

Service Transformation and Flexible Use of Capital Receipts Update – Q1 2022/23

Service Transformation Summary

1. At the start of the year, the balance within the Transformation Reserve stood at £13.3m. In addition, the County Council's 2022/23 Flexible Use of Capital Receipts Strategy details that it has flexibility to fund up to £10.0m of qualifying transformation expenditure. The County Council will review transformational expenditure during the year and, if expenditure meets the Flexible Use of Capital Receipts statutory guidance conditions, will consider applying capital receipts funding.
2. There are a number of transformation projects currently underway which include the Smartcore Programme, Insourcing and Procurement of IT Services Better Use of Technology within Children Services, Support Services Programme, Smarter Ways of Working Programme, Adult Services Professional Services Support and other smaller projects.

Smartcore Programme

3. The Smartcore programme is focused upon making HR, Finance and Procurement business processes more efficient and economic through the replacement of the existing SAP system with Oracle Fusion.
4. The programme adheres to a set of design principles that seek to establish a single source of truth for key data and information relating to Finance, HR, Payroll and Procurement and Contract Management Services; which will support strategic and operational decision making and planning, whilst also providing an opportunity to introduce productivity gains via business process improvements.
5. The programme is in the configuration and sprint phases (currently in the final sprint), with the systems integrator taking staff on a 'walkthrough' of the defined environment (shaped by the previous design phase). Following this phase, the system will be thoroughly evaluated via integration testing with key line of business applications as well as user acceptance testing, and payroll runs. The data migration strategy has been completed and data migration work activities are underway.
6. Following a review of the financial elements of the Smartcore programme, further funding is required to ensure the successful implementation of the project. Competing priorities within the Council, the impact of the Covid-19 pandemic, protracted discussion with the systems integration partner and complexities around the data migration solution have all resulted in delays to Smartcore programme implementation.
7. The project continues at pace with a planned implementation in April 2023.

Insourcing and Procurement of IT Services

8. Continued modernisation of the IT Service progressed during the first quarter of the new financial year. The service subsequently added a further new provider to its support ecosystem, with this new company contributing Cloud migration and optimisation skills to the mix. Over time, this addition will allow the Council to migrate further IT systems out of our local datacentres and to benefit from enhanced resilience and operational benefits provided through large scale Cloud service provision.
9. Orders have been placed for new hardware coming off the back of rationalisation and refresh planning work, these reduced quantities of specialist compute and networking equipment will fulfil the Council's requirement in the coming years. These orders have allowed the service to continue its contribution to Council carbon footprint and real estate requirement reduction objectives through selecting highly power efficient units with reduced physical footprint and reduced power and cooling demand.

Better Use of Technology within Children's Services

10. A decision was taken by the Cabinet Member for Children and Young People in August 2021 to procure a recording system for Children, Young People and Learning. The contract commenced on 1st April 2022 for an initial period of two years, with an option to extend by up to two years. The implementation project will involve significant resource from across the Council for a period of 18 months. This will include business input, IT resource, training and project management.
11. Rationalising data systems in this way will offer a major benefit to children, young people and families across the organisation in terms of the better coordination of evidence-based services delivered to them; the benefits include:
 - A reduction in the time spent recoding information for children in sibling groups,
 - Improving data sharing and reducing risks associated with having multiple recording systems across the service,
 - Enabling Social Workers to spend more of their time with children and families by having a mobile working toolkit to help them maximise the use of their equipment and work flexibly,
 - Improving the quality of data held on the recording system, ensuring the data we hold is accurate and easy to understand for children and their families.

Support Services Programme

12. Our support services contract, currently provided by Capita, concludes on the 30th September 2022. The main services included within the contract include

Accounts Payable (OWTB), Payroll services and HR support to schools, Business Administration and the Customer Services Centre (CSC).

13. Services for Graphic Design printing will be delivered under a new contract from 1st October, the contract award report for which is due to be published mid-August.
14. The Customer Services Centre currently provides support to 23 essential council services. The planned procurement activity did not deliver the outcome required therefore it has been decided that all CSC teams will move to the County Council. The contract award for the telephony solution providing the supporting technology has cleared call in.
15. Employment Support Services (Payroll services and HR support to schools) successfully moved to the Council on the 1st of June. The remaining services will move on the 1st October.

