Report February 2020 and approved in Cabinet Report November 2020.

    c. **Supporting Our Colleagues** – the design and implementation of the new People Strategy which incorporates amongst many other things, a new Pay & Grading methodology and the introduction of a single set of Terms & Conditions. This was described and approved in the Cabinet Report September 2019 and is intended to ensure equal pay and conditions for all Council employees.

Progress to Date

2. A large number of key achievements and milestones have been delivered since the inception of the programme and the last update. Some of this is now so familiar to staff and members that it is easy to overlook as we continue to thrive and operate in our new normal.

3. It should be noted that there has been significant time and investment in building the foundations from which we can continue to improve and develop as an organisation. Some of which may not be visible or obvious until such point as they are released for use and then quickly pass into familiarity with expectations and boundaries then pushed to the next improvement.

Organisational Design

4. All office-based staff now have a laptop, headset and access to telephony and collaboration tools such as Teams and Microsoft Office 365. This means that since May 2020 our workforce is able to work either remotely or in the office. This enabled us to exit from a number of administrative buildings.

5. We have established a central Data & Analytics team supported by newly implemented modern technologies. This enables to the team to work with services to automate manual processes, connect sets of data together to provide enriched information. This was not previously possible in any of the legacy councils. Using tools such as power BI to display data in a dynamic format for staff and managers is having a very positive impact in the understanding of services and operations. Work with Childrens Services, Supporting Families has had great success in automating manual processes we will be using this as case study to show the art of the possible.

6. Dynamics Finance and Operations (F&O) is now live giving us for the first time an integrated Finance and HR system. Staff are now managed in one system rather than two. Budget holders are now able to see their budgets in detail and have the ability to drill into the detail using their personalised Power BI dashboards looking at up to date information.

7. The F&O work has keenly highlighted a number of data quality and general practice issues across the council. This is not uncommon when consolidating systems and

staff are being supported to adopt the new system and adapt to different ways of working that have been in place for many years. While it gives us a great opportunity to validate and clean our financial and staff data this will inevitably take time to complete and will then become a regular housekeeping activity.

8. Work has begun on creating a new Customer Relationship Management (CRM) system. This is very complex and requires meticulous planning, design and implementation. We already have a CRM platform that is integrated to other systems and running our services. Some of the complexities are around the transition of the old system to the new system and still allowing us to operate and trade as Council.

9. Part of the visioning work identified target operating models (TOM's) for Finance, People & Culture and Commissioning and Procurement. Now that the technology is in place focus will be on establishing these enabling functions to operate effectively in the support they provide across the council. Much like we are now starting to see with the Data & Analytics team.

Where and how we work.

10. Phase 1 of the Estates & Accommodation was primarily focused on consolidating our civic office requirements into the BCP Council Civic Centre (formerly Bournemouth Town Hall). That work has been successfully completed with the vacation and closure of Poole Civic Centre and Annex, as well as the closure of the Christchurch Civic offices. Both buildings are now available for disposal or repurposing, subject to separate decision-making processes. The vacation of these buildings required extensive planning, service engagement, ICT decommissioning works, furniture, and document removal.

11. In order to establish the BCP Civic Centre a programme of extensive office refurbishment was required in order to make the building ready to be used more flexibly, in line with the hybrid working model that the organisation has adopted. This means that our workspaces are largely shared, so that a greater number of staff can be allocated to the building, based on the assumption that many staff will only work from the office for part of their week, or their day. Our office space is consequently being utilised more efficiently than before. A wide range of technology enabled meeting rooms are also now available to support formal and informal meetings of all kinds, and also as spaces where staff can deal with confidential work that may not be suited to the open place working environment.

12. Aligned to the works carried out at the BCP Civic Centre, work has been completed at Poole and Christchurch libraries to establish them as council hubs, where in addition to their traditional library offer there is now a customer services face to face presence, ensuring that face to face customer contact is maintained across the three towns. Staff can also use the hubs for touchdown should they be working in those areas of the conurbation, as well as to meet customers or engage with colleagues. These changes support an effective offer to our workforce to enable them to choose the most appropriate place from which to work, whether that is the Civic Centre, the hubs or from home.

