



# Northumberland

## County Council

CABINET

17 JANUARY 2023

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### STRATEGIC CHANGE PROGRAMME – STRATEGIC BUSINESS CASE

**Report of Cabinet Member:** Glen Sanderson, Leader of the Council

**Executive Director:** Jan Willis, Executive Director of Finance (S151)

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#### **Purpose of report**

1. To present to Cabinet the Strategic Business Case which sets out opportunities for service improvement, the proposed programme of work and potential financial benefit.
2. To present the objectives of service transformation set out in the Business Case, the timescales, and anticipated benefits (financial and non-financial)

#### **Background**

Since Phase 1 of the strategic change programme began in July 2022, key discovery and opportunity assessment activities have been undertaken, including data and information collection and analysis, multiple engagement workshops with key stakeholders and service experts. The draft Business Case was also subject to review by key internal stakeholders through multiple validation sessions. The result of the Phase 1 Discovery work is the Strategic Change Business Case which sets out a proposed programme of improvement projects that will deliver sustainable savings and service improvements across the Council. The Business Case has been developed with the support of consultancy business partners; Human Engine and Peopletoo, with input from the Programme Political Member Sponsor, Executive Sponsor, Programme Lead and delegated workstream leads (service subject matter experts).

#### **Executive Summary**

Local Government is facing an unprecedented series of challenges over a sustained period. Against this background of severe financial constraint, customer demands are increasing and advances in technology have led customers to expect that their local Council will interact with them in very different ways. In addition, the Council faces increasing pressure on services from an ageing population.

The strategic change programme has set out to redesign the way the Council delivers local public services within the context of the ongoing challenges. The Council can no longer afford to do all the things it does in the way it currently does them. The aim of the programme is to transform public services so that they are delivered in a more cost-effective and

sustainable way. This includes how we deliver our services to customers, the way the Council is run, and how we utilise our resources, technology, assets, and people.

This business case sets out a package of step changes that will deliver significant financial savings, while making the Council more modern, efficient, and fit for purpose. This is not about cutting services, but about transforming the way services are delivered and how the Council operates to achieve the best outcomes for our customers and residents.

The business case has set defined seven workstreams as follows:

- Best Services to Customers
- Best Value for Money
- Best in Class Commissioning
- Best Use of Resources
- Best use of Assets
- Best Use of Technology
- Best Talent and Opportunities

The Programme and the business case will support the Council to deliver its three priorities of economic growth, addressing inequalities, and value for money.

If the business case is approved, a further report will be brought to Cabinet outlining the authority's approach to the management of change and the proposed governance arrangements for the programme.

## **Next Steps**

The Mobilisation Plan for the Programme was approved by the Strategic Change Programme Board on 14<sup>th</sup> December, which includes the Leader and Deputy Leader. The purpose of the Mobilisation Plan is to provide an understanding of the key steps that are required to initiate and commence the delivery of the programme and workstream projects specified in the Strategic Business Case. Next steps are identified as:

1. **Mobilisation Pre-work** - Completion of all Pre-work set out in the Mobilisation Plan (Timescale: January to March 2023)
2. **Programme Governance** - Review of the Programme governance arrangements. The Strategic Change Programme Board will be asked to consider and governance arrangements, which will then be presented to Cabinet for approval (Timescale: January to March 2023)
3. **Project Planning** – High level implementation plans for workstream projects have been created to support an understanding of resource requirements and dependencies across workstream projects. More detailed project implementation plans will be developed over the coming months if the Business Case is approved by Cabinet (Timescale: January – April 2023)
4. **Resource Planning** – The resource requirements for the Programme and workstream projects are currently being assessed. This assessment includes the identification of NCC staffing resources needed for the design and delivery of projects, as well as the identification of any specialist resources that may be required. The resulting output for this exercise is the Programme Resource Plan.

The Resource Plan is scheduled for presentation to Strategic Change Programme Board on 27<sup>th</sup> January 2023 and will set out key options and recommendations for resourcing the design, delivery and implementation of workstream projects. A report outlining these key options and recommendations will then be brought to Cabinet.

### **Recommendations**

1. That Cabinet approve the Strategic Change Business Case.
2. That Cabinet approve the mobilisation of the Programme in line with the implementation timescales set out in the Strategic Business Case i.e., February 2023 – March 2025.

