

Overview and Scrutiny Committee Report

Ward(s) affected: All

Report of Managing Director and Head of Paid Service

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An update on the Implementation of Future Guildford

Executive Summary

This report provides the Overview and Scrutiny Committee with an update on the implementation of Future Guildford to date.

Future Guildford is a Council-wide approach to reorganise our whole organisation. It is informed through the work of Ignite (management consultants) and is based on investing in our IT infrastructure, increasing customer self-service, better focus on commissioning and commercial opportunities, addressing issues of duplication, implementing Ignite's model and restructuring and redesigning services to improve service delivery and be more efficient. The implementation of Future Guildford was agreed by Council at its meeting on 26 February 2019.

This report highlights the work that has been undertaken so far, including:

- The reorganisation of Corporate Management Team (CMT)
- Phase A consultation, transition and implementation – covering Legal, Finance, Facilities, ICT, Human Resources (HR), Communications, Performance and Programme Governance, Asset Management, Corporate Programmes (including major projects), Planning Policy, Democratic Services and Elections, Economic Development.
- The work of the Business Analysts
- The Enterprise Resource Planning (ERP) project – Integrated finance and HR system and other IT projects
- On-going work on the culture of the organisation
- The work on the 'Service Challenge' element of the project – this covers ideas that were presented by Service Leaders at the start of the process to achieve savings and efficiencies.

- The results of Phase A will be discussed, in terms of savings achieved, costs against the budget for the project and some reflection on the implementation so far.

The report also confirms the next steps for Phase B/C.

The project team and Ignite will also be providing a presentation to the Committee at its meeting.

The Committee is asked to provide its views on the implementation of Future Guildford to date and provide any comments in relation to the next phase of the project.

Is the report (or part of it) exempt from publication?

Yes, Appendices 1 and 6.

- (a) The content is to be treated as exempt from the Access to Information publication rules because they contain information described in paragraphs 1, 2, and 3, of Schedule 12A of the Local Government Act 1972: that is, information relating to an individual, information likely to reveal the identity of an individual, and information relating to the financial or business affairs of any particular person including the authority holding that information).
- (b) The content is restricted to all councillors.

1. Purpose of Report

- 1.1 This report sets out progress on the Future Guildford project to date. Information is provided on the review of Corporate Management Team (CMT), the roll-out of Phase A (consultation, transition and implementation), the project for implementing the new integrated finance and HR system, other IT projects, the work of the business analysts, the developing work on organisational culture, the on-going work on the service challenge element of the project, and confirming the level of expected savings so far and expenditure on the project to date.
- 1.2 We will also cover the work being undertaken for Phase B/C.
- 1.3 The Officer project team and Ignite will be in attendance at the meeting on 17 December 2019 to provide a presentation on all of these issues and answer any questions that arise at the meeting.

2. Strategic Priorities

- 2.1 Overall, the Future Guildford project will ensure that the themes, priorities and projects within our Corporate Plan 2018-2023, are met and delivered. We aim to improve our services, making it easier for the customer to access them, deliver the projects we have said we would, become more efficient, and address the financial challenges that we face.

- 2.2 A key element of the Future Guildford approach is the investment in and development of our information technology. This relates to our theme of 'Innovation' where we have stated that we will be "using innovation, technology and new ways of working to improve value for money and efficiency in Council services".

3. Background

- 3.1 As stated in previous reports on Future Guildford, approaches to identifying savings and efficiencies at this Council in the past have included service challenge sessions (where a senior manager presented savings proposals to the Chief Executive, Leader and Finance Director, known as 'Star Chamber sessions', Fundamental Service Reviews (FSR), general service redesigns and Lean Reviews (a management approach looking to improve processes to deliver value and reduce inefficiency)). These approaches delivered savings to the value of £10 million from 2013 - 2018. A Transformation programme called 'Channels for Change', based primarily on the FSR approach, had also been in existence since 2016. It was, however, concluded by the Managing Director that this approach would not deliver the level of improvements and savings needed by the Council at the pace required to balance our budget over the next 4 years. It was clear we required a different, more structured, comprehensive and Council-wide approach.

