



Report for:	Cabinet
Date of meeting:	22 June 2021
Part:	1
If Part II, reason:	

Title of report:	Transformation Programme – Phase 2 and beyond Business Case
Contact:	Andrew Williams, Portfolio Holder for Corporate and Contracted Services Sponsor - Claire Hamilton, Chief Executive Author/Responsible Officer – Linda Roberts, AD People, Performance and Innovation
Purpose of report:	1. To provide Cabinet with an update on the progress of Phase 1 of the council's Transformation Programme – Future Dacorum. 2. To set out the proposed Phase 2 and beyond of the Transformation Programme.
Recommendations	1. That Cabinet note: (a) The context and the background to the need for the Transformation Programme in sections 1 and 2 (b) The achievements delivered in Phase 1 in section 3 (c) The planned activities for Phase 2 and beyond in section 3 2. That Cabinet recommend to Council the following supplementary budget amendments to fund the recommendations in this report: (a) A draw down of £361k from the Management of Change reserve to fund the General Fund elements of the programme. (b) A reduction of £305k in the HRA contribution to capital to fund the HRA elements of the programme.
Period for post policy/project review	It is proposed that the service reviews are an annual cycle going forward and therefore the outcomes will be reviewed annually. The effectiveness of the Leadership work-stream and any revised organisation structures will form part of the annual update to the People and OD strategy. The effectiveness of any ICT changes will form part of the annual update to the IT and Data Strategy.

Corporate objectives:	The Transformation Programme is essential to the delivery of the “Ensuring efficient, effective and modern service delivery” corporate objective. The resultant change will assist the services in the delivery of the other Corporate Priorities.
Implications: 'Value for money' implications	<u>Financial</u> The Transformation Programme is required to equip officers with skills and tools to be able to improve service delivery. In addition to being able to focus on improvement of overall service delivery these skills will enable the services to be more efficient and effective as well as identify potential new sources of income. The programme is being funded from reserves. <u>Value for money</u> The programme is being undertaken at market rates for this nature of professional services support as well as the utilising our own support services team.
Risk implications	In order to minimise any risks of necessary change that will be introduced to services, the council has chosen to create an overall Programme to oversee the governance and delivery of the transformation. The Transformation Programme reports to the Transformation Board and each work-stream reports fortnightly and there is a RAID log to ensure that we have an overall view of any risks and issues and are able to intervene where necessary.
Community Impact Assessment	A Community Impact assessment for the Transformation Programme has not been undertaken as this is primarily a programme of change to equip officers to improve service delivery. Any subsequent projects that do have direct impact on the community will provide suitable assessments.
Health and safety Implications	No implications from this report.
Monitoring Officer/ S.151 Officer Comments	The programme will involve the appointment of various consultants to assist with the programme and therefore it will be important to ensure that each appointment complies with the Council's procurement and commissioning rules and ensure that appropriate terms and conditions are agreed with each consultant prior to commencement of work. The total cost for this programme of works is £865k of which £665k is required to fund Phase 2 and beyond. The General Fund element of £365k can be drawn down from the Management of Change Reserve, which will reduce the remaining balance to c340k for future projects. The HRA element of £305k will be funded through a reduction in the contribution to capital. This will not have a material impact on the capital programme.

Consultees:	Corporate Leadership Team
Background papers:	Appendix A Future Dacorum Transformation Budget Appendix B Future Dacorum Transformation Programme Deliverables
Glossary of acronyms and any other abbreviations used in this report:	

