



To: **Members of the Joint Audit & Governance and Performance Scrutiny
(Transformation) Sub-Committee**

***Notice of a Meeting of the Joint Audit & Governance
and Performance Scrutiny (Transformation) Sub-
Committee***

Thursday, 18 April 2019 at 10.00 am

Rooms 1&2 - County Hall, New Road, Oxford OX1 1ND

A handwritten signature in black ink, appearing to read 'Yvonne Rees'.

Yvonne Rees
Chief Executive

April 2019

Committee Officer: **Colm Ó Caomhánaigh, Tel 07393 001096; E-mail:
colm.ocaomhanaigh@oxfordshire.gov.uk**

Membership

Chairman – Councillor Liz Brighthouse OBE
Deputy Chairman - Councillor Nick Carter (in the chair for this meeting)

Councillors

Paul Buckley
Mike Fox-Davies

Tony Ilott
Liz Leffman

Charles Mathew
Glynis Phillips

Notes:

- **Date of next meeting: 13 June 2019**

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines.

<http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Glenn Watson on **07776 997946** or glenn.watson@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. Apologies for Absence and Temporary Appointments

2. Declarations of Interest - see guidance note

3. Minutes (Pages 1 - 4)

To approve the minutes of the meeting held on 17 January 2019 and to receive information arising from them.

4. Petitions and Public Address

5. Quarterly Review of the Transformation Programme (January - March 2019) (Pages 5 - 18)

10.05

To review overall programme progress covering January – March 2019 and to assess progress against the business case and design principles and any changes in the implementation strategy. This will also include:

- an overview of programme governance and decision-making processes
- an outline of savings made to date and forecast during the year (annex 1).

The Sub-committee is RECOMMENDED to note and comment on the report.

6. Interface between the Cherwell Partnership and Transformation Programme

10.55

To receive a presentation from the Assistant Chief Executive to cover the links between the transformation programme and the Cherwell Partnership.

7. Work Programme

11.15

The following are the next scheduled meetings of the Sub-committee:

13 June 2019

25 July 2019

17 October 2019
5 December 2019

JOINT AUDIT & GOVERNANCE AND PERFORMANCE SCRUTINY (TRANSFORMATION) SUB-COMMITTEE

MINUTES of the meeting held on Thursday, 17 January 2019 commencing at 10.00 am and finishing at 12.15 pm

Present:

Voting Members:

Councillor Liz Brighthouse OBE
Councillor Paul Buckley
Councillor Nick Carter
Councillor Mike Fox-Davies
Councillor Tony Ilott
Councillor Liz Leffman
Councillor Charles Mathew
Councillor Glynis Phillips

Officers:

Whole of meeting Yvonne Rees, Chief Executive; Claire Taylor, Interim Assistant Chief Executive; Nick Graham, Strategic Director for Resources; Lorna Baxter, Director for Finance; Philip Dart, Interim Transformation Programme Director; Colm Ó Caomhánaigh, Committee Officer.

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

1/19 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda Item. 1)

There were no apologies.

2/19 ELECTION OF CHAIRMAN OF THE SUBCOMMITTEE FOR THE REMAINDER OF THE COUNCIL YEAR 2018/19.

(Agenda Item. 3)

Councillor Nick Carter moved and Councillor Glynis Phillips seconded that Councillor Liz Brighthouse be elected Chairman of the Sub-committee for the remainder of the 2018/19 Council Year.

Councillor Charles Mathew stated that he disagreed with the provision in the Terms of Reference for the Chairman and Deputy Chairman to alternate chairing the meetings. He abstained on the vote for Chairman.

RESOLVED: that Councillor Liz Brighthouse be elected Chairman of the Committee for the remainder of the 2018/19 Council Year.

3/19 ELECTION OF DEPUTY CHAIRMAN OF THE SUBCOMMITTEE FOR THE REMAINDER OF THE COUNCIL YEAR 2018/19.

(Agenda Item. 4)

Councillor Liz Brighthouse moved and Councillor Mike Fox-Davies seconded that Councillor Nick Carter be elected Deputy Chairman of the Sub-committee for the remainder of the 2018/19 Council Year.

RESOLVED: (nem con) that Councillor Nick Carter be elected Deputy Chairman of the Committee for the remainder of the 2018/19 Council Year.

4/19 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda Item. 5)

There were no declarations of interest.