- 3.2 We commissioned Ignite to produce the Opportunities Assessment (not included as an Appendix because the original figures were then updated in the Blueprint) and the Blueprint (**Appendix 1**). Ignite also carried out a detailed review of our ICT systems and concluded that they were not fit for purpose now or for the future. This view was confirmed by our ICT Manager at the time. A review of our technology found that:

- customer self-service is a 'patchwork quilt' of separate solutions with 3-4 logins and 8-9 varying user interfaces
- there is no contact management software offering queue management and no master customer record providing a joined up view of the customer
- Customer Service Centre (CSC) staff have to refer to and directly enter cases into 14 separate systems, and they are not yet covering the full range of services
- there are 23 published telephone numbers for services
- out of 51 in-house systems identified, 30 relate to support services
- finance has 20 in-house data bases/systems with significant off-system working and have 13 suspense accounts requiring reconciling which requires significant manual effort
- Human Resources (HR) has a system but leave, sickness, time, performance and recruitment are all managed outside of that system.

- 3.3 Ignite also carried out a thorough review of our service activities and business processes across the organisation, with the help of staff within each service. They found that there was:

- too much duplication identifying that we have shadow service IT teams within services operating outside of the corporate ICT team
- several enforcement teams doing similar roles across the organisation
- different community facing teams spread out across the Council
- some teams still receiving direct calls from the public when we have an established CSC and several separate teams arranging events.

- 3.4 From this work with Ignite, we could see that whilst we did provide many excellent services in a number of areas, poor supporting systems and structures were making us inefficient. Another area to look at related to the provision of frontline services. We have outsourced areas of our service provision including Guildford Spectrum and the operation of The Electric Theatre and G Live. We also have a history of in-house teams providing the majority of our services in waste, street cleansing, community services and parks and countryside. Whilst these in-house services generally perform very well, Future Guildford provides the opportunity to review the provision of these services and explore options for different operating models (e.g. trading company or outsourcing).
- 3.5 Another key factor influencing the need for change on this scale was the financial situation. The General Fund Budget report, presented to the Joint Executive Advisory Board, in November 2018 and Executive in January 2019, identified that over the medium term period from 2019 to 2023 the Council is projecting a gap between income and expenditure of around £10 million. Sensitivity analysis has concluded that the range of the gap is between £6million and £13 million.
- 3.6 The Council no longer gets a general funding grant from the Government and the principal causes of the gap are:
- Reduction in the Council's settlement funding assessment and therefore net retained business rate income due to the government's fair funding review
 - Removal of business rate growth received since 2013 under the business rate retention scheme as a result of 'resetting' the business rates system as part of the Government's business rate reforms
 - Removal of nearly £2million of base budget funding from the new homes bonus and business rate retention levy due to future uncertainty surrounding the income streams
 - Increase in revenue debt servicing costs and interest charges arising from the Council's capital programme
- 3.7 We reported in the report to the Council, 26 February 2019, that the medium-term financial plan projects that £5 million of the gap will occur in 2020-21 principally due to the first 3 bullet points listed in paragraph 3.6. This means that the timescale for developing detailed proposals to address the shortfall is compressing and action needs to be taken now to ensure that the Council does not need to make any unplanned use of reserves to balance its budget or fund any unplanned over spends.

- 3.8 The Council's external auditors, Grant Thornton have audited the Council's medium-term budget projections as part of their annual value for money review. Their report is attached at **Appendix 2**.
- 3.9 A great deal of work was undertaken prior to seeking approval for the project at the Council meeting on 26 February 2019. This included:
- Ignite, with our Business Improvement Team, gathered information and data/benchmarking at service workshops, Service Leader sessions, and Service Challenge sessions with each Service Leader who had to present savings and efficiency ideas to the Leader or relevant Lead Councillor, Managing Director and relevant Director. All the information used to inform the figures and recommendations have been provided by our staff.
 - Councillor involvement was vitally important and included sessions with the Executive (27 November 2018), all Councillor workshop with Ignite (21 January 2019), Overview and Scrutiny Committee (6 February 2019 - all Councillors were invited), Executive (19 February 2019) and Full Council (26 February 2019).
- 3.10 The full Future Guildford report, supporting papers and minute for the 26 February 2019 Council meeting can be found on our Website. The Council resolved:
- (1) *That Option 1 be adopted, as described in the body of the report submitted to the Council – that is, that the Managing Director be authorised, in consultation with the Leader of the Council, to take all necessary steps to develop the Future Guildford Programme, developing the opportunities and approach described in the Future Operating Model Blueprint (the “Blueprint”, attached as the “Not for Publication” Appendix 7 to the report), in accordance with the accompanying timeframe, and undertaking appropriate consultation.*
 - (2) *That the implementation budget described in Section 9 of the report be approved, and that the implementation costs be financed from the specific earmarked reserves referred to in paragraph 9.6 of the report.*
 - (3) *That the Managing Director, in consultation with the Leader of the Council, be authorised:*
 - (a) *following appropriate consultation, to make a recommendation relating to the staffing structure and responsibilities of senior posts (that is, at Director level), to the Employment Committee; and*
 - (b) *to determine an appropriate recruitment strategy in consultation with the Employment Committee;*
 - (4) *That the Employment Committee be authorised to determine who is appointed to the available posts referred to in paragraph 3 (a) above on the advice of the Managing Director.*

