

REPORT OF THE DEPUTY LEADER**DEVELOPMENT OF THE IMPROVEMENT PROGRAMME****Purpose of the Report**

1. The purpose of this report is to seek Policy Committee's approval to a revised operating model and structure for the Improvement Programme.

Information and Advice

2. A programme of work was established in 2010 to deliver a number of major cross-cutting projects designed to modernise the Council's business practices, as well as delivering a range of service-based projects that would enable the Council to achieve budget reductions in the order of £150m over the four year period to 2014. Delivery of the Programme has been supported by a team of internal staff, which comprises experienced and skilled programme and project management staff, along with other specialists such as project planners and commercial analysts. The team supports service-based staff in the delivery of projects. As well as providing specialist skills and knowledge, the team provides additional capacity and challenge. A summary of the type of roles currently undertaken by team members is attached as Appendix A.
3. Over the last year, the team has developed several new ways of operating, including:
 - a. The implementation of LEAN+ as the Council's standard approach to process improvement
 - b. Increased transfer of skills to in-house staff, reducing the level of reliance on interims and consultants
 - c. Improvements in deployment of resources to provide greater flexibility and speed of response
 - d. A more proportional approach to governance
4. As we move forward and plan for the implementation of the next round of Council transformation and budget reductions, it is necessary to review the role of the team and ensure that its service offer and structure meets the needs of the organisation. Consultation with departments has taken place to confirm the services of the team that provide most benefit, to ensure that its future delivery model is designed around meeting those requirements.

5. Additionally, as budget proposals have been developed, departmental views have been sought on the level of support that is likely to be required from the team to deliver the more complex proposals. It is clear that:
 - a. Demand for support from the team exceeds the current supply
 - b. The excess demand is at programme officer and business support level, rather than programme and project manager level
6. It is recognised that increasing the size of the team to meet the emerging demand levels is not an option in the current climate. Indeed, there is an expectation that the team will contract in line with all other service delivery areas.
7. Following consultation with the Corporate Leadership Team, it is proposed that the future structure of the Team be organised around two main functions:
 - a) Programme Management Office
 - b) Direct project support

Programme Management Office (PMO)

8. This team will work across the whole Improvement Programme portfolio of activities to provide the following services:
 - a. Controlled programme/project set-up**
 - Ensure that programmes and projects are set-up and initiated consistently and in a controlled manner to maximise the chance of successful delivery and allow for optimal resource deployment
 - Support the identification of future transformation and savings proposals to help facilitate decision-making
 - Identify, define and document objectives, success criteria, benefits, costs, timescales and resource requirements (in business cases and PIDs)
 - Support the development and sign-off of evidence based benefits realisation plans, in conjunction with Finance
 - Define work required and break this down into manageable elements to create project plans
 - Identify how the projects can be closed down and handed back to the service
 - b. Resource evaluation and assignment**
 - Assess all requests for support from the Improvement Team
 - Maintain an up to date list of all Improvement Programme projects, with start and end dates and the resource allocation
 - Inform the Corporate Director and programme managers when resources are becoming available to be re-allocated to other projects
 - c. Programme/project planning and control**
 - Create and maintain standards for planning, interdependencies, risks, issues, and change control and support projects to set up and maintain these throughout the life of the programme/project to increase the chance of success

- Take an active involvement where appropriate (resource dependent) and provide quality assurance and advice in other cases
 - Ensure that high governance projects are following reporting procedures and that associated benefits are on target to be achieved. Where benefits are off-target, the PMO will help to identify corrective solutions
 - Facilitate timely, structured close-downs of projects, working alongside project managers and services. The PMO will ensure that services are aware of any outstanding issues or risks after close-down and that there is an approach to realising benefits (post-project) and lessons learnt gathering and dissemination.
- d. Programme/project reviews and analysis**
- Monitor and review projects/programmes to ensure they are kept on track and are completed successfully to deliver defined benefits
 - Ensure that project reviews are built into plans at the beginning of the project. Reviews might also be necessary if projects begin experiencing obstacles
 - Provide independent challenge and support to programme/project reviews
 - Provide a ‘troubleshooting’ service, where ad-hoc support can be provided on a short-term basis to resolve issues and help to get projects back on target.
- e. Consistent standards**
- Provide standardised programme/project management methodologies, training, templates, processes and tools for council-wide use and knowledge transfer
 - Maintain a quality control, coordination and development role in the use of LEAN+ across the organisation
 - Lead on ensuring that lessons learnt are captured across projects and disseminated corporately for others to learn from.