5/19 TERMS OF REFERENCE

(Agenda Item. 7)

Members asked for clarification of the provision in the Terms of Reference as to how the roles of Chairman and Deputy Chairman will “rotate at successive meetings where possible” and how this was decided.

Colm Ó Caomhánaigh responded that the Terms of Reference had been agreed by both the Audit & Governance Committee and Performance Scrutiny Committee. The persons holding the titles Chairman and Deputy Chairman will not change during the year but it is expected that they will take turns to chair alternate meetings.

The Chairman added that this provision was introduced to ensure that both parent committees have equal status at the Sub-committee.

6/19 PROGRAMME UPDATE AND FUTURE PLANS

(Agenda Item. 8)

Philip Dart gave a presentation on the current stage of the transformation programme and future plans. Claire Taylor spoke about the IT aspects of the programme. Officers responded to Members' questions as follows:

- The company working with the Council on IT is Entec Si Ltd. They have a lot of experience with the public sector.
- The first stage of the IT work is expected to finish at the end of January and then a road map will be developed with a longer-term strategy to meet the needs of residents.
- The Council will choose the best partners for each piece of work and only where there is not internal capacity. It is officers' responsibility to ensure that they all knit together.
- In working with partners, we will ensure that there is a knowledge transfer to our staff.
- The current revenue budget for the ICT Service is £12m and we are reviewing how our business needs are funded in future, whilst bearing in mind the previous analysis carried out by PwC.
- Some work will take place under the joint working agreement with Cherwell District Council. Both councils have a small amount of income generation. If they engage in any joint endeavour the share of income would be agreed.
- The Sub-committee can make recommendations to Cabinet, the Transformation Cabinet Advisory Group or the parent committees.
- There will be engagement with the unions at all stages of the process.

In relation to communications, Members asked for

- better ways of capturing information from councillors
- more all-Member briefings or a webpage to update all Members
- reports using dashboards should always show which indicators have changed since the last report and be in formats accessible to all.

7/19 TRANSFORMATION BUDGET IMPLICATIONS

(Agenda Item. 9)

Lorna Baxter gave a presentation and officers responded to issues raised by Members as follows:

- The figure for additional income generation is cautious and reflects where we are now.
- It is hoped that redundancies can be minimised through redeployment and the general turnover of staff but it is too early to tell. The Sub-committee will be provided with information once it is available (bearing in mind consultation requirements).

- It is expected that the transformation programme will take three years to implement in full.
- Better management of council property should result in further savings for the Council.

Members expressed satisfaction with progress so far and noted that it is clear that previous comments from Members have been taken on board. They noted that it can be difficult to fill job vacancies in certain areas and requested that the Council actively seeks to engage younger people in our communities to attract the right people with the right skills into the organisation.

8/19 FUTURE MEETINGS

(Agenda Item. 10)

It was agreed that the schedule of meetings needs to be flexible in order to be able to arrange to meet at key moments in the programme. The list of dates circulated needs to be checked against officer availability before being adopted.

..... in the Chair

Date of signing

Division(s): All

Joint Audit and Governance and Performance Scrutiny (Transformation) Sub-Committee – 18 April 2019

Quarterly Review of the Transformation Programme (January - March 2019)

Report by Assistant Chief Executive (interim)

RECOMMENDATION

1. **The Sub-Committee is RECOMMENDED to note and comment on the report.**

Executive Summary

2.1 Overall programme progress

The current Transformation Programme mobilised in November 2018, following a significant period of design and development work. Its objective is to deliver an ambitious transformation which helps the Council achieve its strategic objectives as set out in the corporate plan, and meet the financial targets set out in its Medium Term Financial Plan.

Considerable progress has been made across the portfolio of projects, which are now structured under three Workstream Boards: “Serving the Customer”; “Transforming Service Delivery”; and “Enabling the Council”. Furthermore, progress has been made in terms of developing a ‘mixed economy’ delivery model where a number of professional advisors and internal resources are being used to develop and deliver the programme. Where external advisors are used the Council contracts them using a model that ensure payment is based on delivery of outcomes.

A core element of the Programme is a focus on the use of technology to underpin the delivery of efficient services and improve how both external and internal customers experience our service delivery. An ICT health check has already been completed and work in under way to improve the Council’s ICT infrastructure. A new digital strategy is under development to set out what longer term ICT requirements will be needed to underpin transformation.