- (5) *That the Overview and Scrutiny Committee be requested to monitor progress of each stage of the implementation of the Future Guildford programme.*

Reasons:

To improve the Council's services and customer care, modernise our services and systems, make us more efficient and deliver the savings required to address our financial challenges.

- 3.11 As part of Future Guildford we are implementing Ignite's model. The model seeks to simplify the way an organisation works through aligning the structure through customer management, case management and specialists (setting policy, strategy/planning, statutory adherence and high complexity processing). The model means moving as many of the Council's activities as possible to 'self-serve'. Systems are really important to make this happen and investment in the integrated finance/HR system, online forms and portals, systems to support casework and a Customer Relationship Management (CRM) system for a central customer record is a vital part of the transformation. We will go over the model again at the meeting but further information can be found in the original Council report, 26 February 2019.¹
- 3.12 From the very first communication on Future Guildford, the aims of the project have been made clear and this message has been and will be reported throughout Future Guildford. The aims are to:
- Improve our services and customer care
 - Future proof our organisation
 - Modernise our services and systems
 - Make us more efficient
 - Deliver savings required and address our financial challenges and budget gap
 - Create an environment where there are better development opportunities for staff
 - Develop our culture into one that collectively adapts and changes to address the various challenges and issues facing us.
- 3.13 The messages and project details have been communicated to staff from the very start of the process/project through regular emails, the Managing Director's blog, workshop and staff briefings from the Managing Director. The Managing Director attended team meetings, with the project team, throughout the organisation prior to formal consultation. A private webcast of the Managing Director's briefing to staff on 7 March 2019 to formally start the project after Council approval (26 February 2019) can be accessed by Councillors via the link referred to below.²

¹ <http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=159&MId=738&Ver=4>

² https://guildford.public-i.tv/core/portal/webcast_interactive/411756

4. Governance and project management

- 4.1 James Whiteman, Managing Director (MD), and the Leader of the Council, Councillor Caroline Reeves, are the joint project sponsors for Future Guildford. Prior to the election in May, it was (the then Leader of the Council) Councillor Paul Spooner as the Councillor lead.
- 4.2 The membership of the Project Board is:
- Councillors: Caroline Reeves, Jan Harwood, Fiona White, Joss Bigmore, Patrick Sheard, Gordon Jackson, Colin Cross.
 - Officers: James Whiteman (MD), Claire Morris (Director of Finance), members of the Business Improvement Team – Joan Poole, Emma Felgate, Jenny Lester.
 - Ignite: Dave Mullin and members of his team as required.
- 4.3 The slides for each of the project Boards since May 2019 are shown in **Appendix 3**.
- 4.4 The officer project team/Lead Officers:
- Joan Poole (Project Manager) – Chief Internal Auditor
 - Emma Felgate – Customer Services and Business Improvement Manager
 - Jenny Lester – HR Transformation Lead
 - Justine Curlis – Transformation Co-Ordinator
 - Mark Jasper – Principal Management Accountant
 - Emma McBriarty – Communications (Senior Policy Officer - Communications – from 9 December 2019)
 - Francesca Smith – HR (Senior Specialist – HR from 9 December 2019)
 - Claire Morris – Director of Finance (Resources Director from 9 December 2019)
 - James Whiteman – MD and Head of Paid Service
- 4.5 The Ignite Team/Integrated Finance and HR system project:
- Dave Mullin – Lead Officer
 - Peter Lip – Service Redesign
 - Charlotte Ellis – Functional Manager
 - Dugald McDougall – Strategy
 - Henry Branson – Technology
 - James Stainer – Design
 - Natasha Chadwick – Culture and Change
 - Chris Grainger – ERM project Lead (Finance and HR system)
- 4.6 Service Challenge projects – this group is chaired by Claire Morris and is made up of relevant Service Leaders who are reporting on the progress of each of their projects. Ignite also support this meeting. The list of Service Challenge projects will be discussed at the meeting.