Project Support Team

9. It is proposed that this will be a flexible resource pool of project managers and programme officers that are engaged in direct project support. They will:
- a. Provide the organisation with a flexible pool of resources that bring specialist skills and experiences to complement those of service based staff and that can be deployed quickly to provide time-limited, project based input where the need is greatest; and
 - b. Ensure a consistent and structured approach to setting up and managing projects and programmes that is based on national best practice and is applied proportionately to improve the likelihood of projects succeeding and contributing effectively to the delivery of Strategic Plan objectives.
10. The service offer will cover activities that relate directly to the **management** of projects, as well as a range of activities that are essential to the **delivery** of projects. The service offer is defined as follows:
- a. **Project Design Phase**
 - Definition of outcomes, deliverables and tasks required
 - Identification of risks, issues, constraints and interdependencies
 - Scheduling of activity and resource requirements
 - Bringing this together in the Project Initiation Document

- Generating and appraising ideas and options, including research of other authorities' experiences
 - Challenging established approaches and encouraging innovation and ambition
 - Data analysis and modelling; benefits definition
 - Assessing the suitability and planning for the use of LEAN+
 - Mapping and evaluating issues with the “current state” model
- b. **Project Delivery Phase**
- Identifying emerging risks and issues and ensuring they are managed effectively
 - Monitoring and updating project plans, ensuring that change is controlled effectively
 - Progress reporting against project plans and benefits realisation plans
 - Problem identification, resolution and escalation
 - Producing and implementing detailed proposals/service designs
 - Supporting service user and customer consultation activities
 - Workshop design and delivery (eg with staff or stakeholders)
 - Communications planning and production of materials
 - Stakeholder and supplier management and engagement
 - Providing support to achieve the behavioural/cultural changes that are needed to achieve project objectives
 - Designing the “future state” model
 - Developing and supporting the implementation of transition plans
- c. **Project Closure Phase**
- Preparing handover documentation
 - Planning and implementing a controlled transition to “business as usual”
 - Confirming and documenting outcomes and benefits
 - Capturing lessons learned to ensure these are applied elsewhere

11. It is proposed that the two programmes that are currently delivered on a “whole programme management” basis, ie Ways of Working and Support Services, will in future be supported from within this resource pool. In particular, the workplace change function that is currently part of the Ways of Working programme will be fully integrated with support to LEAN+ service reviews.

12. The resource pool will be organised initially into two teams. One team will support cross-cutting projects and programmes, such as Ways of Working, the Strategic Management Framework, Business Support Review and Channel Shift, whilst the other will provide support to service-based projects. The balance of resources between the teams will alternate as required.

Staffing levels

13. It is proposed that the core management of the Team is significantly reduced and comprises a Programme Manager to manage the Programme Management Office (PMO) and two generic Programme Managers, all of whom will report to the Corporate Director (Policy, Planning and Corporate Services). This is a reduction of two director posts and three Programme Manager posts.

14. It is further proposed that the overall Team be established at a level equivalent to a 30% reduction of staffing costs, based on the current costs of the whole Improvement Team.