In summary the programme is on track – it is keeping pace with the implementation plan agreed at the end of 2018 and a significant element of transformation work is ‘in-flight’. This report describes the progress that has been made in more detail and highlights areas of challenge

2.2 *Adherence to business case and design principles*

The programme is projected to oversee at least £49.7m in savings, comprising:

- £4.9m of existing 2018/19 transformational activity;
- £26.4m planned in the Medium Term Financial Plan between 2019/20 and 2022/23; and
- £18.5m to be found from further transformation activity.

This compares with the savings range of £34m to £58m, identified in the business case agreed by Cabinet last year (this included an overlap of £15.6m with savings identified by directorates).

The accountable body for the programme is the Chief Executives Direct Reports (CEDR). CEDR has established a Programme Board, to serve as a 'design authority' (checking that transformation projects stay true to the operating model design work carried out last year) and 'benefits realisation board'. This paper describes the overall governance at member and officer level.

2.3 *Programme Implementation*

The report highlights some refinements to implementation strategy, notably:

Technology

Since the design of the operating model signed off by Cabinet in 2018, detailed work on the Council's technology infrastructure has been undertaken. This has highlighted the potential advantages of a more incremental approach to implementing the technology required to underpin the new operating model. This means that the Council is working to maximise the use of current technology to deliver process improvements rather than looking to an immediate procurement of a new customer management system. This approach will enable immediate development of technology solutions. That is not to say that in the longer term a more significant investment in a new customer relationship management platform is not required, rather that it is not an immediate investment priority for the Council. This decision means that new and significant investment in a new ICT platform can be avoided in the short term and will be considered as part of a full technology investment strategy that will be considered in the second quarter of 2019/20. This will ensure that the Council is able to maximise any IT investments and be clear about expected savings or return on investment.

Business Administration Services

Some elements of the original operating model, notably Business Administration Services, are under further consideration and it is not yet clear to what extent this may affect the delivery of the savings set out in the original business case. There were a number of assumptions about the extent to which business administration could be consolidated which need to be tested to develop the best delivery model for the business. There is no desire to centralise administration if it reduces costs but impacts upon the performance and delivery of frontline services.

Given the changes outlined above and in line with established programme management arrangements, the business case will be refined and updated on a regular basis and it is intended to complete the first update at the beginning of July 2019.

Background

3.1 Programme Objectives

The overarching objective for the programme agreed between CEDR and the Programme Board is that:

'The Council delivers an ambitious and successful transformation programme which helps it to achieve its strategic objectives and meet the financial targets set out in its Medium Term Financial Plan'

This is supplemented by additional statements, to ensure close alignment between the Council's Corporate Plan 2019-22 and to provide the clear linkages to the design principles that were established during the development of the business case.

The Programme Board, in its formal role as the 'design authority', uses all of these reference points to ensure any new service design meets the programme objectives.

3.2 Programme Governance

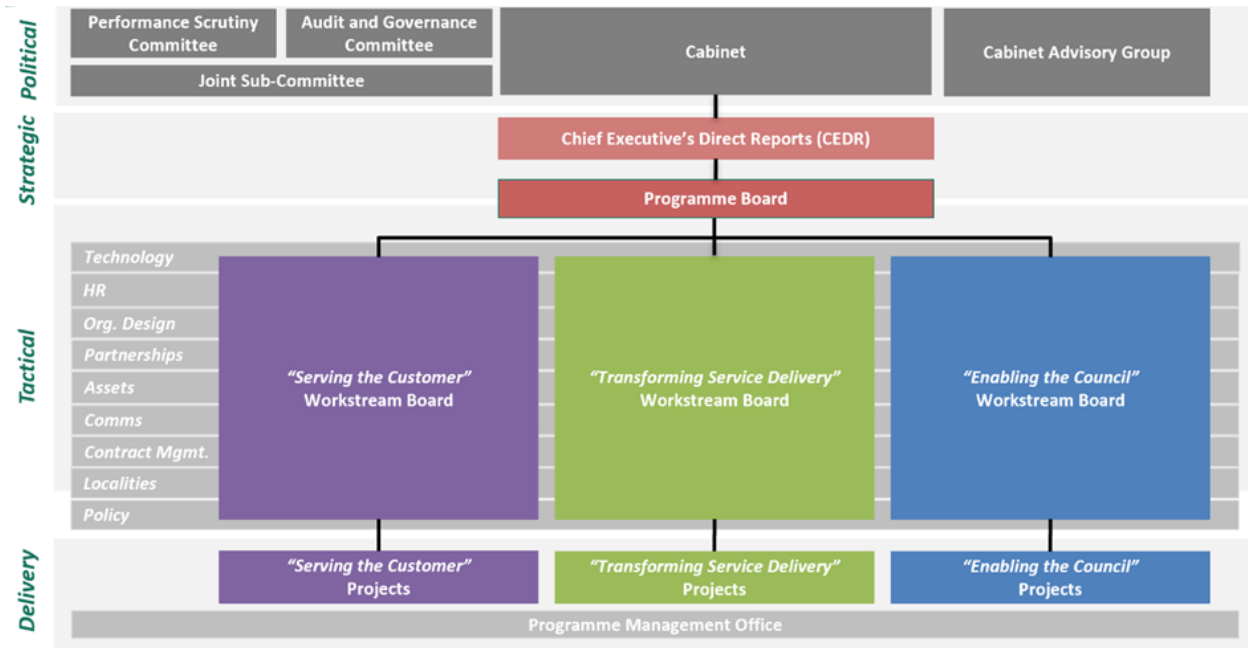
As the Council moves from the design phase (which resulted in the development of the 2018 business case) to the implementation phase, it is critical to ensure that it has robust programme governance arrangements in place. This will ensure there is a coherent structure and methodology for the complex network of projects the Council is seeking to deliver.

