

MUNICIPAL YEAR 2017/2018 REPORT NO. 2019/20

Action taken under delegated authority

REPORT OF:

Kari Manovitch, Director of Customer Experience & Change (Acting)

Agenda – Part:1	Item:
Subject: Transformation Restructure	
Wards: All Wards Key Decision No: KD3258	
Cabinet Member consulted:	

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1. EXECUTIVE SUMMARY

- 1.1 The restructure of the Council's Transformation Service is part of a Council wide restructuring of Services, to reduce posts wherever possible in order to deliver savings, as part of the Council's Medium-Term Financial Plan.
- 1.2 This report outlines the new Transformation Service structure and associated staffing costs for this structure, as per the structure in Appendix A. There is also a summary of the benefits identified for each in-flight Programme, attached in Appendix B.
- 1.3 The new Service structure, provides the expertise and capacity to enable Transformation to complete its existing Programmes and Projects, and subsequently deliver business priority Programmes and Projects that are in the pipeline, and any other emerging Council priorities.
- 1.4 The structure which includes moving staff from Fixed Term to Permanent contracts, was approved by EMT on the 23/04/19.

2. RECOMMENDATIONS

- 2.1 To approve a total budget of £1.644m for Transformation staffing salary costs for the new structure, This consists of the following funding sources: £0.713m recharges to capital projects, £0.375m recharged to the HRA, £0.191m revenue budget and £0.368m Flexible Use of Capital Receipts. It should be noted however, that the HRA Transformation staffing salary costs presented within this DAR have already been approved as part of the Better Council Homes Workplan Cabinet Report, on the 13th February 2019.
- 2.2 To approve moving Transformation staff from Fixed Term to Permanent contracts. This budget will be required to increase annually as per annual staff salary uplift and staffing increment increases.

3. BACKGROUND

- 3.1 For a number of years, the Council has invested in a centralised Business Transformation Service with a portfolio of Programmes which has supported change across the Council.
- 3.2 A department restructure at the end of 2016 saw the closure of Enfield 2017 and the creation of the Transformation Service. At this point, the majority of staff in the department were appointed to roles on a Fixed Term contracts basis, with the assumption that these posts would be funded through the ICT Capital Programmes budget, which Cabinet approved to fund IT Capital Programmes and Projects.
- 3.3 Whilst the assumption was that Transformation posts would be funded through the ICT Capital Programmes budget, it was not possible to fund all posts in this way, as some of the Programmes / Projects did not include the delivery of IT.
- 3.4 The Transformation Service manages a diverse Portfolio of Programmes, current and pipeline are outlined below, designing, planning and managing activity on behalf of Directors across the council, hiring and managing specialist IT and other resources, as required for each individual project:

Programmes / Projects currently in-flight

- Better Council Homes Programme
 - Service improvements (Includes Contact Centre improvements and Insourcing of Council Repairs Service)
 - Design / Delivery of new 'Target Operating Model'
 - Civica Housing System (Various aspects which includes Workflow 360 EDRMS, Hope Integration Project, Repairs Diagnostic Tool – (There are IT Project resources to deliver technological aspects)
- Build the Change Programme
 - Intranet Project
 - Collaboration (Sharepoint)
 - New Device roll out
 - Asset Management System replacement
 - Flexible Working Project
 - Operational Buildings Review
 - Property Strategy and Development Project
- Payments Programme
 - Payments Methods and Modes – Direct Debit Upfront, Paperless DD, E-billing, Messaging, Counter Service offering, VAT reconciliation
 - Capita Aim - Replacement of Autopay Kiosks and Replacement of Worldpay with Capita SCP