15. There are a number of possible structural permutations resulting from such reductions, an example of which would be:

	Current		Proposed		Change	
	FTEs	Cost £000	FTEs	Cost £000	FTEs	Cost £000
Service/Programme Directors	2	220	0	0	-2	-220
Programme Managers	6	411	3	206	-3	-205
Project Managers	24	1,219	18	914	-6	-305
Programme Officers	19	820	16	691	-3	-129
Planner/Commercial Analysts	3	145	2	96	-1	-49
Business Support Assistants	3	76	4	102	+1	+26
TOTAL	57	2,891	43	2,009	-14	-882

16. This option provides a balance of resources between Project Manager and Programme Officer level that is broadly in proportion to the reported requirements of departments. However, it is proposed that the Corporate Director be authorised to adjust post types within the agreed budget envelope dependent on the needs of the business as the programme of work develops. It should be noted that the increase in business support resources is required to provide support at an appropriate level to LEAN+ activity.

17. In addition to the above posts, it is proposed that the interim Programme Manager that is currently working on Children's Social Care transformation be retained, with a view to transitioning the management arrangements for this programme to a directly employed member of staff at an appropriate time. This will be agreed following a full risk assessment of the impact on transformation programme in this area.

18. The funding for the Team is temporary. In order to provide the flexibility required it is proposed that, following the restructuring exercise, employees with continuing contracts should be issued with a fixed term contract to 31st March 2016. This will maximise the chances of retaining staff with highly transferable skills and reflect the fact that there will be an on-going need for transformation capacity within the Council for the foreseeable future.

19. The programme of work is currently referred to as the Improvement Programme and the staff working on it as the Improvement Programme Team. It is proposed that in future the programme is known as the Transformation Programme and the staff team as the Programme Management Team.

Other Options Considered

20. A number of other options have been considered, ranging from disestablishment of the central team to an increased team to meet identified demand. The preferred option, as set out in this report, is considered to offer the best fit with business need in the context of the on-going financial challenges faced by the Council.

Reason for Recommendation

21. The proposed structure provides an appropriate balance between the need to make cost reductions and the need to provide appropriate support to the Council's most complex

service transformation projects in the most cost-effective manner, reducing reliance on external consultants.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

23. Based on current predictions, the amount of funding previously earmarked for programme delivery remaining at the end of the current financial year will be £2.7m. At current staffing levels, this would be exhausted by the end of the financial year 2014/15. In addition, £2.5m remains for the Ways of Working revenue costs. The proposed reduction of 30% will realise savings of approximately £880k, which would contribute towards the cost of the Team during 2015/16. It is anticipated that the Improvement Programme reserve will be merged with the new Transformation Fund and that the balance of the funding requirement will be considered as part of the bidding process for the allocation of that Fund.

Human Resources Implications

24. These proposals will result in a reorganisation and reduction in the number of posts within the team with a consequent risk of redundancy. The process of reorganisation, redundancy and appointment to the revised temporary structure will be carried out in accordance with the Council's established policies. The proposals, implementation and implications arising out of this report will be subject to full consultation with staff and the recognised trade unions. Every effort will be explored to protect the employment of any displaced staff wherever possible.

RECOMMENDATION/S

25. That Policy Committee:

- a. approves the reduction of the current staffing cohort by 30%
- b. authorises the Corporate Director (Policy, Planning and Corporate Services) to determine the balance of posts within the structure, dependent upon the needs of the business as the programme develops
- c. continues to receive quarterly reports on the progress of high governance projects within the overall programme.

Councillor Joyce Bosnjak
Deputy Leader of the Council

For any enquiries about this report please contact:
Jayne Francis-Ward

Constitutional Comments [SLB 10/12/13]

26. Policy Committee is the appropriate body to consider the content of this report. It is responsible for the Council's Improvement Programme.

Financial Comments (SEM 19/12/13)

27. The financial implications are set out in the report.

Human Resources Comments (AW 20/12/13)

28. The HR implications are set out in the report. It is not normal practice to extend fixed term contracts beyond the agreed period of the available funding.

Background Papers and Published Documents

None

Electoral Division(s) and Member(s) Affected

All