The council is following a recognised programme management methodology that requires the following nine themes to be addressed: Organisational governance, vision, leadership and stakeholder engagement, blueprint design and delivery, planning and control, regular refreshing of the business case, risk and issue management, quality management, benefits management.

A Cabinet Advisory Group (CAG) has been established to engage on key policy and delivery issues and to advise the cabinet member for Transformation. Its work will be influenced by the key milestones and work packages identified in the implementation plan, as well as the intentions of members to contribute to the longer-term development of the Transformation Programme. To date the CAG has considered and help shape the development of the approach to IT and digital and has begun to look at the work that relates to contracts, procurement and commissioning.

A Joint Sub-Committee has been established under the Performance Scrutiny and Audit and Governance Committees, specifically to 'challenge, verify and improve' the delivery of the programme and to oversee performance and risk.

The diagram below sets out the governance framework.



3.3 Accountability

The accountable body for the programme is CEDR and it has established the Programme Board in order to fulfil two specific programme management functions:

- The Design Authority (are the new services/processes/technologies going to deliver savings or an improved service)
- The Benefits Realisation Board – oversight of the delivery of savings or improvements

In turn, the Transformation Programme Board has established three distinct and cross-cutting Workstream Boards, replacing the previous directorate-based 'working groups', which are aligned to the way in which it is suggested the new operating model is constructed. This encourages and drives pan-council working by officers, beyond their own directorates and already begins to address some of the Peer Review feedback about avoiding silo working.

The Workstream Boards are in the process of coming into being and agreeing the portfolio of projects they will each govern. The first round of board meetings were held in March. Members of the Extended Leadership Team are chairing and vice-chairing these Boards.

Every project has an Accountable Officer, with Responsible Officers supporting activity where appropriate. Further details of these arrangements will be given verbally at the Sub-Committee.

In addition to the formal governance required, it is essential that officers from the Programme Management Team ensure they work right across the entire programme to ensure that key dependencies are understood and resolved where required. Steps have been put in place to ensure this happens.

3.4 Risk and Issue Management

The Programme is following the Council’s risk management strategy and assessing and quantifying risks and issues at all levels of the programme. Risk and issues logs are being developed for all projects, in line with standard project management methodology, and escalated under established protocols as appropriate. The Programme Board itself also holds its own risk register, to reflect the broader concerns that need to be mitigated.

3.5 Structure of the Programme

Many of the projects clustered into the programmes that the Workstream Boards will oversee, are already integrated into the Medium Term Financial Plan. These will help deliver service improvement and / or savings through substantial service redesign, better management of the Council’s third party spend or by increasing income.

The grouping of projects under the Workstream Boards reflects the way the business case set out how the Council would systematically work through the implementation phase of the operating model. The operating model was broken down into a series of ‘layers’ (enabling a horizontal view of the common functions being carried out across different service areas), these were:

Front Office	Pre-Front Door	Individuals, communities, members, the council and partner organisations working together to build resilience, develop strengths and create opportunities in local areas, which helps to reduce the need for council services.
	Customer Management	The customer management layer contains all activities undertaken by the council that involve interaction with customers and/or have an immediate impact on service delivery to customers.
	Customer Assessment	The customer assessment layer contains activities that are a key part of many customer interactions with the council, with information being used to decide whether and how services are provided.