1. Context for the Dacorum Transformation Programme – Future Dacorum

- 1.1. Local Government is facing yet more challenge as it moves from the Covid response stage to the pressing task of supporting long-term economic and social recovery. The past year has seen significant pressure placed on local government officers and resources and Dacorum is no different to other authorities.
- 1.2. At Dacorum, we have committed £7.5m of our reserves to the Covid recovery fund and many staff have been working under significant pressure for a prolonged period of time. We are faced with increased service costs and significant reductions in forecast income.
- 1.3. During the pandemic we have seen an increase in the complexity of issues within our communities and we also know that some of the impacts of Covid are yet to be felt and there is still far more to do to support our residents and businesses through these difficult times. We have developed strong partnerships and working arrangements which we need to continue to maintain in order to jointly respond to the challenges of a post Covid world and the way we work and deliver services has changed for good.
- 1.4. As we come out of the pandemic, we need to look forward as a Council, anticipate the future challenges and co-design solutions with the full engagement with our communities across our places. This means that we need to consider the resources that we have and how they are best applied to provide capacity where it is needed to meet community need and deliver our Corporate Plan.
- 1.5. The pandemic has had a marked effect on Dacorum’s businesses and residents. The number of workers on furlough is higher than the UK average, 124 per 1,000 compared to England 111 per 100,000 this is taken from latest published ONS

data. The long-term effects of furlough are still uncertain until the autumn but may well lead to higher unemployment in the Borough.

- 1.6. Significant numbers of people in Dacorum have started to work from home and the effects of home working are especially felt in the district's town centres, where many businesses are reliant on workers to use their services. Footfall in Dacorum's town centres between January and March 2021 was down between 45% - 65%, forcing many businesses to close. This is from data provided by Google Mobility. We are still analysing the number of businesses who have been able to reopen but it is clear that some have not been able to sustain the challenges of the lockdown period. A number of key retailers are closing stores in Dacorum and we also know that landowners are seeking to diversify their portfolios so that they are less reliant on retail uses alone.
- 1.7. Dacorum also has an overreliance on the sectors most affected by Covid which are retail and hospitality (reflected in the high numbers of furlough), and this will make recovery a further challenge. The Council is putting together a Recovery Plan with partners to identify priority areas for immediate actions but also for longer term sustainability.
- 1.8. We anticipate that much urgent work will be needed and many local public and private services will need to change course again. We must provide the local leadership needed to convene local public services, businesses, universities and third sectors for a unified local effort. Our Economic Recovery Board is at the heart of this engagement. Local partnerships have been refreshed and strengthened during the crisis and the expectations of local leaders is high. We need to develop these local alliances further, to plan collectively for long-term recovery in our places, to optimise the work of multiple national programmes and to help build the stability needed for private sector investment.
- 1.9. In January 2021, KPMG published a report setting out how COVID-19 will transform England's town and city centres. The report looked at the impact of the pandemic on towns and cities in England, and considered what needs to change, if they are to continue to be vibrant places to live, work and visit. In the report Hemel Town Centre has been identified as one of the UK's town centres which will be most affected by the downturn in retail activity post Covid. It is clear that there is a pressing need to ensure that the town centre provides a better and more balanced offer for the community, visitors and investors alike. The development of a new Hemel Place Strategy and the establishment of a Hemel Place Board is the start of that process and we need to create the right environment for future investment in Hemel and all parts of Dacorum.
- 1.10. We have also seen increased statutory requirements placed on the Council in relation to the Prevent Duty, Domestic Abuse and Safeguarding and we are expecting increases in homelessness presentations, now that the moratorium on evictions has ended. Re-alignment of our resources to meet statutory obligations will be essential.

