

Division(s): N/A

CABINET – 25 April 2017

Update on Fit for the Future Programme

Report by the Director of Finance

Introduction

1. In July 2016 Cabinet set out a vision for a new programme to transform the council and how we deliver services in creative and joined up ways as well as deliver £15m of savings. The new transformation programme has been named Fit for the Future.
2. The Fit for the Future programme, along with other whole organisational change will provide a robust and stable platform for the council over the medium term, ensuring we are well placed to effectively meet residents' and business needs, within our available budget.
3. The aim of the Fit for the Future transformation programme is to more effectively join up our services, working with partners and communities to deliver better outcomes for people and places.
4. The approach has also been informed by the work that has been undertaken on a single unitary structure of local government in Oxfordshire. Much of this thinking can also be applied to the role of the county council within the current two tier arrangements for local government, which was also used to inform the new senior management structure which became effective in January 2017.
5. This report sets out the structure of the programme, progress on the programme to date and the investment funding to deliver the programme.

Programme Outcomes

6. The key outcomes of the programme will deliver:
 - Improved customer experience anytime, anywhere, simple and easy access for residents and businesses.
 - A One Council approach to service delivery that encourages collaborative working across the council and remove systems and processes that encourage silo working.
 - The delivery of high quality management information and business intelligence to support decision making.

- Redesigning our services to ensure they are digital by design using cloud technologies and an integrated systems approach that focuses on our customers.
- Enable savings of £15m to be delivered with a target date of 2018/19

Programme Structure

7. Due to the cross cutting nature of this programme, as it has developed the way in which it is structured has been refined. The work streams comprise the three enabling strands of Digital First; Business Efficiencies and Place which sit alongside a Service Redesign work stream under which there is a programme for each Directorate. The additional two work streams that had previously identified of customer journey and workforce for the future are key components of the service redesign work stream.
8. The cross council Project Management Office (PMO) which is operational from April 2017 has been established for the specific purpose of supporting the Fit for Future Programme as well being the sole authority on project/programme management for the council.
9. A Project Management Charter has been agreed by the Fit for the Future Board which sets out the process by which projects will be managed and governed. The Fit for the Future Board will be responsible for prioritising projects that come forward to ensure that resources are used effectively.

Programme Progress

10. There are three enabling work streams which will provide the functionality and change required to improve frontline services as well as back office functions. The aim of each work stream and progress to date is set out below.

Digital First

11. This work stream aims to implement digital services and build the capability to configure digital services to enable automation leading to improved business processes for customers.
12. With the near completion of the procurement process for the digital platform, users will be able to use online self-service for various transactions from June 2017. Residents and other customers will be able to create accounts, the benefits of which will enable the tracking of their own transactions and requests thereby reducing the number of phone calls to check on progress. Other enhanced transactions include web chat, online booking and payment transactions. In addition, a test pilot has commenced for Verify, an online service that allows users to confirm their identity once thus providing a seamless and time saving web experience.

Business Efficiencies

13. This work stream aims to improve back-office functions; making us more efficient and adaptable by simplifying, streamlining, automating and consolidating processes. The work of the digital first work stream is key to enabling this.
14. The project to look at the creation of a business intelligence function for the council has commenced. This is a strategic way of working with the information that we collect and analyse and will enable us to make smarter long-term decisions. The project is in its discovery phase with an online staff survey to get staff input running in parallel with targeted stakeholder interviews. It is anticipated that a soft test market exercise which will allow for the determination of the best approach to gather data on activity which will be used to shape future service delivery will take place in May. In addition, the new electronic contract management system is currently being populated and is expected to launch a full go 'live' in May.

Place

15. The Place work stream is designed to enable our services to meet the needs of communities and to ensure we get the best value from our assets. Working with all services and our partners, we are taking a 'whole-place approach' to understanding the needs of local areas. The public sector presence, both in terms of service delivery and property can then be redesigned to best meet these needs.
16. Scoping work is underway to gather evidence and identify opportunities within a range of services relating to place reviews and the creation of community hubs or similar co-location and integrated models of service delivery. We also continue to have broad strategic conversations with our partners about their priorities and future plans. The scoping activity will generate a suite of opportunities and priority areas which will then be formed into a structured programme by the end of May, enabling us to then more fully and openly engage with members, partners and ultimately the public on the development, appraisal and implementation of these opportunities.