- 4.7 Unison have been consulted throughout the project and the Managing Director and HR Manager meet with their representatives on a monthly basis and as required.
- 4.8 As agreed by Council on 26 February 2019, the Overview and Scrutiny Committee has a role in monitoring the progress of each stage of the project.
- 4.9 The Employment Committee has met twice in relation to the CMT restructure and the approval of policies on Salary Protection and Voluntary Compulsory Redundancy.
- 4.10 The Council has approved the relevant payments in relation to the restructures.

5. Progress to date

- 5.1 Ignite and our officer team have undertaken a huge amount of work to gather the correct information and have included relevant staff throughout this process. For Phase A, they have carried out the following tasks/work:

- 78 processes re-designed
- 18 workshops held (each workshop often has around 8/10 staff)
- 261 Knowledge based articles See note 1
- 44 Subject matter experts (attendees to workshops) See note 2
- 14 Process Owners (attendees to workshops) See note 3

Note 1 - Knowledge based articles form what will be a self-serve online library of information about a service, department, or topic. The articles have been produced by the subject matter experts, who are experienced in their particular areas and disciplines, assisted by the business analysts

Note 2 - A Subject Matter Expert is a person who has been identified as someone who understands and 'does' the process regularly. They are able to highlight opportunities to do things differently, but also highlight the implications of any changes we want to make. They attend the workshop and subsequent information gathering meetings

Note 3 - A Process Owner is the person who has the responsibility of signing off the proposed redesigned process. They are usually an expert or leader within the function, with some delegated authority to make decisions. They attend the workshop and subsequent information gathering meetings. Once processes are released, this person is responsible for ensuring that the new process is followed and continuously improved to meet the Council's customer standards and legislative requirements.

- 5.2 Ignite also provided a presentation to all councillors on 25 June 2019 to provide an update and brief new councillors on the project.
- 5.3 Business Analysts - at the very start of Future Guildford, it was made clear that the project was very much a Guildford approach, which would be based on our values of improving customer service, developing our staff and delivering efficient cost-effective services. Whilst we are adopting Ignite's model and using their resources and expertise as required, this is our Council project and the involvement of our staff/teams is crucial to its success. The main issues relating to this group of staff are:
- The business analyst's roles are a fundamental part of the project and are important in identifying and helping to deliver efficiencies and improved customer focussed services that are key drivers for Future Guildford. From the very beginning, we felt strongly that we needed our staff to play a leading part in working with teams to redesign their business processes, identify business efficiencies and be an integral part of the change agenda.
 - We invited applications from staff and recruited 8 people from a diverse range of services, including, housing, planning, finance, customer services, community care and business improvement. They all had different skills and levels of experience, but the key was their willingness to be part of the project, take on a different challenge and increase their knowledge and skills base.
 - They received an intensive training and then worked with individual services to carry out detailed analysis of service data including finances, performance, stakeholders, and customer engagement. All of these factors plus the supporting processes was used to inform any redesign and highlight opportunities for customer-focussed service improvement.
 - Engagement with staff is a key element of the work that they have carried out and the analysts have led or supported process review workshops with service representatives so that any redesign is based on accurate data.
 - The work of the business analysts and the service representatives has fed directly into the Future Guildford design and is based very much on the data supplied by staff in the Phase A teams
 - To date they have redesigned 78 business processes in Phase A and have co-ordinated or created supporting materials for each business process, such as outgoing customer documentation, web content, process stage procedures. They have identified and reviewed 261 knowledge based articles and training documentation to ensure there is consistency and a customer-centric approach. This work is on-going but 217 have already been written.
- 5.4 All of this work resulted in the development of a suggested structure for the Council. The first stage was to consider the number of directorates/Directors and then consultation and then implement that new structure.