Back Office	The Provision Cycle	The Provision Cycle layer provides the framework of processes and activities through which the Council decides how best to meet an identified need or to achieve a specific outcome, including commissioning, contracting and the management of third party suppliers.
	Enabling and support services	The Enabling & Support Services layer provides services that are optimised to meet the needs of internal customers through process improvement, the use of enhanced digital systems and clear delineation of roles and responsibilities.
	Strategic capability	The strategic capability layer provides the capabilities that the Council requires in order to define its vision, high level strategy and objectives, as well as capabilities required to support, manage and review the realisation of each of these.
	Business intelligence	The business intelligence layer provide information, intelligence and insight to a range of customers including businesses, partners and staff within the organisation.

Progress to Date

4.1 Mobilisation – from design to implementation

Following the Cabinet decisions in September 2018 (approval of the business case) and October 2018 (approval of the implementation strategy and appointment of PwC as the Council's Strategic Partner), the Chief Executive moved quickly to appoint an interim Transformation Programme Director and to agree the governance of the programme.

Using the support of the existing Programme Management Office and dedicated support from Finance and the HR/ OD Service initially, the programme reconciled the then draft Medium Term Financial Plan (MTFP) 2019/20 to 2022/23 with the objectives of the programme and set about agreeing the programme of activity.

This identified that £4.9m of transformational activity that was already being delivered in 18/19, and a further £11.7m planned in the existing MTFP for 19/20 to 21/22. The MTFP approved by Full Council in February 2019 for the period 19/20 to 22/23 identified a further £14.7m to be delivered. With a further £18.5m to be found from further transformation activity, the programme is currently projected to oversee at least £49.7m of savings from the Council's base budget by 2022/23.

Coupled with this, a vacancy management process was put in place in order to maximise opportunities to redeploy staff service redesign commenced, enabling natural turnover to be used as a strategy to minimise any potential redundancies. It should be noted that this is fully in line with the statements made around the impact of potential job losses when the original business case was developed. At this stage work is still in train to develop and redesign services, no proposals for reducing the number of roles in the organisation have been developed and the figures previously quoted remain no more than a rough estimate based on the size of the savings required and average costs of posts.

4.2 External Support

The business case estimated that approximately £8m of commissioned support may be required to help drive the programme forward. Contract negotiations with our strategic partner PwC commenced during December 2018. This resulted in six months' worth of support being commissioned in order to deliver the next phase of transformation.

During these negotiations, the Council and PwC recognised the need to develop the nature of the strategic relationship in the following ways:

- Improve the Council's role as the client – accountabilities and responsibilities made clearer.
- Agree a payment model which demonstrated that both parties were committed to the delivery of change and to accept an element of payment by results.

- Agree that knowledge transfer was an essential part of the relationship going forwards, in order to upskill the Council's staff.
- That the strategic relationship would operate in the context of a wider group of suppliers which may be brought in with specialist expertise or where the Council felt the need to demonstrate value for money through competitive dialogue.

Dedicated technical support was commissioned from Entec Si in January 2019 to conduct a technology Healthcheck, and this was discussed at the Cabinet Advisory Group in early February 2019. This has been an essential piece of work to understand the Council's existing capability to drive improvements in its digital agenda. It has led to further work to begin rapid development of a digital customer strategy.

The aim of this is to develop a shared understanding of what 'digital customer' means to the Council. This will be distinct from the work being carried out to look at the ICT Service and will create a view of the opportunities presented by 'pragmatic digital transformation' (delivering change through the more effective use of the Council's current technology).

This work will be evidence based, reflecting the input in a full day design event of a wide cohort of Council staff and drawing on the experience of a proof of concept piece of work for a selected customer process. The intention is that the blueprint should act as a foundation for future digital transformation and that it will be capable of subsequent refinement and adoption by the Council. PwC have supported the development of this work.

4.3 *Key areas of progress*

The Transformation Programme mobilised in November 2018, following a period of due diligence and assessment, with the new Chief Executive further strength testing the proposals set out in the business case to ensure they remained as robust as possible.