- Commercial Microsite
- Customer Experience Programme
 - Customer Journey Project – Recruitment and onboarding
 - Customer Journey Project – Planning Applications
 - Learning & Development, Workforce and Culture Change
 - Digital Access Centres
 - Customer Insight and Performance Monitoring
 - Digital offer:
 - Telephony contract re-procurement
 - Enterprise telephony project
 - Website and Enfield Connected software upgrades (Evolve)
 - Bartec Integration for the waste service and its customers
 - Digital customer platform & CRM
- Children's Services (including Schools) Transformation Programme
 - LiquidLogic – Children's Portal
 - LiquidLogic – Delegation Portal
 - LiquidLogic – Finance Integration Project (ContrOCC implementation)
 - SEN Finance Service Improvements – Synergy implementation
 - Educational and Health Care Plans Needs Assessment Process Improvements (Synergy implementation)
 - Educational Psychologists / Health and Emotional Well Being Team Service Improvements (Synergy implementation)
 - Children's Centre Improvements – Synergy implementation
- Health and Adult Social Care Transformation Programme
 - New Case Management System - Eclipse implementation
 - Customer Portal (My Life)
 - Safeguarding Eclipse Development
 - Adult Social Care Localities

3.6 Projects/ Programmes in the pipeline for 2019 and beyond

Additionally, Transformation resources will be required to deliver business priority Programmes and Projects that are in the pipeline, and any other emerging Council priorities.

3.7 Benefits of a centralised Transformation Service Team

The benefits of a centralised Transformation Service are summarised below:

- Enables the delivery of major Transformation Programmes led by the vision and the strategy of the Directors leading them. This includes the delivery of new operating models, structures, processes, and culture, driven by user needs and enabled by technology

- Provides a hub which is a centre of excellence for innovation, which helps Directors develop new transformation strategies to meet the challenges of increased demand and reduced funding
- Staff are qualified experts in Programme and Project Management, and Practitioners' of change who successfully lead and manage change
- Provide a robust approach to benefits mapping, profiling, measurement and realisation
- Encourages the cross-fertilisation of ideas, knowledge and skills
- Offers good value to the organisation because of the economies of scale

3.8 Funding the Transformation Service

There has been no increase to the Service's revenue budget in this restructure. Future transformation Programmes / Projects will seek full funding approval through business cases and DARs and include the full cost of the Programme / Project.

The total annual staffing cost of the new service structure is £1.644m. This will be funded from the following sources in the short term:

- £0.191m Revenue Budget
- £0.713m recharges to Capital Projects
- £0.375m recharges to the Housing Revenue Account (HRA)
- £0.368m Flexible Use of Capital Receipts

The amount of capital receipts required may fluctuate depending on the availability of other revenue sources e.g. specific grants, and the figure stated above is the maximum required to fund the new structure's staffing costs.

3.9 Summary of Transformation Service restructure timelines

The service restructure proposal including indicative salary costs, and moving staff from Fixed Term to Permanent contracts, was approved by EMT on the 23/04/19. A staff consultation process ran from 23/05/19 – 22/06/19, preceded by consultation with the Trade Unions. The intention is to assimilate staff to roles and commence recruitment in August 2019.

Whilst posts are being deleted, due to a high number of vacancies there are still more posts than employees, so no redundancies are expected.

1. ALTERNATIVE OPTIONS CONSIDERED

Do Nothing

4.1 This is not a viable option, for the following reasons:

- The council needs to conclude its large portfolio of Transformation projects but staff contracts were too short to enable this
- Fixed term contracts have created a 50% staff turnover within the Service, which in turn has led to a high number of vacancies, challenges with recruitment, and reliance on costly interims, increasing the running costs of the service
- The council will not be able to redesign its services and introduce significant changes to meet new demands, achieve efficiencies and reduce costs, without dedicated capacity to do this.

5. REASONS FOR RECOMMENDATIONS

5.1 The new Service structure outlined, provides the expertise and capacity to enable Transformation to complete its existing Programmes and Projects, and subsequently deliver business priority Programmes and Projects that are in the pipeline, and any other emerging Council priorities.

5.2 Moving staff from Fixed Term to Permanent Contracts will help attract and retain staff, reducing reliance on expensive interims.

5.3 The total annual staff cost for Transformation in 2018/19 was £1,736,000. The annual costs for the new staff structure for 2019 /20 are £1,644,400.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

The total cost and funding sources for this staffing structure are detailed in section 3.8 of the report. This represents a reduction in overall cost of the structure from 2018/19 however this will not result in budget savings.