Corporate Management Team (CMT) Restructure

- 5.5 CMT was the first area to be restructured. The MD produced a proposed restructure of CMT in May 2019. It was proposed that we reduce the number of Directors from four to three. The three Director roles proposed were:
- Strategy Director
 - Resources Director (and Section 151 Officer)
 - Service Delivery Director
- 5.6 This reduced structure reflects the more efficient alignment and distribution of services and the anticipated efficiencies from the improved technology. It will also deliver a saving of around £123,000 per annum.
- 5.7 Consultation started on 24 June 2019 and concluded on 24 July 2019. No alternative structures or proposals to meet the challenges were provided so the proposed structure was implemented. The Employment Committee (10 July) considered the relevant payments for redundancy to the Director not taking a post in the new structure, which were approved by full Council on 31 July 2019. The Employment Committee (20 September 2019) also made the appointments to the three new posts. Philip O'Dwyer decided not to apply for any of the posts and has chosen to take redundancy. The appointments made were:
- Strategy Director – Tracey Coleman
 - Resources Director – Claire Morris
 - Service Delivery Director – Peter O'Connell
- 5.8 The Council agreed on 8 October 2019 to the relevant voluntary compulsory redundancy payments in respect of two members of staff as the payments individually were in excess of £95,000.

Phase A consultation

- 5.9 Collective consultation for Phase A commenced with staff on 18 July 2019 and ran for 45 days. Unison were consulted prior to the commencement of this consultation. The MD met with all relevant staff in the Council Chamber in two sittings on 18 July 2019. At those sessions he presented the proposed structure for Phase A (Resources and Strategy Directorates). A video of the presentation can be viewed via the link below.³
- 5.10 Each member of staff was provided with a 'start of formal consultation' letter and a full consultation document (**Appendix 4**). This document sets out the following:
- The reasons, background and aims of the review

³ https://guildford.public-i.tv/core/portal/webcast_interactive/436267

Organisational Development (Strategy Directorate)

Asset Development (Strategy Directorate)

Democratic Services & Elections (Strategy Directorate)

Corporate Programmes (Strategy Directorate)

now be a centralised assurance function within Strategy

- Performance Officer increased from 1.7 FTE to 1.8 FTE.
- 1 FTE Organisational Development role will now be delivered in the Strategy Directorate, functionally reporting to the Strategy Director
- Surveyor activity increased from 3.6FTE to 3.8FTE.
- Climate Change Lead is now attached to Asset Management
- Asset & Property Manager L1-L5 activity increased from 5FTE to 7.8FTE.
- Re-allocation of 2.8 FTE from Surveyor L1/L2 to Asset & Property Manager
- 1 FTE Trainee Surveyor added to the Asset Management team
- 1 FTE Mayoral Chauffeur G2 added to the operating model
- Change of title to reflect Mayoral responsibilities within the Democratic Services officer's role.
- 1 FTE Elections Trainee added
- Creation of a Senior Programme Manager, using 1 FTE from the Programme Manager pool
- Creation of a Senior Project Engineer, using 1FTE from the engineer pool.

Resources Case Management (Resources Directorate)

HR (Resources Directorate)

- Separation of 2FTE caseworkers to create Reprographics roles from the original caseworker pool.
- 1FTE added to Specialist – HR (Business partner and payroll and Insurance), using 1FTE from the caseworker pool.

ICT (Resources Directorate)

- Specialist – ICT (Data & Application Management) increased from 6 FTE to 7 FTE
- Senior Specialist – ICT (Technical & Operations Management) regraded from grade 6/7 to 8/9.
- 1 FTE added to the Specialist – ICT (Technical & Operations) team.

5.13 The final structure for Phase A is shown in **Appendix 5**.

5.14 Recruitment has been ongoing since confirming the structure on 25 September 2019. We will show a structure with names and positions in the presentation at the meeting.

5.15 Through using the feedback from the consultation and using the information collated throughout the project we have been able to achieve the following results:

- 203 posts were included within Phase A and 4 in CMT
- 106 staff have been 'slotted' into the new structure
- 19 VCRs were authorised (**please see Appendix 6**)
- 4 staff resigned
- 9 vacant posts (taken out of the structure)
- 28 new posts created and vacant
- 28 appointments for ring fenced staff and staff whose role had been removed
- 9 compulsory redundancies

Transition – implementing Phase A

5.16 Ignite are working with our Phase A managers on the transition programme. The new structure and processes went live on 9 December 2019. The managers are attending weekly workshops and the teams are also being included in this work. Again, we will cover this area of work in the presentation.

New integrated Finance and HR system

5.17 There has been a significant amount of work in the last six months on our ICT infrastructure. We are introducing enterprise resource planning (ERP) software. This business process management software allows an organisation to use a system of integrated applications to manage the business and automate many back-office functions. This includes our Finance, Human Resources and Payroll

services which are currently stand alone systems. Work started in June and we are currently in the build phase and we are scheduled to go into test in January 2020.