Early Years Property Support Project

16. As part of the revised Early Help model in West Sussex, a number of one-off and temporary property services costs have been incurred. Costs associated with project management, property clearance and holding were incurred in 2021/22, with further expenditure expected in 2022/23 as works continue on the disposal or re-assignment of affected buildings.

Smarter Ways of Working Programme

17. The County Council is building on the learning and experienced gained from the pandemic to help shape the way we work in the future. The council has a large portfolio of property all across the county which are used for various purposes.
18. The first phase of this programme has now been completed with the second phase of works being finalised. The overall intention of the programme is to realign the development of workforce practices on emerging requirements of services and the Council as a whole. The programme aims to enable the County Council to:
 - Reduce the workspace provided and maintained by the County Council with no impact to the provision, quality or standard of services.
 - Provide good quality workspaces which staff can use in a flexible manner and better suits work and personal lives with no negative impact on well-being or productivity.
 - The ability to better meet the needs of our customers.

Adults Services – Professional Services Support

19. A programme of work has been agreed that will oversee the delivery of the commitments made in Our Council Plan (2021-25), the Adult Social Care Strategy (2022-25) and the Commissioning Review (2022).
20. The programme will be delivered collaboratively with a combination of external resources with skills and experience in delivery of ASC programmes, in-house staff in the three core business areas (Commissioning, Operations and Safeguarding, Planning and Performance) and the newly established in-house PMO.
21. The nature, scale and complexity of the programme means that fixed-term external capacity and skills are needed to work alongside in-house teams to deliver at pace. The programme will deliver core business with additional external resources and embedded in the business, working with existing staff to support the development of leadership and skills that can sustain the progress that will be made over the term of the programme. This work is focussed on working collaboratively and ensuring people who work in the Adults Services are able to sustain the changes made over the longer term.

Waste – New Service Model (Recycling Credits)

22. Household waste recycling rates in England have risen from around 11% in 2000/1 to around 45%, but since 2013/14 rates have plateaued. The County Council, along with our District and Borough councils, need to increase recycling rates to meet increasing national targets and reduce its environmental impact and carbon footprint.
23. In West Sussex, 40% of all kerbside waste collected is made up of food waste, this material can be put through the process of anaerobic digestion which provides a source of renewable energy. As the waste breaks down into biogas (a mixture of methane and carbon dioxide) it can power engines which produce heat, which is reused and the main output is electricity which can be used to power a facility, stored in batteries and sold back to the grid.
24. In 2019/20, Cabinet allocated £2m to support District and Boroughs who commit to implement a New Service Model for refuse and reducing collections, to a specification and timetable agreed with the County Council, including separate food waste collections or alternative approaches which will improve performance and reduce costs.
25. Whilst the pandemic has impacted on the ability to drive this work forward, we continued to explore and incentivise all household recycling and reduce demand pressure on the Council's waste services; in particular trials for segregation and disposal of food and absorbent hygiene products have been implemented and expanded across the County.

Transformation Project Overview

Table 1 – Transformation and Capital Receipt Budget Allocations - Overview of Current Projects

Project	Total Transformation/ Capital Receipt Project Budget Allocated	Spend in Prior Years (Pre- 2022/23)	Expenditure 2022/23	Project Spend Forecast
Smartcore Programme*	£14,070,000	£5,117,201	£784,716	£14,070,000
Insource of Procurement and IT Services	£2,750,000	£1,575,880	£0	£2,300,000
Better Use of Technology – Children’s Services	£463,000	£125,484	£133,036	TBC
Support Services Programme	£1,200,000	£0	£0	£1,200,000
Early Years Property Support Project	£397,000	£317,505	£39,365	TBC
Smarter Ways of Working Programme	£1,916,000	£121,870	£53,147	£1,826,000
Adults Services – Professional Services Support	£1,950,000	£0	£0	£1,950,000
Waste – New Service Model (Recycling Credits)	£2,000,000	£655,996	£0	£2,000,000

Note:

*Smartcore Programme– Additional funding from schools to meet additional works to deliver their requirements (£0.857m) and one-off base budget (£0.250m) are not included in the budget allocation reported in this table.