Service Transformation and Flexible Use of Capital Receipts Summary – Q4 2022/23

Service Transformation Summary

1. The County Council has a number of transformative programmes and projects currently underway to assist with the councils aim to deliver the Council Plan through improvements, savings and service changes.

2. At the start of the year, the balance within the Service Transformation Reserve stood at £13.3m. Following an in-year review of the County Council's reserves, an additional £1.1m was added, increasing the funding held within the Service Transformation Reserve to £14.4m.

3. In March 2023, a £0.323m Adults Improvement Grant was received and allocated to the Service Transformation Reserve. This funding has been earmarked to help fund the Adult Services Improvement Programme; which is being partly funded from the Service Transformation Reserve.

4. 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. Following a robust scrutiny of the Smartcore project and Insource and Procurement of Information Technology Services project expenditure, a decision has been taken to fund these eligible items through the Flexible Use of Capital Receipts Strategy. Also, a review of expenditure within the Waste Service Transformation project has led to the return of some funds from district and borough councils. As this project has been funded through capital receipts, the net credit balance has been returned to the capital receipts balance.   Overall, in 2022/23 £4.2m of project expenditure was funded through the use of capital receipts.

5. Details of the projects and in-year expenditure are described in the report below; however, overall, the Service Transformation Reserve completed the year with a reserve balance of £11.8m remaining. Of this balance, £8.9m is committed to fund approved projects which are currently progressing, leaving £2.9m of unallocated reserve. This position also assumes that any future expenditure for the Smartcore Programme, Insourcing and Procurement of IT Services and Waste New Service Model will continue to meet the flexible use of capital receipts criteria.

Smartcore Programme

6. Work is underway to replace our existing SAP system with Oracle Fusion as part of the SmartCore Programme. This is a complex programme which when implemented and fully embedded will improve processes in Finance, Payroll, HR and Procurement. The programme is at the Systems Integration Testing (SIT) phase and work towards a go-live date continues.

Insourcing and Procurement of IT Services

7. The Information Security team spent a large part of fourth quarter defining requirements, completing product analysis and subsequently selecting a cloud based SIEM (Security Information and Event Management) product to implement in place of the aging product in place towards the end of the Capita ITO contract. The enterprise solution we have selected allows the IT Service to target logs and message files from critical corporate systems, and then to allow the SIEM solution to ingest and process these logs to provide security and event insights in relation to the hour by hour, day to day insights of how our systems are operating and individuals that are engaging with them.

8. Building on prior works supporting the Support Services Outsourcing (SSO) exit, work continued in during Q4 in deploying new digital capabilities to enhance and transform functionality already available in the Customer Service Centre. These developments include laying the foundation for an enterprise information architecture (through development of a knowledge base) and starting to build out a technical capability to see introduction of AI (Artificial Intelligence) and cognitive enabled service/resident engagement.

Better Use of Technology within Children's Services

9. 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 involves significant resource from across the Council for a period of 18 months. This will include business input, IT resource, training and project management.

10. Rationalising data systems in this way offers a major benefit to children, young people and families in terms of the better coordination of evidence-based services delivered to them.

11. Implementation of the recording solution (Synergy and Core+) is now underway. Admissions moved to using Synergy in September 2022 and Youth Justice moved to Core+ in March 2023. It is planned that the remaining work areas will move to the new systems by September 2023.

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 substantively completed with the focus now on fully maintaining integrating services to support the aims and objectives of the organisation as set out in the wider Council Plan.

14. Costs relating to the completion of the work within the programme to support the move of the services to the Council have now been finalised. These include legal support to award new contracts and novate the existing 3rd party agreements, transition costs and commercial consultancy support. Costs relating to integrating services into the Council will be completed by early September 2023.

Early Years Property Support Project

15. Following the implementation of the revised Early Help model in West Sussex during 2021/22, a number of one-off and temporary costs have been incurred associated with the clearance and holding of properties. Work continues to re-assign or dispose of vacated buildings, reduce holding costs and deliver savings in running costs across the estate.

Smarter Ways of Working Programme

16. The County Council continues to build on the learning and experience gained from the pandemic to help shape future working practices.

17. The first phase of this programme has been completed and the second phase of work is underway. The aim of the programme is to enable the Council to provide services from a reduced number of cost-effective workspaces with a significantly reduced carbon footprint, located and sized to meet the needs of our smarter working practices, our staff, our services and our customers.

18. Work is currently proceeding to redesign the floor layout at County Hall, building on the success of the Bridge House interior refit and reflecting industry best practice. The revised layout will allow the Council to move staff from The Grange and Northleigh buildings, which is on course to be completed by the end of 2023

Adults Services – Professional Services Support

19. A programme of work has been agreed to oversee the delivery of the commitments made in Our Council Plan (2021-25) and the Adult Social Care Strategy (2022-25).

20. The programme is being delivered collaboratively with a combination of external resources with skills and experience in delivery of ASC programmes and in-house staff in the three core business areas (Commissioning, Operations and Safeguarding, Planning and Performance).

21. As at March, the following key highlights were delivered by a number of workstreams within the programme:

    - The publication of a Market Sustainability Plan, a requirement of all local authorities;

    - A restructure of roles and responsibilities within Adults Social Care commissioning, working with the existing staff group in its development and implementation;

- The continuation of collaborative work between the County Council and NHS Sussex to review current Section 75 arrangements and develop a new agreement during 2023/24;

- Designing a new model of care for an integrated NHS and social care reablement service;

- The completion of business process 'as is' mapping across the service to understand service processes, identifying and agreeing areas for improvement to be delivered through 2023/24 and beyond;

- The continuation of workstreams to enable future delivery of the adult social care charging reforms;

- Work to deliver a new pathway and protocol to support children and young people with mental health needs also continues to progress

22. Collaboration between external resources and officers within Adults Services in delivering the outcomes above has been integral, as this will allow Adults Services to sustain the changes made over the longer term.

Waste – New Service Model (Recycling Credits)

23. 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.

24. Whilst the pandemic has impacted on the ability to drive this work forward, the County Council has 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 which will continue during 2023/24.

Transformation Project Overview

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

Project	Latest Total Transformation / Capital Receipt Project Budget Allocated	Spend In Prior Years (Pre-2022/23)	2022/23 Expenditure	Budget Allocation Remaining
Smartcore Programme*	£14,070,000	£4,672,201	£4,049,726	£5,348,073
Insource of Procurement and IT Services	£2,300,000	£1,575,880	£198,520	£525,600
Better Use of Technology – Children's Services	£1,748,000	£125,484	£518,129	£1,104,387
Support Services Programme	£1,200,000	£0	£364,593	£835,407
Early Years Property Support Project	£847,000	£317,505	£243,314	£286,181
Smarter Ways of Working Programme	£1,916,000	£121,870	£345,098	£1,404,032
Adults Services – Professional Services Support	£1,950,000	£0	£1,524,676	£425,324
Waste – New Service Model (Recycling Credits) **	£2,000,000	£655,996	(£81,219)	£1,425,223
Finance – Support to Address Outstanding Financial Assessments - NEW	£547,940	£0	£0	£547,940
Adult Services – Improvement Programme - NEW ***	£4,323,100	£0	£0	£4,323,100

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.

**Waste – New Service Model (Recycling Credits). Funding returned from District and Borough Council partners following completion of agreed programmes of work which impacts waste collection / in-flow.

***Adult Services – Improvement Programme. Total Programme budget is £8.0m, however only £4.323m has been agreed to be funded from the Transformation Reserve with the remaining £3.677m to be funded by Adult Services.