- 1.11. As part of the Phase 1 Transformation Programme we have introduced a new approach to service planning across the Council which is service-led, with a focus on cross cutting solutions and innovation. This will then be supported by the Medium Term Financial Strategy (MTFS). Our financial challenges remain acute, so it is ever more important that we carefully consider where our finite resources need to be directed in order to deliver the best outcomes for our communities.
- 1.12. Our recently introduced internal Corporate Governance Framework will help to ensure the effective delivery of the Corporate Plan commitments and a new performance system and performance indicator review will help us to make sure we are measuring the things that matter most to our residents and businesses.
- 1.13. We also need to ensure that communications and engagement, both internally and with our communities, are front and centre stage of all we do. Our new Communications Strategy for 2021 and beyond will underpin our approach to this crucial area and will ensure that we are using all possible platforms to undertake meaningful engagement with our communities.
- 1.14. The transformation programme will ensure that we continue to transform the way the Council operates and consider how we use technology and digital solutions to the best effect for the benefit of customers and the Council. This approach will be embedded in a new Digital Strategy. We will also be placing our people resources at the heart of what we do and our new People Strategy will support us to do this.
- 1.15. In addition, and in line with many other Councils, Dacorum has declared a climate and ecological emergency and has made a commitment to tackling Climate Change and to being Carbon neutral in many areas of our business by 2030. This simply will not happen without targeted resources and serious effort across all parts of the Council.

2. Background to the Transformation Programme – Future Dacorum

- 2.1. In order to achieve these ambitions, and deal with the challenges as set out in Section 1 of this report, we need to ensure that we have the capacity within the Council in the right places. This requires Dacorum to be agile, appropriately structured, have robust leadership and a culture that is committed to delivering excellent public services with customers and communities at the heart of what we do.
- 2.2. To ensure the most efficient and effective delivery of these improvements we have created a Council-wide Transformation Programme – Future Dacorum.
- 2.3. The programme has been divided into a number of phases. Phase 1 started in December 2020 through to the end of March 2021. Phase 2 activities are planned to take place between April 2021 and the end of August 2021. Phase 3 activities

are being planned to take place between September 2021 and the end of March 2022.

3. Transformation Programme – Phase 1 Achievements

- 3.1. The programme has been divided into 7 interconnected and interdependent work-streams and Phase 1 of the programme, which was approved by Cabinet on 15 December 2020, has taken place from the end of last year to the end of March 2021. Descriptions of the work-streams are as follows:

Work-stream	Outcome
Operational Efficiency	Our leadership layer is more efficiently designed to meet the new challenges of a post-COVID world
Leadership Development	Senior managers have the confidence and courage they need to lead
IT and Data Strategy and Management	Technology frees our people from transactional work so they can focus on more complex issues. Data better informs our decision-making
Great Places to Work	A wide range of working practices better suit the varied needs and preferences of residents, businesses, partners and staff
Improving Services	The Council's cross-cutting priority outcomes are delivered collectively
Effective Project Management	A sharpened capability to identify, prioritise and deliver projects
Refresh Corporate Governance	A series of Boards, empowered to deliver the objectives set out in the Corporate Plan

- 3.2. Phase 1 started in December 2020 and included a lot of preparatory work in securing the skilled advisors that we required to establish and develop the work-streams. The achievements in Phase 1 to meet the work-stream objectives are as follows:

Operational Efficiency – Senior Leadership Review

- EELGA (East of England Local Government Association) has been commissioned as advisory partner.

Operational Efficiency – Communications Strategy

- secNewgate has been commissioned as a suitable partner to develop a new Communications Strategy for DBC.

Leadership Development

- Vital Minds has been commissioned as Leadership Development partner and the HR Team is working with them to develop the next stages of the Leadership Programme.

- 1-2-1 coaching for all the Corporate Leadership Team (top 25 managers) is underway plus additional front line officers, who are under particular strain as a result of the impact of Covid on their services.

IT and Data Strategy and Management

- We have been working with Differentis, building on previous engagements, to develop our preferred approach to the development of a new IT and Data Strategy.

Great Places to Work and New Ways of Working

- Girdiefski Consulting Ltd has been commissioned as advisory partner for this work-stream.
- Questionnaires have been sent to all office-based staff for their views on new ways of working when lockdown restrictions are lifted. Over 390 responses have been received which is an excellent result, as approximately 425 staff are based out of The Forum, this represents a 94% return.
- Team Leaders have provided structured information so that we can further understand ways of working within teams and their requirements going forward to ensure excellent service delivery to our customers.

