

Overview and Scrutiny Committee date: 6th April 2022

Item Name: Transformation update

Lead officer: Richard Grice

1. Purpose:

- 1.1. To update O&S Committee Members on progress with the Transformation Programme.

2. Interdependencies

- 2.1. There are interdependencies with the MTFP, Together for Nottingham plan, Strategic Plan, Divisional plans and performance management framework.

3. Background/context:

Context and principles

- 3.1. The council's strategic plan sets out a bold agenda for Nottingham. Given the significant budget constraints within which the council has to work, this is a plan that requires a fundamental modernisation of the way the council operates in order to create a sustainable organisation that can continue to deliver against its ambitions. Transformation, therefore, means creating an exemplary modern council that creates maximum value from the resources at its disposal, to build a more equal Nottingham with accessible, responsive council services that enable residents and the city to thrive.
- 3.2. The programmes that make up the transformation portfolio must focus on preventing demand from arising, helping people find the services they need as efficiently as possible, and ensuring services are designed to both improve outcomes and minimise cost. The transformation portfolio has been designed to achieve these objectives and in so doing to make a substantial contribution to the financial sustainability of the council.
- 3.3. While the portfolio of transformation projects is constantly evolving, all proposals are assessed against a clear set of principles to ensure they both produce required savings and continue to modernise the operation of the council. These principles provide a clear set of criteria for decisions on transformation investment:
 - Deliver financial benefit
 - Join up services for residents and businesses
 - Make services more accessible
 - Simplify, standardise and automate ways of working
 - Enable early intervention and prevention

- Support the move from traditional provision to participation
- 3.4. The council has made good progress on establishing a transformation portfolio in line with these principles since summer 2021. In summary, the council has:
- Allocated funding to support the costs associated with transformation;
 - Established a broad portfolio of transformation programmes and projects that will modernise services and contribute significant savings over the four years of the MTFP
 - Established a Transformation Office to oversee the delivery of the programme
 - Established a governance structure and processes to enable clear a timely decision-making
 - Developed business cases for modernisation and cost transformation of:
 - Adult Social Care Service
 - Children’s Social Care
 - The way the council organises it’s back-office business support
 - The way the council organises and administers procurement of goods and services
 - The way the council enables residents to access council services
 - Begun developing further business cases are for modernisation and cost transformation of:
 - The way the Council manages its property
 - The Council’s commercial services
 - The way the council manages it’s ICT
 - Has initiated programmes to develop the skills of the workforce and increase the change capability of the organisation

Transformation programmes

Adult Social Care

- 3.5. This is a change programme that addresses the challenges of increasing demand, workforce retention and financial pressures. The programme is designed to work towards delivering the outcomes from the Social Care Futures enquiry:

“We all want to live in the place we call home with the people and things that we love, in communities where we look out for one another, doing things that matter to us”.

- 3.6. The programme aims to empower residents to make the decisions that best suit them and help them maintain their independence. It will improve service quality, provide better outcomes for citizens and deliver financial savings for the Council.
- 3.7. The changes that will be delivered through this programme will be:

- Creating new tools for residents to self-assess and increase the routes through which residents can find appropriate information, advice and guidance.
- Reviewing current care packages to focus on support that enables people to maintain independence in their own homes.
- Extending the range of options to residents via a transition to greater use of Direct Payments, so that care decisions are focused on outcomes that matter to the individual
- Further development of the workforce to enable a strong focus on outcomes

3.8. The savings associated with this programme are set out in table 1 below. The investment required is £0.68m.

Table 1

	Year 1 - 22/23	Year 2 - 23/24	Year 3 - 24/25	Year 4 - 25/26	TOTAL over 4 years
Gross Transformational savings	(0.226)	(0.885)	(1.416)	(2.073)	(4.650)
<i>On going resources (staffing requirement)</i>		0.372	0.372	0.372	1.116
Net Saving	(0.226)	(0.513)	(1.044)	(1.701)	(3.534)

Customer First

3.9. The Customer First programme will work across the whole council with the aim of rapidly improving key customer services through a programme of process redesign and simplification based around customer needs. Simpler, faster processes will improve customer satisfaction and reduce costs for the council.