Since that time, considerable progress has been made across the workstreams described above. Key areas of progress include:

- **Implementation plan and supplier engagement:** development of an overarching implementation plan, setting out greater detail on the timelines associated with delivery of the operating model, supplier engagement to support delivery.
- **Law and Governance** service design completion of a project examining options for the redesign of the Council's Law and Governance function, as well as for its integration with related services in Cherwell District Council – recommendations arising from this work were shared the Partnership Working Group on 27th March 2019. This will be followed by consideration by the Cabinets of both Councils.
- **Quick Wins (Shared Service Partnership)** implementation of a number of 'quick wins' associated with the Shared Services Partnership (the provision of

'back office' services such as Finance and Human Resources (HR) in partnership with Hampshire County Council).

- **Phase 1 programme projects** The design and early start-up of additional workstreams covering the Council's Finance, Strategic Capability, Provision Cycle (commissioning, procurement and contract management) and Human Resources functions – all of these workstreams are in progress at the time of writing.
- **Programme Governance** mobilisation of an overarching governance structure for the programme (as described above).
- **Resource Planning** identification of the resources required to deliver the early phases of the programme and the provision of training and knowledge sharing opportunities for the Council's own Programme Management Office.
- **ICT** Completion of a healthcheck of the Council's ICT service and technology infrastructure.
- **Digital Customer Strategy** initial development of a digital customer strategy and an associated 'proof of concept' redesign of a key customer process.
- **Consolidation** of additional 'already-in-flight' projects and programmes under the overarching governance of the Transformation Programme, as well as building appropriate links between the programme and a number of new initiatives being pursued within particular service areas and with partners – e.g. The Family Safeguarding Plus Service.
- **Partnership Working** endorsement by the OCC / CDC Partnership Working Group to pursue further opportunities between the two councils, e.g. Strategic Capability, Finance, HR and Organisational Development.
- **Clarification and validation** of the timings and potential savings associated with the programme.

The progress set out above means the programme is on track with the revised implementation plan agreed at the end of 2018.

As a matter of priority further consideration will be given to the scope and scale of the next substantial phase of delivery, recognising that complex projects take time to plan and align resources. It is expected that the next tranche of projects (or phase of the programme) will address pre-front door, customer management and customer assessment processes – which were all set out as pan-organisation activities or layers in the business case.

4.4 *Challenges*

There are a number of challenges with the potential to impact on the successful delivery of the Transformation Programme. These include:

4.4.1 *Pace*

The Council has not delivered a programme of this scale or ambition before. It has also committed to implementing change at pace. While additional support and expertise has been brought in to ensure the anticipated timelines are adhered to, there is impact on a number of teams within the Council.

The Programme Management Office, colleagues within HR, Finance, IT and Customer Services (to name just a few), as well as senior officers, have had to accelerate their work significantly. To date, the results of this have been extremely positive. However, sustaining this pace will be challenging. As such, the impact on the teams and individuals concerned is being monitored closely, to ensure mitigating action can be taken should the pace of change either drop or start to have any negative consequences.

4.4.3 Capacity

Similarly, a programme of this scale places additional requirements on the organisation's internal capacity. A number of individuals have been asked to support the central administration of the programme (including HR and Finance specialists). The risks associated with this are being mitigated in part by the external capacity the Council has secured from its Strategic Partner – PwC – as well as a number of other suppliers and external contractors and the role of the interim Programme Director.

Service teams are also being asked to do more to ensure the programme is a success, indeed this is required as those delivering and developing a service have essential insight in terms of designing new solutions. This position is being monitored on an ongoing basis, to ensure any capacity challenges which do arise can be addressed quickly.

Capacity was also cited as an issue by the LGA Peer Review Team. This included specific reference to the Council's ability to support transformation, and in particular the OD support that will be needed to help drive culture change, as well as other challenges related to the delivery of priority areas, such as the growth agenda.

4.4.4 Communications

While overall progress across the programme has been positive, one of the areas which has been challenging is communications. Staff within the Council have reported that they do not feel the current approach to communications is working effectively. This issue was also picked up by the LGA Peer Review Team.

Though steps have already been taken to address this – such as refreshing the Senior Managers Forum, the introduction of ELT and the Chief Executive's weekly briefing - further work is needed to address shortcomings in this area. A communications framework for the programme has recently been developed and it is anticipated that this will help to facilitate further progress in due course.