5.18 We have already built and successfully implemented the automated recruitment module and this was used as part of the end of consultation for Phase A and resulted in significant efficiencies. We are on track to implement further significant elements of the software in the next few months. In spring 2020 we are looking to introduce the new Active Ledger module and begin a series of parallel runs on payroll. In a parallel changeover, the new system runs simultaneously with the old for a given period of time. It is common practice and minimises the risks if anything goes wrong at any point as the system can be reverted to its original state. Staff from Finance, HR and Payroll have been seconded to the ERP implementation and development team to work alongside specialist consultants. This not only provides knowledge transfer opportunities for staff but also ensures that the system meets our requirements. The involvement of staff working closely with specialists will mean that we will have an in-house skills base for the future.

5.19 We will begin looking at potential Customer Relationship Management (CRM) systems in January 2020. It is technology that manages interactions with customers. A CRM system helps organisations build customer relationships and streamline processes so they can improve customer service and efficiency. CRM tools can help us to identify, understand, and assist our customers. Some of the benefits of using a CRM are:

- efficiencies, particularly in data management
- better collaboration and communication across departments and teams
- greater accountability
- improved customer experience
- better reporting and analysis capabilities
- improved customer satisfaction
- increased understanding of our customers
- reduced costs associated with supporting and servicing customers
- increased efficiency
- oversight of all interactions during the full customer life cycle

5.20 We have also made good progress on the introduction of NET HELP DESK. This system includes automated workflows and a record of all actions carried out through the system. The software can escalate and manage ongoing problems, investigate the root cause of issues, and help achieve fast solutions. It will be the central repository of the knowledge base articles created by the business analyst team and creates an easily accessible information library available throughout the Council.

- 5.21 These integrated systems will give us a much more informed view of our customers, how they want to interact with us and how efficiently and effectively we respond to improve our customer service.
- 5.22 Work has started on the new website to facilitate and enable customers to self-serve. We are redesigning forms, increasing payment functionality and making the website user friendly and intuitive so the process is as efficient as possible. In addition, work has continued in the Customer Service Centre to make it the first point of contact and resolution for customers. We will of course maintain the ability to help those who need special assistance.

New Staff Intranet

- 5.23 The new intranet is the gateway to our internal services, it supports the new structure and ways of working that will be implemented following Phase A of Future Guildford. The slimmed down intranet provides access to news, policies, training, benefits and more. The search function enables staff to search all the intranet content, giving search suggestions, but it also searches the resources service desk, where staff will be able to find knowledge base articles to help them resolve simple questions, such as: how can I view my payslip? A video on this system and the ERP will be shown at the meeting.

Climate Emergency

- 5.24 This Council declared a Climate Emergency at its meeting on 23 July 2019. There is much to do and great expectations on this Council to deliver and lead. This has resulted in a need to look at our resources. Under Phase A, we have created a post, Head of Asset Management (Climate Change Lead). This post will provide the strategic lead on this agenda. Whilst posts in planning, waste and housing all cover climate change and sustainability as part of their roles, there is an emerging need to look at an additional post. Early work on one of the operational budgets in the next phase has identified some funding and this is now being progressed by officers.

6. Phase B/C

- 6.1 Whilst the purpose of this report is to look at the implementation of Phase A, we will also cover the next steps in the presentation at the meeting.
- 6.2 The MD, in responding to the feedback from staff and some councillors, has agreed to merge Phases B and C. We aim to begin the consultation period for Phase B/C no earlier than February 2020. Our aim is to move into transition for Phase B/C by November 2020, this will however depend on the final timeline for consultation.
- 6.3 The areas to be covered in Phase B/C cover:
- Customer Services

- Planning
- Housing and Community Care
- Environmental Health
- Licensing
- Revenues and Benefits
- Web Services
- Community and Care Services
- Operational Services (including Parking)
- Parks and Leisure
- Repairs and Maintenance
- Heritage and Culture

6.4 Whilst we will be implementing the model into the relevant areas, we will also be looking at alternative options for providing our front-line services. This will include looking at options such as stand-alone trading companies, Trusts, outsourcing or looking to achieve further efficiencies within the in-house services where possible.