Improving Services – Service Planning and Service Reviews

- Ameo Group has been commissioned as advisory partner.
- A new approach to Service Planning is underway across the Council – new service plan proposals will dovetail into the budget planning process.
- The Service Review process commenced with a focus on Housing Services.
- Pecme Ltd has been commissioned to undertake this review with the Housing Team. The lead consultant is Paul Langford who has many years' experience in this sector.

Effective Project Management

- Differentis has been commissioned as advisory partner.
- Revised Project Management Templates have been developed and published for use across the organisation.
- A draft approach to Project Management has been developed and published.
- A register containing all of the projects presently in the pipeline or underway across the organisation is now in place.

Corporate Governance Refresh

- Differentis has been commissioned as advisory partner.
- They have developed, promoted and published a set of Terms of Reference for the range of internal Corporate Boards and inaugural meetings are now underway.

4. Next steps – Transformation Programme Phase 2 and beyond

- 4.1. Phase 2 of the Transformation Programme will build on and consolidate the achievements of Phase 1. Activities proposed for each of the work-streams are as follows:

Operational Efficiency – Leadership Review

- 4.2. In order to drive through the improvements in the leadership and direction of the Council, as well as taking into account best practice in other Local Authorities, EELGA is conducting a Leadership Review of DBC with the CEO. This will ensure that the leadership structure aligns more closely with the Council's future ambitions and plans.
- 4.3. It is considered that there is some work to do to re-balance the organisation so that Leadership resources are best applied to provide capacity where it is needed to meet community need and expectations and deliver our Corporate Plan.
- 4.4. During Phase 3, the Senior Leadership Team (Tiers 1 and 2) will work with EELGA to review the next management level (Tier 3) and its alignment with the revised leadership structure and Corporate Plan priorities.
- 4.5. Following the Tier 3 review, during Phase 3, the Tier 4 management level will be reviewed.

Operational Efficiency – Communications Audit and Strategy

- 4.6. We have identified a skilled partner, secNewgate, to work with our internal comms team to look at ways to improve the Council's communication with

residents and stakeholders. This work will seek to bring the priorities in the corporate plan to life and to communicate the Council's plans for recovery post-Covid and our emerging Place Strategies.

- 4.7. This will be achieved through a strategic overview of the Council's communications and will include an audit of the current strategy and plan, the development of a revised strategy and an action plan along with a timetable for implementation.

Operational Efficiency – People and OD Strategy

- 4.8. The Council's People Strategy, and associated HR delivery programme, requires a review for 2021. This work will focus on making sure we have the right people, with the right skills working for the Council. This work will also ensure that our culture creates an environment where people are supported to succeed to help us deliver the Council's objectives over the coming years.

Leadership

- 4.9. To lead DBC in a post-Covid world and deliver on the corporate priorities DBC requires a leadership group that understands each other implicitly, takes ownership of the organisation's purpose and is, and feels, aligned.
- 4.10. Covid has forced us into new ways of working and delivering services. This post-COVID world provides a great opportunity to look at how we want to work together, maintain beneficial working practices as well as engage the staff in the way ahead.
- 4.11. At the end of the programme we will have skilled leaders able to engage with their teams, facilitate their growth and development using a range of interventions in the form of a sustainable tool kit.
- 4.12. During Phase 1 of the transformation programme, we identified the need for each of the members of the Corporate Leadership Team, plus some key front line operatives to receive up to 6 sessions of formal professional coaching to help them understand the impact of Covid on them as individuals, as well as their teams, and to provide them with support. The coaching would enable them to think of their future development and what can be learned from this challenging period of time.
- 4.13. The next phase within the Leadership work-stream will deliver psychometric testing and focused workshops to build and develop the Council's Leadership teams. This phase will take some time to complete. It will be coordinated so it aligns with the Leadership Review to ensure that we have suitably skilled leaders in our refreshed structure.