It should be noted that £0.368m from the flexible use of capital receipts is required to fund the proposed staffing structure. This is in addition to the items that were agreed to be funded from capital receipts in the Council Budget Report 2019/20. Therefore, this decision will need to be agreed at Council, where the schedule of projects supported will be required to ensure full compliance with the government's requirements. It will also depend on the amount of capital receipts that can be generated in any financial year but this is currently forecast to be sufficient for 2019/20.

The Council's Strategy is to reduce the reliance on capital receipts to fund transformational activity and therefore this is only proposed to be a short-term solution and this approach is in line with the Council Strategic Asset Management Plan. The long-term funding will need to be addressed through the budget setting process for 2020/21 onwards as part of the Council's Medium-Term Financial Strategy.

However, the £0.368m is the maximum required because where services are delivering transformation and change that attracts specific government funding, this funding will be used.

The amount generated through capital recharges will be dependent on the requirements of each capital project and the availability of capital funding and therefore will need to be reviewed on an annual basis.

There are potentially redundancy implications related to the restructure, but opportunities created within the restructure will mitigate this risk and as stated in paragraph 3.9 no redundancies are currently expected.

6.2 Legal Implications

The restructure has been carried out in accordance with employment law, steered by HR advisors.

6.3 Property Implications

None

6.4 Procurement Implications

None

6.5 ICT Implications

None

7.0 KEY RISKS

Recruitment – that we are unable to attract appropriate candidates to vacancies. We will seek to address this through working with HR to sell the benefits of working for Enfield Council in an exciting service area.

8 IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

The Transformation service supports this objective through managing the Better Homes Programme on behalf of the Director of Housing.

8.2 Sustain strong and healthy communities

The Transformation service supports this objective through managing the Programmes on behalf of the Director of Housing, Director of Children & Families, the Director of Education and the Director of Adult Social Care and Health.

8.3 Build our local economy to create a thriving place

The Transformation service supports this objective through managing the Build the Change Programme on behalf of the Director of Property & Economy.

9 EQUALITIES IMPACT IMPLICATIONS

Whilst posts are being deleted, due to a high number of vacancies there are still more posts than employees, so no redundancies are expected.