13. The BCP Civic meeting rooms, typically used for committee meetings and other formal council business, have also been refurbished, with the introduction of new hybrid meeting room technology. The majority of meeting rooms are now bookable online, which can be done alongside the process of inviting attendees, ensuing a seamless and more efficient approach to meeting organisation.

14. The final stage of Phase 1 is the Council Chamber and area of the West Wing occupied by the Coroners Service. These areas are subject to further investigations

in terms of what is possible (taking into consideration listed building constraints and cost implications) as well as the particular needs of services involved. Any changes proposed for the council chamber will be subject to engagement with the Civic Members Working Group. Further clarification on the outcome of those investigations will be provided in due course.

15. Phase 2 of the Estates & Accommodation Project relates to the consolidation of our wider corporate estate, focusing on the wide range of buildings and assets that were inherited as a result of LGR. This will be a longer-term piece of work which has to take into consideration separate strategy development work that affects the requirement for community assets by services. This includes the Family Hub work in Childrens, the Day Care centre's review in Adult Social Care, the community centres' review and the development of the Library Strategy. All of this work will need to be woven into the council's overall strategy for consolidating its estate and the disposal or repurposing of surplus assets.

16. As part of Phase 2 a number of properties have been identified as surplus and vacated. Again, the work connected to each property involves detailed service engagement, relocation planning, ICT decommissioning and removals. The ongoing security and maintenance of vacated sites is also necessary pending disposal or repurposing. Buildings currently vacated as part of Phase 2 include Wallisdown Heights and St Ambrose Cottage, with further preparations currently taking place in relation to the Ted Webster Centre and St Peters Bungalow.

17. The council also occupies properties which are leased, and whilst vacation of these properties wouldn't lead to a capital receipt it would deliver operational cost savings. With this in mind plans are in place to vacate Beech House in Poole, which was the former headquarters of Poole Housing Partnership. Further opportunities of this kind are likely to be pursued in relation to other leased properties subject to service needs and the length of any remaining lease term.

18. An additional element of Phase 2 is the Depot Review. This piece of work aims to understand the requirements for depot-based services going forward (currently those services that deliver waste, cleansing, environmental and highways front line functions), recognising that the council's existing depot provision is sub-standard, and to identify where a new fit-for-purpose depot could be located and how it may be funded. Furthermore, the opportunity to rethink the notion of a 'depot' and to consider what other services or provision of an operational nature could be incorporated into the project (which may then allow a separate asset disposal elsewhere). At this stage, a project team has been established, and consultants experienced in developing sites suitable for environmentally sensitive waste management uses have been commissioned to support the requirements gathering process. This will then inform a site search process to identify whether any suitable sites exist in the conurbation.

Supporting our Colleagues – People Strategy

19. Our previous strategy covered the period from 2019 to 2023 so a new People and Culture strategy has been developed which supports BCP Council's Vision for the Future and the commitment to be an inclusive and open council.

20. We are starting our new Strategy with good foundations which have been built over the last four-year period since the previous people strategy was established. The People & Culture vision is for BCP Council to be a diverse and inclusive organisation where everyone is supported to be their best, is valued, and is proud to be part of BCP Council.

21. The key aims are to build a positive employee experience, grow the workforce, enable new ways of working, make better uses of digital technology, ensure belonging for all and leading improvement, change and innovation. The aim is also to develop a learning culture which is intended to promote openness, honesty, for people to speak up with integrity.

The strategy has three main themes: -

Getting the basics right

- Culture, values, and behaviours
- Wellbeing
- Equality, diversity, and inclusion
- Reward and recognition

Growth opportunities

- Learning and development
- Career development
- Leadership and management
- High performing teams

Future focused
- Workforce shaping
- Talent acquisition and retention
- Employee engagement
- People insights

Some of the progress made to date is outlined below:

Supporting our Colleagues - People Data and Insights

22. We have implemented new HR digital technology, with the introduction of an integrated HR and Finance system, a new learning management system and we are in the process of integrating a new recruitment system.