- 4.14. In order to align the leadership and development work with the review of the Council's Leadership structure we plan to commence the next phase of the Leadership Programme when the new structure is in place. This will provide an excellent platform to build new teams and refresh existing teams. This means that this work will occur during Phase 3 (September 2021 onwards).
- 4.15. Working with the teams throughout this process, our partners will also develop a Management Enabler toolkit which will support our leaders to use in "real time" with their larger teams in the organisation. They will also conduct workshops as a piece of staff engagement to reflect what employees want to see from their leaders.
- 4.16. The HR team will work with the Corporate Leadership Team to assess what we can do to support the leadership skills of their Team Leaders within their services.

IT and Data Strategy and Management

- 4.17. The objective of the IT and Data work-stream is to use technology to free DBC people from transactional work, so that they can focus on more complex issues, and to use the data held to better inform DBC decision making.
- 4.18. During Phase 2 we will commission Differentis to partner on the development of this new IT and Data Strategy. Differentis has worked with DBC before and they already have a good appreciation of the technological opportunities that could be deployed by the Council.
- 4.19. This work will deliver both the new IT and Data Strategy along with an IT and Data Business Case containing options, costs and recommendations for the most effective way to implement the strategy.
- 4.20. The team will also design and embed a Technical Design Authority to assure the technology choices and decisions made by the organisation.
- 4.21. The team will also provide the technical support to the Great Places to Work work-stream to support the new ways of working.
- 4.22. During Phase 2, the team will also identify tactical projects to deliver early process improvement and service benefits.
- 4.23. During Phase 3 the team will plan to deliver pathfinder projects in line with strategy principles as well as deliver mobile technology to support field-based remote workers.

- 4.24. The team would also, during Phase 3, seek to implement changes to the IT Organisation to improve capability and governance building on the implementation of a Technical Design Authority and the introduction of IT Business Partners to liaise between the service teams and ICT.

Great Places to Work and New Ways of Working

- 4.25. During Phase 2, the team will analyse the feedback from both questionnaires and the workshops with teams to gain further understanding and commitment to new ways of working within DBC. A new operating model will then be developed to cover the range of ways in which people will work in the future. Some reconfiguration of The Forum may be needed to facilitate collaborative working and provide creative working spaces for teams.
- 4.26. DBC officers will also seek to procure appropriate property support to enhance proposals for further partner occupation of the Forum.
- 4.27. During Phase 3, the team will engage with staff working at the Cupid Green Depot with a view to refreshing their working spaces as necessary.

Improving Services – Service Planning

- 4.28. The new Service Plans will be completed across all services during Phase 2 to ensure that they dovetail into the budget planning process. This process is well underway but there is considerable work needed to pull all of this together into a coherent set of plans for the Council. During the process some cross-service opportunities have been identified which will benefit from further discussion so a set of themed workshops will be run such as Automation, Customer Information etc.

Improving Services – Service Reviews

- 4.29. There are a number of legislative and policy changes at a national level that are currently being implemented within the Housing sector and service. This coupled with a changing environment around service delivery accelerated by the need to respond to the Covid pandemic, has resulted in most Housing organisations across the country reviewing their Housing Services comprehensively. DBC wants to ensure that our model for service delivery and culture moving forward is focused on ensuring the best outcome for our residents and that the resident voice is always heard and responded to with empathy and respect .
- 4.30. Key legislative changes include a new Charter for Social Housing Residents, which sets out actions Government will take to ensure social housing residents are safe, are listened to, live in good quality homes, and have

access to redress when things go wrong. To support and compliment the White Paper the Government have also introduced a new Housing Building Safety Bill, focused on the fabric and management of homes and has also strengthened and extended the powers of the Social Housing Regulator and Housing Ombudsman .