4.5 Opportunities

Going forward the success of the Transformation Programme will, to a greater or lesser extent, be influenced by how effectively it can flex in order to take

advantage of new opportunities for change likely to emerge over the course of the programme. For example:

4.5.1 Peer review

The initial feedback from the Peer Review was provided by the Peer Challenge Team on the 22/03/2019.

The feedback noted the following strengths:

- The overall positioning of the Council representing something exciting and unique.
- The unique opportunities provided by the Growth Agenda.
- The relative strength of the Council's starting financial position.
- The strength of relationships with partners.
- The innovative relationship with Cherwell District Council.
- The passion that Council staff have for providing services to residents.
- That transformation is already happening and is a real opportunity for the Council to change its culture.

As well as the following opportunities:

- Unique position to shape a collective vision for Oxfordshire as a county including co-developing growth agenda narrative with partners and then driving its wider communication.
- Opportunity to leverage the global nature of the "Oxford" brand and associated assets.
- Leveraging the operating model to address siloed ways of working.
- Opportunity to develop investment strategy and approach to commercialisation.
- Aspiration to consider implications of Cherwell relationship on our relationships with other districts

Going forward, as projects are proposed for inclusion in the Transformation Programme, consideration will need to be given to how they align with, and support, each of the opportunity areas identified above.

4.5.2 Partnership working with Cherwell District Council

At the Partnership Working Group on 28th January 2019, further options for joint working were discussed and agreed as part of the Transformation Programme (work to examine joint working opportunities relating to the Legal Service has already been commissioned at this point):

- Strategic Capability (Strategy and Policy, Project and Programme Management, Quality Assurance and Performance Management, Communications, Consultation and Engagement).
- Finance.

- HR / OD.

4.5.3 *Working with other partners and the Voluntary Community Sector (VCS)*

Opportunities for closer collaboration and engagement with other public bodies and the VCS will be considered as part of the initiation of any projects included within the Transformation Programme.

It is likely that this will be as work progresses around the Customer facing elements of the operating model (especially the 'pre-front' door – the pre-front layer of the operating model identifies the Council's desire to manage or prevent demand for some services within a community setting, either in partnership with other public bodies and community groups, or through the more effective signposting of potential service users to the other forms of support that are available).

4.6 *Forward Look*

Looking forward over the next three months, the principal activities of the programme will focus on the successful delivery of the following projects:

- Finance
- Strategic Capability
- Provision Cycle
- HR/OD
- Digital and Customer Strategy

This will be in addition to providing oversight and support to the other projects that fall within the scope of each of the Workstream Boards, as set out in the mobilisation and external support section above.

Looking beyond the next three months, the focus of the programme will start to shift to specifying and mobilising the projects needed to deliver changes to how the Council engages with its residents and customers, as set out in the business case.

This will have a significant dependency on the "digital blueprint" currently under development, as well as decisions the Council makes about the use of its existing technology to support practical digital transformation.

4.7 *Equality and Inclusivity*

As we begin to redesign the way that services are provided, the Programme Board and its Workstream Boards will continue to ensure that Equality and Inclusivity considerations fully influence our thinking and Service and Community Impact Assessments will be completed to help guide us. By way of example, the emerging work to develop our digital customer strategy included full consideration of the protected characteristics under the Equality Act 2010.

4.8 *Staff Implications*

We know that a fundamental part of the business case is the need to decrease the number of posts that the Council directly employs. In doing so the Council has given a firm commitment that it will seek to hold vacancies as they emerge through natural turnover in our staff, as well as maximising the opportunities to retrain and redeploy our staff wherever possible. The HR/ OD Service is currently reviewing the council policies and procedures on reorganisation to ensure they remain fit for purpose.

4.9 *Financial Implications*

The financial implications of the Transformation Programme overall were provided to the Sub-Committee at its inaugural meeting on 17th January. A separate update is included at Annex 1.

CONCLUSIONS

As set out in the Executive Summary, the programme is on track with the revised implementation plan agreed at the end of 2018.

There are however, as set out in this quarterly review, a number of challenges that on-going consideration if the Council is to deliver the savings set out in the original business case.