23. Interactive HR dashboards have been designed which will provide services with a range of up-to-date people information, organisation charts and infographics. This will support services in managing their teams, identifying people trends and making decisions based on data and evidence.

24. The new recruitment system will go live in October 2023 with improvements to the current system, particularly around anonymised application forms to support the reduction of any potential unconscious recruitment bias in the organisation and further enhancements added thereafter on a phased approach.

25. Our new learning management system, SkillGate, has been implemented, and has been integrated with Dynamics F&O which will allow easier access and greater confidence and accuracy in reporting mandatory training completion rates. One of the main benefits is that we have created a traffic light system which will clearly highlight to employees, managers and services who is compliant and who is not, which will further increase completion rates. There is now one single sign on for course bookings, mandatory learning, and skills training, which had previously been a barrier and frustration for colleagues.

Supporting our Colleagues - Leadership and Management Development

26. We have developed a leadership framework which clearly sets out the standards, competencies and behaviours required from Corporate Director to Team Leader. This will be supplemented by 360 feedback, skills gap analysis and learning solutions such as coaching.

27. We are working to automate this in Perform, part of our new learning management system, to provide relevant insight around performance, individual, team and organisational learning needs.

28. We are in the process of developing an executive leadership programme offer which will include:

   • Relevant assessment tools to identify strengths in the leadership team.
   • A central shared leadership learning platform
   • Individual on-going executive coaching
   • Reverse mentoring
   • Skills analysis to develop individual and team learning plans.

Supporting our Colleagues - Equality, Diversity, and Inclusion

29. We have rolled out a framework to raise awareness of unconscious bias, it's impacts and ways to help reduce bias. This included having a guest speaker at SLN (senior leadership network) to share their lived experience, dedicated resource library and key messages for senior managers to roll out to their teams.

30. Equal opportunity monitoring data around protected characteristics is currently limited; therefore it is difficult to identify areas for improvement or success. A communication plan has been developed to launch a campaign which makes completion of protected characteristic data on Dynamics F&O mandatory for employees (but with a prefer not to say option). This will help provide the data we need to build an effective proactive strategy to create an inclusive and diverse workforce.

Supporting our Colleagues - Employee Engagement

31. We ran our bi-annual colleague engagement survey in April and have listened to the feedback from our colleagues on things that we are doing well and areas where improvements can be made. We are developing a corporate response prioritising the issues that have the most strength of feeling and each service is developing their own action plans with colleague involvement to try to address the localised issues arising with the overall aim of increasing our employee engagement levels.

Supporting our Colleagues - Pay & Reward

32. Collective bargaining has continued to take place with the recognised Trade Unions to try and reach a position where both parties can agree a final offer that the trade unions will take forward for ballot. We are not quite there but are making good progress. A revised timeline for implementation will be drawn up as soon as we know that the unions accept to take forward a final proposal.

Forward look

33. A review of the MTFP Transformation Savings and the Best Value Notice has been welcomed. The team have already refocused their approach to the Vision and Validate process and working with directorates to get to an agreed position as to what savings are possible to achieve and then a plan for delivering them. It is

recognised that the value of savings and timeline for delivery will be different for all services. It is expected that there will be an output from this work in October 2023, however this is dependent on the services areas having the capacity to work with the Transformation team. An illustration of vision and validate output can be found in appendix A

34. A Transformation Working Group has been established with representation from each party and Independent Councillors. The first meeting on 5 October 2023 reviewed the Terms and reference for the group, received an overview of the Transformation Programme and set out a forward plan for future meetings.

35. The technical focus until January 2024 will be the implementation of the Dynamics CRM system this is the final technical foundation element and is also the final work package with our Strategic Implementation Partner. All previously completed work packages have now closed down and all outputs materials and knowledge transfer to BCP Council staff has completed.

36. In collaboration with Financial Services, members, and the Transformation Board we will be working on an exit strategy from transformation funding which ends in March 2025.

37. The outstanding elements of Phase 1 of the Estates & Accommodation project relating to the council chamber and Coroners service accommodation are continuing, with a view to identifying firm proposals in the coming months.

