

## **Transformation Report – as at 31<sup>st</sup> December 2019**

### **Summary**

1. The County Council earmarked £13.2m in a reserve for spending on transformation projects, the bulk of which relate to our whole council design approach to service redesign. The forecast expenditure for 2019-20 to be met from the Transformation Reserve will be £2.5m, with a further £4.9m of spend identified for 2020-21 (although this figure has the potential to change as a number of these projects are currently in the midst of a review). There are no planned savings from the service redesign activity in the current year. The Council has included a savings target of £2.4m from service redesign activities in 2020-21 and is working to identify the project streams that will contribute to these savings.
2. On 18th October 2019, County Council approved a Flexible Use of Capital Receipts Strategy, which gives the Council the option of funding the revenue costs of Council transformation projects from capital receipts and maintaining revenue reserves. The current forecast spending on whole council design approach to service redesign transformation projects in 2019-20 that are eligible for charging against capital receipts is currently £1.352m.

### **Transformation Board Reserve as at 31<sup>st</sup> December 2019**

3. As at 31st December, £1.428m has been spent from the Transformation Reserve with a further £1.085m currently forecast as committed spend for the remaining three months of the 2019-20 financial year (a total forecast spend of £2.513m for 2019-20).
4. The table below details the 2019-20 transformation reserve forecast spend by Transformation Theme. A further £6.318m is allocated for spend in future years, leaving an unallocated balance of £4.416m. However, the current review of our service redesign projects could curtail or stop spending on some of the approved service redesign projects.

<b>Projects Funded by Transformation Reserve</b>	<b>Total Projected Spend In 2019/20 £'000</b>	<b>Reserve Summary £'000</b>
<b>Total funds available</b>		<b>(13,247)</b>
<b>Whole council design approach to Service Redesign programme</b>		
Community Programme	318	
Customer Programme	371	
Accelerated Activity Programme	39	
One Council (Smartcore)	500	
Other WCD Projects	74	
		1,302
<b>Previous Programmes</b>		
Legacy programme	604	
		604
<b>Other Transformation Activity</b>		
Children's Social Care Q&D Board Projects	284	
Adults Services Projects	151	
Other Transformation Projects	122	
Voluntary Severance or Redundancy	50	
		607
		2,513
<b>Transformation Reserve Closing Balance 31<sup>st</sup> March 2020</b>		<b>(10,734)</b>
Allocated Spend 2020/21	4,904	
Allocated Spend 2021/22	1,414	
		6,318
<b>Unallocated Transformation Reserve</b>		<b>(4,416)</b>

## Staffing

5. With effect from April 2019 the Transformation Portfolio Office (TPO) establishment was funded for 15.85 FTE at a total cost of £1.128m per year. The base revenue position for the TPO team was £0.867m. To cover the perceived shortfall in funding, a further £0.261m was agreed by the Transformation Board for 2019-20 through the reserve. However, vacancies and secondments during the year and subsequent changes since September are likely to result in their being no need for funding be required from Transformation Reserve in this current financial year. A significant amount of TPO resource is now embedded supporting the priority Children's and Fire and Rescue Service improvement programmes.

## Savings and Benefits

6. The organisation has been pursuing a whole council design approach to service redesign and it is critical to ensuring a future sustainable budget. This approach has been reviewed and refreshed to focus on the delivery of tangible financial benefits and to support service redesign being delivered through the service directorates.
7. We have reframed the mandate of the programme which is now charged with delivering four cross cutting service redesign programmes that will deliver benefits and utilise the opportunities available from the implementation and use of technology and a move towards more digital ways of delivering services. The mandate will also include the provision of change services to support the service directorates deliver against their own challenging agendas.
8. Key cross cutting programmes include:
  - **Smartcore** – preparing for and delivering the implementation of a refreshed ERP system to support back-office transformation and improvement of our back-office processes. Change will be delivered through increased self-serve, changes in processes and policy and improved use of information and data
  - **Support Focus** – reviewing the admin and service support activity across the organisation to rationalise and automate activity delivering improved performance and cost of service provision. Change will be delivered through a rigorous assessment of service levels required, elimination of duplication, automation and improvement of processes and redeployment of work
  - **Customer Digital** – undertaking digital redesign of end to end processes to enhance customer experience and reduce the cost of service delivery. Change will be delivered through increased channel shift, improvements to information available to customers, automation of digital processes and a shift of work closer to the customer to improve customer experience
  - **Digital ways of working** – implementing digital ways of working to enhance agile working, unlock capacity and deliver performance from investments already made in refreshed technology applications.
9. Savings will be delivered over a number of years. It is expected that the £2.4m target for 2020-21 and a further £2.5m in 2021-22 will be achieved from these programmes, with further changes planned for future years.