Service Transformation and Flexible Use of Capital Receipts Update – Q2 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 continues to focus upon making HR, Finance and Procurement business processes more efficient and economic through the introduction of Oracle Fusion.

4. The programme is in the latter stages of the configuration phase, the sprints have all been completed and the systems integrator has taken key staff on a 'walk-through' of the defined environment.

5. The programme has just entered the Systems Integration Testing (SIT) phase where the integrations to key line of business applications will be tested, for example, files or reports exchanged with another system, a key element of this phase is the delivery of data to the environment, the systems integrator has been working to extract, transform and load SAP data into Oracle.

6. The overall pace and focus of the programme team has increased and we are working towards the planned implementation date of April 2023.

7. Following a review of the financial elements of the Smartcore programme, additional funding has been agreed to ensure the successful implementation of the project, the inclusion of additional requirements and to take into account the increase in timeline for delivery which has been extended further than first anticipated when the original budget was constructed in 2020.

Insourcing and Procurement of IT Services

8. During the second quarter, IT Services concluded the cloud discovery and systems migration assessments that were commissioned earlier in the year. These works were intended to provide an understanding of what Council server

workloads could be moved from the Datacentre and to the Cloud (with focus on providing increased resilience, operational efficiency and value for money.) The service moves into Q3 with recommendations for cloud migration targets and an approach to Azure Landing Zone design to be progressed and subsequently implemented.

9.   A number of aging hardware technology and software platforms that returned as part of the early outsource exit have either been replaced and decommissioned or have seen significant progress towards imminent phasing out and functional replacement during the third quarter of 2022.

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.

Support Services Programme

12.   The County Council's ten-year contract with Capita for internal support services ended on 30 September 2022, with Accounts Payable, Business Services Administration, Operational Procurement, Online Service Delivery (web team) and the Customer Service function moving to the Council. Employment Services, (including Payroll, Shared HR Services and HR Services to Schools), had already transitioned as planned in June.

13.   The Graphic Design printing procurement concluded and the new service is in place. The induction of over 300 staff is well underway with a focus on maintaining service continuity and supporting the aims and objectives of the organisation as set out in the wider Council Plan.

14.   Costs relating to the completion of the overall programme including legal support to award new contracts and novate the existing 3rd party agreements, transition costs and commercial consultancy support are being finalised.

Early Years Property Support Project

15.   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

16. 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.

17. The first phase of this programme has now been completed with the second phase of works currently underway. 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

18. 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).

19. 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.

20. 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)

21. 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.

22. Whilst the pandemic has impacted on the ability to drive this work forward, we continued to explore and incentivise household recycling and reduce demand pressure on the Council's waste services. A successful trial for segregation and disposal of food and absorbent hygiene products in Arun has now concluded and a further trial is underway in Mid Sussex. Other projects underway include:

- A collection service to gather kerbside waste electrical and electronic equipment (WEEE) in many areas including Adur and Worthing, Crawley and Horsham.

- Flat improvement project. The identification of potential flats in Crawley to understand barriers of waste minimisation and increase recycling quality.

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)	2022/23 Expenditure - As At 30th September	Project Spend Forecast
Smartcore Programme*	£14,070,000	£5,117,201	£1,531,227	£14,070,000
Insource of Procurement and IT Services	£2,750,000	£1,575,880	£164,481	£2,300,000
Better Use of Technology – Children's Services	£463,000	£125,484	£260,206	TBC
Support Services Programme	£1,200,000	£0	£36,191	£1,200,000
Early Years Property Support Project	£847,000	£317,505	£79,495	£847,000
Smarter Ways of Working Programme	£1,916,000	£121,870	£116,429	£1,878,000
Adults Services – Professional Services Support	£1,950,000	£0	£623,014	£1,950,000
Waste – New Service Model (Recycling Credits)	£2,000,000	£655,996	£10,581	£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.