Service Redesign Principles

17. Service Redesign Programmes will cover a whole range of services and functions. In shaping these, there should be a focus on the vision of the overall programme which means they will incorporate the following principles.
18. We will design services which:
 - Have Community Hubs as the principal means of presence and service delivery at local level
 - Improve the customer journey
 - Use our money wisely
 - Are designed using data and evidence
 - Are digital by design allowing people to help themselves:

- Customers should be able to obtain what they want from the council on-line and self-service as far as practicable
 - There should be support face to face and by telephone for those who might be digitally excluded
 - Workflow and back-office process should be paperless and automated
 - Transactional functions should be digital and should be consistently applied.
 - A single website providing quick and easy access to council services and information
 - A single front-door for customer contact: virtual for digital access and a single phone number for telephone access
 - A single approach to on-line payments and financial transactions
19. Service redesign will also take account of phase 2 of the Senior Management Review as approved by Cabinet in December 2016. This will see a review of management below the Corporate Leadership Team using the principles laid out in the Penna report which delivered the Senior Management Review.

Investment Funding

20. In February 2016, Council approved one-off funding of £4m as a Transition Fund to help meet the cost of delivering the savings needed across the Council over the medium term. Of this £1m was ring-fenced to support community initiatives for open access Children's Services; £1m was set aside for income generation pump priming. The remaining £2m was set aside for transformation. Given the scope of the Fit for the Future Programme, the £1m for income generation pump priming has been brought under the remit of the programme.
21. Elsewhere on this agenda, the Financial Monitoring & Business Strategy Delivery Report sets out an expected underspend on the Capital Programme. Cabinet is recommended to approve a new budget provision in the Capital Programme in 2017/18 for the Fit for the Future Programme and ask for a business case to be produced to support the use of this funding.
22. The Efficiency Plan approved by Council in September 2016 also included a Flexible use of Capital Receipts Strategy. This new flexibility enables local authorities to use new capital receipts on projects where incurring up-front costs will generate on-going savings and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years. Use of £0.5m of capital receipts was agreed as part of this strategy.
23. In relation to the Service Redesign work stream, there is funding of £0.4m for the Children's Programme £150k from an earmarked reserve in Children's Services for ICT and £250k from a contribution from the Dedicated Schools Grant agreed by Schools Forum for the review of high needs.

24. In total, one-off funding of £6.9m has been identified for the Fit for the Future Programme. This investment will unlock the delivery of the planned £15m on-going savings. Whilst some costs will fall in 2016/17, it is expected that the majority will be in 2017/18. The use of the investment funding will be kept under review and further investment may be required as the service redesign programme develops. Whilst not definitive, the anticipated use of the investment funding across the programme is set out in the table below.

Work stream	Narrative	Estimated Investment £m
Programme capacity	Programme and project managers, business analysts etc.	1.0
Digital First	Technology resource & components, roll out of Windows 10, data centre etc.	3.5
Business Efficiency	Business intelligence project, contract management system, activity analysis	0.6
Place	Community hubs	0.5
Service redesign	Demand management, single children's system, high needs review	1.3
TOTAL		6.9

Delivery of Savings

25. The programme is on track to deliver the planned savings of £15m. Work is underway to determine the details and timing of the savings. Progress reports will be brought forward to Cabinet in due course and any necessary changes to the savings profiling will be picked up as part of the Service & Resource Planning process in the autumn.

Equality and Inclusion Implications

26. There are no equality and inclusion implications arising directly from this report. Detailed impact assessments will be produced when the outcome and implications of the individual service redesign projects are clear.

RECOMMENDATION

27. **The Cabinet is RECOMMENDED to:**
- (a) **note the report;**
 - (b) **note the use of the £3m Transition Fund and £0.4.m from Children's Services to support the Fit for the Future Programme; and**
 - (c) **approve the creation of a £3m budget provision in the Capital Programme to support the Fit for the Future Programme.**

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