38. Phase 2 of the Estates & Accommodation project will continue with regard to identifying potentially surplus properties in consultation with services and moving forward with those opportunities as quickly as possible. Additionally, the project team are looking at how we can adopt a strategic view for the development of community hubs, where more of our services that need to be located outside of BCP Civic Centre, can be collocated. This would result in fewer buildings but those retained being the most appropriately located, in the best condition and most suitable for the services using them. This is a piece of work currently in the planning stage, and further information will be provided in due course.

39. To support our People and Culture strategy we have a comprehensive and structured three-year implementation programme of work, with outputs and have clearly identified how we will measure the success of this programme.

Options Appraisal

40. This section is not applicable to this report.

Summary of financial implications

41. Appendix B includes a copy of a document, originally included as part of the July 2023 Financial Outturn report for 2022/23 to Cabinet, which sets out both the budget for the transformation investment programme and details of the savings delivered up to the 31 March 2023. This highlighted that.

    a) the original budget for the programme was £37.62m and this has been increased over time to the current approved budget of £56.87m. Most significantly the increase related to the inclusion of additional redundancy costs from reducing the head count of the authority and for internal costs of staff who are now not available to deliver day to day operational or statutory improvement activity.

    b) £11.05m in total savings have been delivered across the two financial years 2021/22 and 2022/23.

c) Significant savings assumptions had been made in the February 2023 approved budget for 2023/24 and Medium-Term Financial Plan (MTFP) for 2024/25 onwards based on the information in the original business case.

42. Alongside this report, Cabinet in July 2023 received a MTFP Update report which highlighted that the new Administration had inherited a funding gap of £44m for 2024/25 based on the February 2023 position. In setting out this position it was emphasised that it excluded any previously assumed additional savings and efficiencies on the basis that they were either unidentified against a specific budget line of the council or the public had not been transparently made aware off or engaged as to their deliverability. This approach recognised that the council had in the past been particularly hopeful around assumed transformation savings both in terms of timing and value. A point emphasised in the recent DLUHC external governance review which encouraged the council not to have a budget and MTFP predicated on the delivery of overly optimistic transformation savings.

43. Cabinet will be presented with an update on the work in respect of the 2024/25 budget and MTFP at its meeting in late October. This report will rebase the assumptions around transformation savings based on agreed delivery plans.

Summary of legal implications

44. There are no legal implications directly arising from this update report.

Summary of human resources implications

45. There are no human resources implications directly arising from this update report.

46. It should be noted that each element of Our New Normal undertakes regular engagement with both Unions and the wider staff of BCP Council. The People Strategy itself has been subject to considerable consultation with our colleagues and senior leadership teams.

Summary of sustainability impact

47. There are no sustainability impacts directly arising from this update report.

Summary of public health implications

48. There are not publish health implications directly arising from this update report.

Summary of equality implications

49. Each individual project within each element the Transformation Programme undertakes the appropriate Equality Impact Assessment at the point at which proposals are defined and considered.

Summary of risk assessment

50. The Programme Team continue to maintain a detailed Risks and Issues log and are using it regularly as we implement the programme and report to the Transformation Board.

Background papers

- Cabinet Report September 2019 – Implementation of Pay & Reward Strategy

- Cabinet Report November 2019 – Organisational Development Design Outcomes

- Cabinet Report February 2020 – Organisational Development Estates & Accommodation Strategy

- Cabinet Report November 2020 – Estates & Accommodation project

- Cabinet Report June 2020 – Organisation Design Implementation & Budget

- Cabinet Report December 2020 – Acceleration of Transformation savings for 21/22 budget

- Cabinet Report October 2021 – Organisational Design – Implementation Progress.

- Corporate and Community Overview & Scrutiny Board May 2022 – Transformation Programme Presentation.

- Corporate and Community Overview & Scrutiny Board 6 February 2023 – Transformation Programme Update.

Appendices

Appendix A   Vision & Validate sample output

Appendix B   Transformation outturn 22/23 originally presented to Cabinet in July 2023