Annexes

Annex 1: The Transformation Programme's Financial Outlook

Background papers

Transformation Business Case (August 2018):

http://mycouncil.oxfordshire.gov.uk/documents/s43508/CA_SEP1818R20%20-%20A%20New%20Operating%20Model%20for%20Oxfordshire%20County%20Council.pdf

Claire Taylor
Interim Assistant Chief Executive
Oxfordshire County Council
County Hall, New Road, Oxford OX1 1ND

claire.taylor@oxfordshire.gov.uk

Phil Dart
Programme Director
Oxfordshire County Council
County Hall, New Road, Oxford OX1 1ND

phil.dart@oxfordshire.gov.uk

Annex 1 – The Transformation Programme’s Financial Outlook

Purpose

1. This report supports the Quarterly Review of the Transformation Programme (January to March 2019) in terms of the delivery of savings in year and the forecast for future delivery.

Savings

2. The Transformation programme is committed to delivering at least £49.7m of savings between 2018/19 and 2022/23. £4.9m was from previously agreed transformational activity deliverable in 2018/19, £26.2m in the planned Medium Term Financial Plan between 2019/20 and 2022/23 and a further £18.5m to be found from further transformational activity.

Savings delivered

3. Table 1 shows the delivery of the savings required in 2018/19.

Table 1

Component	18/19			
	D	R	A	G
MTFP - Service Redesign	0.2			0.0
MTFP - Third Party Spend	0.6			2.6
MTFP - Income	1.1	0.3		0.1
	2.0	0.3		2.7

4. 95% of the savings have been, or were on track to be, delivered in 2018/19. This includes the successful implementation of change initiatives across all directorates including refining the Adult Social Care contributions policy, successful renegotiations of contracts as well as part delivery of some longer-term strategies in Children’s services (placement costs, reconnecting families and home to school transport).
5. There are only 2 savings targets (out of 19 in total) that will not be met in 2018/19. The Civil Enforcement saving of £0.05m has been delayed in line with the implementation of bus lane cameras. This saving will be delivered in 2019/20.
6. The ICT increase income of £0.2m has not been met however it is noted that the service has managed this by means of vacancy management during the year. This saving will be picked up as part of the review of the ICT service as part of implementing Transformation.

Future Savings

7. Table 2 show shows the savings required between 2019/20 and 2022/23 plus the risk assessment in terms of deliverability as included in the Medium Term Financial Plan.

Table 2

Component	19/20				20/21				21/22				22/23			
	D	R	A	G	D	R	A	G	D	R	A	G	D	R	A	G
MTFP - Service Redesign		0.9	0.3	0.6		0.8	0.5			0.5	0.6	0.2		0.5		
MTFP - Third Party Spend	2.2	2.9	2.7	0.7	0.1	2.2	2.7	0.8		0.3	1.0	0.7		0.3	0.9	
MTFP - Income			0.1	2.4			0.1	1.1			0.1	0.3			0.1	0.0
Transformation - Service Redesign				1.0				6.0				8.5				
Transformation - Third Party Spend								1.0				1.0				
Transformation - Income & Other				0.5				0.5								
	2.2	3.8	3.1	5.2	0.1	3.0	3.3	9.4		0.8	1.6	10.6		0.8	1.0	0.0

8. Of the Savings included in the Medium Term Financial Plan from 2019/20 to 2022/23, £8.4m or 19% of savings were flagged red in terms of deliverability, of this £3.8m falls in 2019/20. These will continue to be monitored and reported monthly.
9. In the budget savings of £18.5m are assigned against further Transformation activity. The Enabling the Council workstreams which are currently underway (Law & Governance, Finance, Strategic Capability and Provision Cycle) are targeted to deliver £4.7m savings. Further savings for HR and Business Administration is still being scoped out. It is expected that part-year effects of these savings will be delivered in 2019/20 to meet the £1.5m target in the Medium Term Financial Plan.

Transformation Spend and Funding

10. The business case identified £18m of implementation costs at a high level – excluding redundancy/pension costs. Costs of implementation are being monitored against that initial forecast and the plan is being refined on an ongoing basis.
11. To date £3m of the £18m has been spent or committed (by contract), of which the majority reflects the strategic partnership with PWC.
12. Funding for the implementation costs has been identified from corporate reserves (£9m) and the Capital Programme (£5m). £4m of funding is still to be identified.

Ongoing reporting and decision making

13. Both savings and spend are reported to the Transformation Board monthly, with the board having delegated responsibility for approving spend against the Implementation budget of £18m.
14. Significant variations to the budgeted savings or spend, and requests for further funding will be escalated to CEDR and Joint Sub-Committee as appropriate.

Rebecca Davies - Senior Financial Adviser (Transformation & Resources)
8 April 2019