3.10. This rapid process-by-process improvement will be accompanied by a consolidation of contact points for customers, providing a more effective triage and support service based on whole customer need rather than specific service requirements. The implementation of effective digital channels will be a key element of this programme, providing rapid 24/7 access to council services where appropriate.

3.11. The savings associated with this programme are set out in table 2 below. The investment required is £2.25m over two years.

Table 2

	Year 1 - 22/23	Year 2 - 23/24	Year 3 - 24/25	Year 4 - 25/26	TOTAL over 4 years
Gross Transformational savings	(0.329)	(1.648)	(3.295)	(3.295)	(8.567)
<i>On going resources (staffing requirement)</i>					0
Net Saving	(0.329)	(1.648)	(3.295)	(3.295)	(8.567)

Procurement

- 3.12. Over 70 per cent of the council's annual revenue budget is spent with in excess of 3,500 external suppliers and third parties. This change programme will:
- Identify and implement opportunities that will enable NCC to reduce and better manage the spend with specific third parties, while staying within the council's policy criteria with regard to social value and local contracts.
 - Develop and implement a new operating model for a commercial, commissioning, procurement and contract management work. This will improve the strategic approach to, and management of, this annual revenue expenditure.
- 3.13. The savings associated with this programme are set out in table 3 below. The investment required is £0.87m over two years.

Table 3

	Year 1 - 22/23	Year 2 - 23/24	Year 3 - 24/25	Year 4 - 25/26	TOTAL over 4 years
Gross Transformational savings - all funding streams	(0.701)	(2.070)	(2.980)	(3.572)	(9.323)
Gross Transformational savings - revenue element	(0.331)	(0.993)	(1.407)	(1.721)	(4.452)

Business Support

- 3.14. An assessment of council activity in Autumn 2021 showed that over 18 per cent of council effort is spent on business support type activities (equivalent to 940 FTE in collective effort – n.b. not actually 940 staff). This is 25 per cent higher than other local authorities where similar analysis has been undertaken. The Business Support transformation programme will simplify, standardise and automate the way in which the Council delivers business support activities, thereby reducing the effort spent on business support whilst improving how effectively it is delivered.
- 3.15. The key areas of focus are:
- General administration
 - Recording and data entry
 - Closing records
 - Billing and receiving payments
 - Procurement transactions and paying creditors
- 3.16. The savings associated with this programme are set out in table 4 below. The investment required is £0.6m over two years.

Table 4

	Year 1 - 22/23	Year 2 - 23/24	Year 3 - 24/25	Year 4 - 25/26	TOTAL over 4 years
Gross Transformational savings	(0.340)	(0.680)	(1.370)	(1.370)	(3.760)
On going resources (staffing requirement)					0
Net Saving	(0.340)	(0.680)	(1.370)	(1.370)	(3.760)

Children's Social Care

3.17. The council carried out a review of Children's social care in Autumn 2021. This demonstrated that substantial improvements in service outcomes and costs were achievable if the a whole service transformation took place across Early Help (EH), through Child in Need (CIN), Child Protection (CP) to Children in Care (CIC). Fundamentally the programme is designed to improve the outcomes of Nottingham's young people and families. This will be achieved through the design and implementation of a new operating model that will:

- Help families stay together more safely and with greater resilience, using effective targeted interventions. This will significantly reduce the trajectory of growth of children in care in Nottingham
- Ensure the most timely and effective support is consistently provided from EH through CiN and CP. This will be a significant driver of improved service quality and reduced risk as well as reducing future workforce growth requirements
- Reduce bottlenecks and improve processes and ways of working to help staff spend more time helping young people, and gain greater satisfaction from their roles
- Improve commissioning of residential placements and recruitment processes of residential and foster carers
- Support the council on the journey to maintain consistent good practice