10 PERFORMANCE AND DATA IMPLICATIONS

N/A

11 HEALTH AND SAFETY IMPLICATIONS

N/A

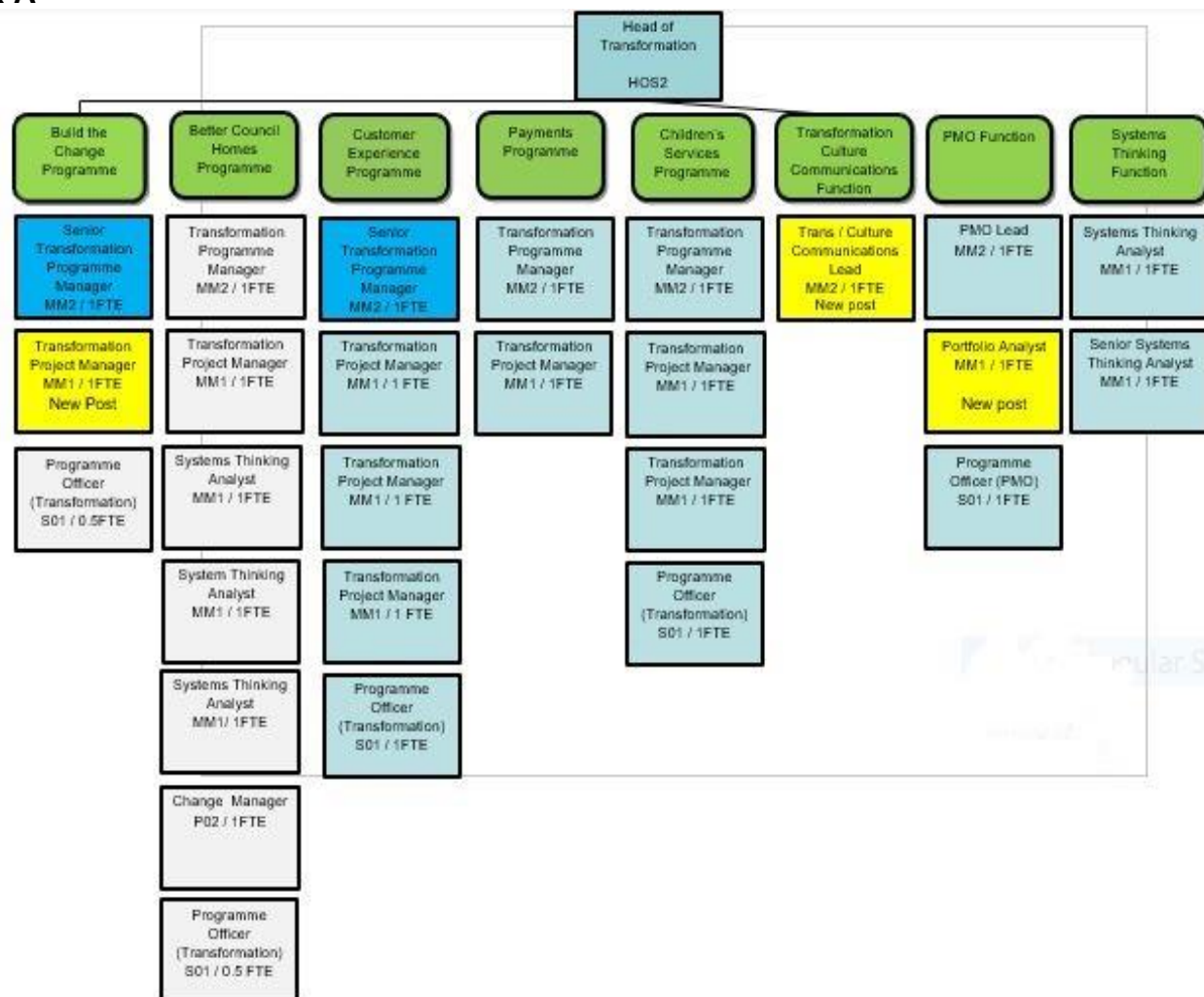
12 PUBLIC HEALTH IMPLICATIONS

N/A

Background Papers

Please refer to Appendices A and B

Appendix A



Appendix B

Programme	Financial Benefits	Non-Financial Benefits
Payments Programme	<ul style="list-style-type: none"> • Payment Methods & Modes - £400k (£200k in 19/20 and 20/21 respectively). • Please nb: a savings of £176k has already been delivered through the Capita AIM Project. These savings were enabled through a reduction of manual processing, and were delivered as part 2016 Exchequer Hub restructure. 	<ul style="list-style-type: none"> • Reduce demand on Council through channel shift, which includes reducing FTE effort to take and process payments, and reduction of cash / cheque payments • Increase in the number of payments being made by Direct Debit • Improved customer experience • Elimination of ICT resource to remediate Interface Post Office issues • Payment Card Industry Compliance - ensuring regulatory /statutory compliance and avoiding the risks and costs of non – compliance • Increase in Payments being made prior to service delivery: "Pay Up Front"
Health and Adult Social Care Transformation Programme (Eclipse, MyLife Portal, Adult Social Care Localities Project)	<ul style="list-style-type: none"> • It is expected that the programme will contribute to the savings targets for Adults Social Care in the Medium-Term Financial Plan of £250k 	<ul style="list-style-type: none"> • More efficient and effective services by streamlining processes and making more effective use of supporting IT systems resulting in improved productivity. • More empowered ASC staff and increased staff satisfaction • Improved response to demand and demographic pressures • Improved communication and information sharing across the care pathway • More accurate performance reporting • Improved customer and staff experience when interacting with Health and Adult Social Care and other council services
Children's Services Transformation Programme	<ul style="list-style-type: none"> • Early Years (3-4) Service Improvements - Synergy Implementation - Cost avoidance of £52k per annum, without these changes, in order to manage the increase in demand, staff headcount would have needed to increase by an additional 1.57 FTE. Additionally, reduction of 1FTE Brokerage Manager position 	<ul style="list-style-type: none"> • Streamlining, automating and improving business processes thereby improving staff efficiency and effectiveness • Streamlining, automating and improving customer and supplier facing processes and experiences • 'Single view of the child' - improve quality and efficiency of information sharing, enabling collaborative working between partners, parents / carers and providers, leading to improved outcomes for children and