7. Consultations

- 7.1 Formal consultation with staff and Unison took place, in accordance with our procedures and employment legislation, for the CMT review and Phase A. This will be repeated for each relevant stage of implementation as it is delivered.
- 7.2 There may be a requirement to consult with the public where there is a statutory need or requirement when redesigning some of the services. This will be taken into consideration as part of each service review during implementation.

8. Equality and Diversity Implications

- 8.1 The Screening Equality Impact Assessment is in the Council report 26 February 2019. At this stage, no further action is required but as each phase is developed, a further assessment will be carried out.

9. Financial Implications

- 9.1 The Blueprint set out at **Appendix 1** is a detailed business case set out over 114 pages. The summary on page 9 of the Appendix within the Blueprint sets out the savings envisaged by the Future Guildford project.
- 9.2 A summary of the savings stated in the Council report 26 February 2019 is set out below:

Weighted revenue savings (excluding existing MTFP items)					
Opportunity type	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
Future Model	£0	-£417,000	-£2,250,000	-£4,500,000	-£4,500,000
Non staff efficiency	-£321,134	-£857,257	-£1,209,011	-£1,859,011	-£1,869,011
Strategy based reduction	-£145,207	-£1,267,975	-£1,953,454	-£2,236,508	-£2,476,508
Commercialisation	-£288,675	-£650,100	-£865,575	-£1,108,265	-£1,273,690
TOTAL	-£755,016	-£3,192,332	-£6,278,040	-£9,703,784	-£10,119,209
Increased tech revenue		£337,500	£626,000	£626,000	£626,000
Grand Total	-£755,016	-£2,854,832	-£5,652,040	-£9,077,784	-£9,493,209

9.3 The costs estimates that the Director of Finance had reviewed in the Council report 26 February 2019 are summarised below.

Costs	Forecast costs					TOTAL
	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	
Technology (new)	£0	£462,500	£130,000	£0	£0	£592,500
Team - Ignite	£101,650	£1,011,600	£321,150	£36,000	£0	£1,470,400
Team - contractors	£155,960	£1,390,320	£1,930,620	£235,000	£0	£3,711,900
Teckal & Trust set up	£0	£430,000	£1,862,100	£0	£0	£2,292,100
Contingency	£25,000	£500,000	£640,000	£25,000	£0	£1,190,000
Redundancy	£0	£1,850,000	£2,250,000	£0	£0	£4,100,000
Grand Total	£282,610	£5,644,420	£7,133,870	£296,000	£0	£13,356,900

9.4 The project costs, to date, are as follows:

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9.5 The recruitment to vacant roles in the approved structure is now predominately externally focussed. The current working assumption, which reflects current employment market salary data, delivers an annualised saving of £1.28million once all the roles are filled.

10. Legal Implications

- 10.1 The Managing Director, as Head of Paid Service, has a statutory responsibility in relation to the organisation of the Council, its staff, their appointment and management, and the number and grades of those staff – alongside holding an overall responsibility for the coordination of the resources needed to do so. In particular, the Managing Director has a duty to prepare and report on proposals for such staff and resources, to full Council, and the Council has a duty to provide such staff, accommodation and other resources as the Managing Director considers sufficient necessary. This Local Government Act 1999 section 3, requires that continuous improvement is made in the way in which the Council's functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 10.3 The Blueprint envisaged a programme of procurement in relation to goods and services (for example, in the context of the Council's ICT provision). The procurement exercises are being run in accordance with the Council's Procurement Procedure Rules.

11. Human Resource Implications

- 11.1 As stated in the Council report, 26 February 2019, the Future Guildford Transformation Programme has introduced a completely new way of working for staff and is resulting in the restructuring of teams and services as well as the introduction of new roles, which are all subject to full consultation. The proposed changes to working practices are leading to the development of new skills and behaviours amongst the workforce as the organisation transforms through culture change. Development needs are being assessed and met by a variety of methods alongside the provision of a number of supporting change initiatives and workshops. These are being provided through the use of both internal and external resources, with the project team/Ignite working closely with the HR team to deliver these.
- 11.2 As stated in previous reports, it is likely to be the case that headcount reductions of approximately 14% will be generated as a result of the restructuring, with most of these being redundancy situations. In a redundancy situation, staff will require financial information and guidance on redeployment opportunities with a programme of outplacement support tailored to their individual need. The HR team are providing advice and managing these processes and using local government networks and employment agencies to assist with job searches. If the review leads to the development of a trading company or outsourcing of some of our services then this is likely to result in a large scale TUPE exercise as a number of services move into a commercial delivery model or new contractor. The TUPE process will require HR support prior to transfer and ongoing HR expertise in managing a post transfer workforce for which additional HR resource may be needed.
- 11.3 This is clearly a challenging and worrying time for our staff. Some staff have been affected by the changes and have presented a number of reactions to the change. Many have also expressed excitement and enthusiasm for the changes

and opportunities the project has presented. We are aware of all of these reactions and related needs and so staff are supported through a range of approaches:

- Unions – Unison have been closely consulted throughout the process
- Staff Forum – this involves representatives from all services across this Council. This was reintroduced as part of Future Guildford
- Human Resources – the team provides professional support
- Line managers
- CMT
- Workshops to help explain the model and new processes in more detail
- FAQs on the intranet
- Good internal communication – emails, intranet, blog,
- Staff meetings
- Resilience training sessions – to provide support and equip staff with the skills to work through change
- Access to the Employee Assistance Programme (EAP). This is a confidential, externally provided support line.

12. Conclusion

- 12.1 As stated in the previous reports, this Council faces a number of challenges. Our residents, businesses, customers and visitors have developing expectations about how they make use of our services and make contact with us. We can see from the work Ignite have carried out, and our own internal assessments, that our IT systems were in need of investment and development to address these requirements and expectations.
- 12.2 The financial challenges and related budget gap also required us to review the structure of our Council and our methods of working and models of service provision.
- 12.3 This is not an easy project. It involves making difficult decisions that affect job security for some of our staff and required changes to working practices and efficiencies for those who remain within the organisation. The main aim has been to review, restructure and reposition ourselves in an informed and structured way. We must avoid being in a position where the issues reach a point where they demand an unstructured and unplanned approach.
- 12.4 Clear communication, staff involvement, good leadership (officers and councillors), adherence to policies, consistency, genuine consultation, vision and support for staff are all important factors to this projects success. The use of VCR's to interested staff has allowed other staff who might have been at risk of redundancy to stay. The departure of staff and the creation of new roles has provided excellent development opportunities for many staff.
- 12.5 This is an ambitious and challenging project. Much has gone well but, as with any project, there are areas where we have learnt from the experience. These have been:

- Communications have been good and effective but you can never assume that every point is covered or that everyone is feeling informed. An example was that leading up to during consultation for Phase A, most of the attention was on that part of the Council. All of the Council had already been informed of timescales but it became clear that parts of Phase B and C felt they were not being kept updated on the whole project. We will ensure this is addressed moving forward.
- The consultation document is very large. Our intention was to provide as much information as we could to inform and reassure. Some staff found it hard to understand and work through. The drop-in sessions helped explain further but we are looking at how it can be simplified and clarified further for Phase B/C.
- Many staff reacted to this change differently. One of the aims of the project is to develop a culture to one that collectively adapts and changes to address the various challenges facing us. We are clear that we need to address this culturally at a very early stage in Phase B/C.
- It can be seen that some services have been moved to new directorates, existing teams disbanded, and some of the services are now in areas that may seem unusual. This has arisen from the need to stimulate change, 'unstick' long held structures that were not efficient, and implement more logical approaches to resource allocation. It is accepted, of course, that once we are operating with these arrangements, they may not be working as envisaged or require further attention. This has been a concern raised and we will ensure that this will be monitored closely.

12.6 There is no doubt that this is a challenging and brave project for this Council. It is, however, necessary with very strong and clear business reasons for this change. By implementing Future Guildford, the Council is providing reassurance to our residents that we are seeking to make our Council and services as efficient and effective as we can.

13. Background Papers

None

14. Appendices

- Appendix 1: Future Operating Model Blueprint (EXEMPT FROM PUBLICATION UNDER PART 1 SCHEDULE 12A PARAGRAPH 3 OF THE LOCAL GOVERNMENT ACT 1972)
- Appendix 2: Grant Thornton report, February 2019
- Appendix 3: Future Guildford Project Board slides (13 June 2019, 24 July 2019, 12 September 2019, 22 October 2019)
- Appendix 4: Consultation Document – Phase A
- Appendix 5: Final Structure – Phase A
- Appendix 6: Information on Voluntary Compulsory Redundancy (EXEMPT FROM PUBLICATION UNDER PART 1 SCHEDULE 12A PARAGRAPHS 1,2, AND 3 OF THE LOCAL GOVERNMENT ACT 1972)