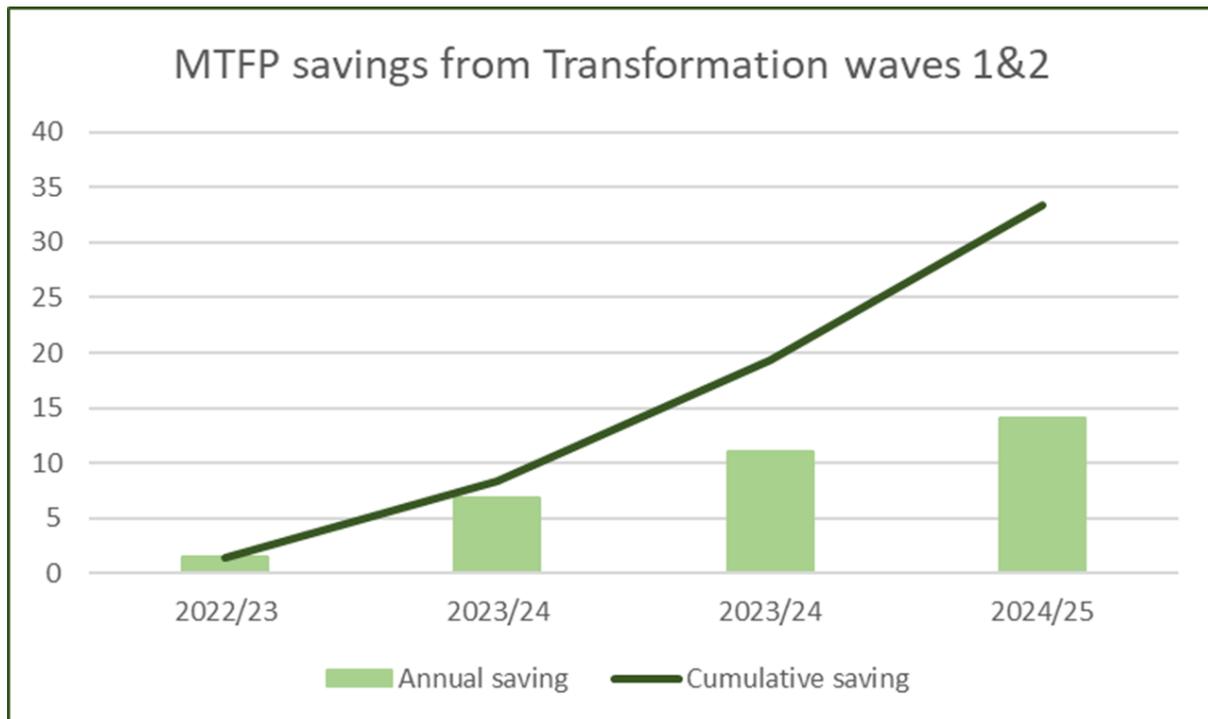
3.18. The council is currently procuring a partner to support this substantial change programme, following approval at Council Executive on 22nd February 2022:

<https://committee.nottinghamcity.gov.uk/mgAi.aspx?ID=42881#mgDocuments>

3.19. Alongside the service improvements, the savings expected from this programme are £11m-£16m with an investment requirement of up to £6.5m. These figures will be validated following procurement of a delivery partner.

3.20. The overall savings estimated from the programmes set out above are shown in table 5 below.

Table 5



Resources and growing council capability and capacity

- 3.21. The council is currently deploying a number of external staff to support and manage the delivery of the programmes outlined above. That is not a sustainable position, but is essential for the next few months as programmes become established and impetus is given to the required changes in practice.
- 3.22. In order to grow the council's ability to deliver change with less reliance on external support, a Change Academy has been established for existing staff. The Academy is an intense, nine-week period of accredited training in project management and business analysis for fifteen NCC staff, plus a shorter procurement training programme for five NCC staff. It is being run in partnership with our change partner, PWC, and graduates from the Academy will ultimately replace PWC staff on programmes during the course of 2022. The first five graduates have recently been deployed, with a second tranche completing their training in late May.
- 3.23. This has been a very popular programme, which generated a large number of applications from a diverse population of staff. Early in the 2022/23 financial year, the council will review the success of the Academy approach and look to apply lessons to future staff development.