- 4.31. An experienced housing professional, is now leading an in-depth service review of Housing Services. This was commissioned at the beginning of Phase 2 and is being funded by the HRA and partly by the General Fund.
- 4.32. This review will cover a range of areas within housing including:
 - Review and steer development of an informed Asset Management Strategy that can support the maintenance of safe, good quality homes and better inform the overarching HRA Business Plan.
 - Work with the Housing Development Team to review the current strategy for delivering social and intermediate housing supply.
- 4.33. During Phase 2, a review of Commercial Assets and Property Development team is to be scoped, which will be the next service to be reviewed. Following this review in Phase 3 we will plan to refresh the Council's commercial strategy.
- 4.34. A programme of service reviews will be in place to ensure that the Council's services reflect both community/stakeholder need and also good practice.
- 4.35. During Phase 3, and following the start of the new AD Neighbourhood Delivery, we would expect the next service review to be Waste Services.
- 4.36. In addition during Phase 2 we are planning to procure a "root and branch" review of our approach to Customer Services.
- 4.37. We are also planning to procure an advisory partner to enable us to adopt a completely new best practice approach to Customer Complaints, Freedom of Information (FOI) enquiries and MP enquiries. This will involve delivering a new process along with behavioural change work and will also involve the procurement of a new IT system to support the process

Effective Project Management

- 4.38. During Phase 2 the work-stream will develop and implement a range of dashboards to be used to monitor and control projects and performance against KPIs.
- 4.39. The team will gain approval for the new approach to Project Management and embed this across the organisation. In addition they will embed the concept and practice of effective project sponsorship with senior managers in DBC.

- 4.40. The team will complete the data migration from the old KPI system, Rocket, to the new tool InPhase which will improve performance reporting.

Establishing a Corporate Project Management Office (PMO)

- 4.41. In order to consolidate the work done in relation to Service Planning, improvements in performance reporting and internal corporate governance arrangements, there is a need to build a function which will continue to drive and oversee these new ways of working. It is therefore proposed that this is achieved by building a new Corporate PMO function.
- 4.42. PMOs function as a communication bridge between strategy planning and strategy execution. They bring together processes, methods, knowledge and people throughout the organisation and deliver continuous improvement and monitoring activities to ensure that the various elements of the Council's services and project portfolio are properly coordinated and consistently delivered.
- 4.43. They are trusted sources of information and act as an independent, objective and unbiased entity. PMOs provide visibility and transparency to Leadership Teams, thus enabling confidence in delivery and informed decision making to take place. This new function will also ensure that the Council's objectives are translated into clear deliverables for residents and businesses.
- 4.44. It is considered that the best approach to quickly create an effective Corporate PMO is to recruit a Local Authority experienced contractor to setup up the PMO, develop the associated reporting across the Council, and take on the leadership of the Performance Team. This contractor will also recruit a full-time replacement at the end of the contract, in line with the Tier 3 leadership structure proposals which are being developed.
- 4.45. In addition, the Corporate PMO Lead will lead a full KPI review following the completion and approval of the Council's new service plans. This will significantly improve the quality of performance reporting across the Council.

Corporate Governance Refresh

- 4.46. During Phase 2, the team will assure the embedding of the Boards operation and performance through follow ups with the Chairs to make sure that things are working as we would like.

- 4.47. In addition the team will support Boards in their use of project and KPI performance dashboards and ensure that the Boards have access to the relevant data and information on which to base their recommendations.

5. Recommendations

- 5.1. This paper has outlined the aims for the Transformation Programme and its constituent work-streams.
- 5.2. Appendix A is a summary table of all the activities over the three phases (from April 2020 through to the end of March 2022).
- 5.3. Appendix B shows a summary of all costs.
- 5.4. **It is recommended that Cabinet release £361k from the Management of Change reserve** to enable this transformation programme to continue. In addition the HRA is required to contribute £304k. This work will enable us to deliver the necessary change within the organisation so that the capacity of Council's resources are in the right places and that the Council operates as efficiently and effectively as possible to deliver excellent services to our residents, businesses and communities.