	<ul style="list-style-type: none"> • Children's and Delegation Portal – Reduction of 1FTE Admin position from Pathway – post removed / saving already made • Eliminate paper records and therefore reduction in cost of off-site storage in future • Implementation of Provider Portal – payments administration to be managed via a portal, therefore reduction of payments administration costs, which includes no longer scanning Children's Services Provider invoices by Restore Scan. • Reduction in printing, photocopying and postage costs as a result of new streamlined and automated processes EHCP process. • Decommission - MoMo IT system – Saving of £6.9K per annum from April 2020 • LiquidLogic – Finance Integration – reduction of admin for Social Workers, which will increase each Social Worker's capacity by 10% (Equivalent of 5TEs across all Social Workers) 	<p>their families</p> <ul style="list-style-type: none"> • Ensure that the right data / information is available to people at the right time • Easier and quicker to collate information and respond to statutory timeframes • Deliver accurate and timely data for financial reporting, which will enable effective budget scrutiny and management, and support the commissioning of services • Manage demand for services • Reduce service delivery costs • Systems being developed / implemented are fully compatible with the Council's digital platform and allows application and infrastructure integration, making it easier to share information between systems, providing a single view of the child
Better Council Homes Programme (Civica Housing System, Insourcing of Repairs, Development of New Target Operating Model)	<ul style="list-style-type: none"> • Decommission Northgate Housing System annual licences costs of circa 90k. 	<ul style="list-style-type: none"> • Streamlining, automating and improving business processes thereby improving staff efficiency and effectiveness. • Enabled workforce – staff have the systems / tools / training to do their job effectively • Measured reduction in contact demand • Measured reduction in failure demand – right first time • A more positive customer experience. Fewer complaints from customers • Improved customer experience • Measured increase in customer satisfaction • Improved collaborative working with other teams and partners

		<ul style="list-style-type: none"> Support the local community and local supply chain Improve the condition of Council properties
Build the Change (Device Roll Out, Sharepoint, Intranet, Asset Management Systems Replacement, New Ways of Working / Cultural Project, Capital Buildings Programme including Hubs implementation)	<ul style="list-style-type: none"> Reduce the number of buildings that Council operates from and thereby reduce cost. Opportunity to create income by selling and / or leasing LBE owned assets Decommission R Drive and associated data storage costs by implementing Sharepoint Decommission old intranet and support costs Reducing paper records, and any costs associated with storing of paper files / records 	<ul style="list-style-type: none"> Staff productivity - employees are enabled to be more efficient and effective, because they have the appropriate equipment, and new ways of working best practice is imbedded. Quicker, more accurate Internet and Intranet content, increasing productivity and reducing query generation Quicker, more accurate search results on Intranet and file sites Saved user time in locating and working on single, up-to-date, cloud-hosted documents Better information management practices enabling faster retrieval of information by staff Enable collaborative working internally and with external partners Increased staff satisfaction due to a better working environment. Council is an attractive place to work recruiting high quality staff, with improved staff retention Creation of Community Hubs - deliver conveniently located multi-purpose hubs in town centres, offering single access points for service provision (including partners), delivery of community activities and events, creating community office space. These Hubs will grow and improve Enfield's Town Centres, making Enfield a great place to work and live.
Customer Experience Programme	<p>Staff savings will be achievable from customers using self-service channels such as the website, automated telephone and kiosks</p> <p>Staff savings will be achievable from making processes more efficient, reducing customers having to chase or complain, getting things right first time</p>	<ul style="list-style-type: none"> Fewer customers requesting staff support via all communication channels (face to face, phone, email support). Less failure demand A more positive customer experience. Fewer complaints from internal & external customers Staff are more empowered when talking to Customers More efficient and effective Service processes