### **Links to Corporate Plan**

This report is relevant to “Value for Money”, “Enabling Growth” and “Tackling Inequalities” priorities included in the NCC Corporate Plan 2018-2021. The Strategic Change Programme also supports the implementation and embedding of the Caller Programme Work Packages i.e., Corporate Plan, Enhanced Performance framework, Best Value Council, Data and BI Strategy and Council Values.

### **Implications**

<b>Policy</b>	N/A
<b>Finance and value for money</b>	<p><b>Savings</b></p> <p>Collectively, the Business Case sets out a programme of change estimated to achieve Council wide savings of more than £20m (Low: £17.9m and High: £38.5m). Savings will be incrementally achieved over the next 3 years as and when change projects are delivered.</p> <p><b>Investment</b></p> <p>The Council agreed at its budget meeting in February 2022 to set aside £3 million per annum for the years 2022-23 to 2024-25 in order to pump prime and facilitate the transformation of its services. Money from the Transformation Fund will in the main, only be allocated to projects on an invest to save basis. There may be circumstances where a return on the investment is not required but this will be the exception rather than the norm.</p> <p>The Strategic Change Programme Board has been established to oversee the Strategic Change Programme and it is the Strategic Change Programme Board that will make the final decision regarding investment from the Transformation Fund. Cashable Savings Benefits achieved following project delivery and Transformation Budget Spend will be continuously monitored and reported to the Board throughout the lifecycle of the Programme</p>

<b>Legal</b>	<p>Within the design stages of workstream projects, regular assessment of any legal requirements / legal constraints will be identified and advice taken where necessary. When needed, legal issues will be escalated to Programme Board and / Executive Team for strategic advisory and decision.</p>
<b>Procurement</b>	<p>Within the Strategic Change Business Case ‘Best In Class Commissioning’ is identified as a specific Workstream with key projects identified to support improvement to the Council Commissioning Framework, Category Management approach and management of Council contracts. The increased use of local businesses in Northumberland and the north-east region will remain a key priority for this workstream.</p> <p>It will be necessary to tender for a delivery business partner to provide specialist support and advisory for the delivery of key workstream projects.</p>
<b>Human Resources</b>	<p>Within the Strategic Change Business Case ‘Best Talent and Opportunities’ and ‘Best Use of Resources’ are identified as a specific Workstreams with deliverable improvement projects.</p> <p>The Strategic Change Programme requires specialist HR resource to deliver projects which impact on staff. The Programme Team will be supported by HR Specialists and an OD Lead Officer.</p>
<b>Property</b>	<p>Within the Strategic Change Business Case ‘Best Use of Assets’ is identified as a specific Workstream with key projects identified for the Programme which will support a strategic review of the corporate estate and improvements to how the Council uses and manages properties within the corporate estate portfolio.</p>
<p><b>Equalities</b> (Impact Assessment attached)</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>	<p>The Business Case sets out multiple projects for delivery within the Programme and a key aim of the programme is ‘no detriment to residents. This will be a key consideration for the design of each change project option and the anticipated equalities impact. Following the design phase of each project, an individual project Equalities Impact Assessment (EIA) will be completed based on design options set out in an Options Appraisal for consideration and decision by Programme Board. EIA’s will be subject to consultation with equalities specialist within the Council and will be subject to frequent review and update based on the chosen option.</p>
<b>Risk Assessment</b>	<p>A Programme Risk Register has been developed with the identification of strategic risks and operational risks. Identified strategic risks will be monitored in collaboration with the Corporate Risk Team if the Business Case is approved by Cabinet.</p>

	<p>The most significant strategic risk to the Programme is:</p> <p><i>“There is a risk to Programme decision making and service specific advisory due to imminent Organisational Restructure (Tiers 2 and 3 of the Council Structure)”</i> - The impact is likely to be delays to Programme implementation and the achievement of cashable benefits. Current Risk: HIGH</p> <p>It is anticipated that the current risk to the Programme will reduce in April in line with the implementation timescales of the new Council structure.</p>
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	<p>Residents First is a primary objective of the Strategic Change Programme and ‘Best Service to Customers’ is identified as a specific Workstream in the Business Case. Key improvement projects identified for delivery, will focus on improvements to customer access, customer contact and engagement. Implementation of the improvement projects set out in the Business Case are also anticipated to achieve a reduction in the volume of customer complaints.</p>
<b>Carbon reduction</b>	<p>The Business Case sets out multiple projects for delivery within the Programme. Following the design phase of each project, an individual project Carbon Impact Assessment (CIA) will be completed based on design options set out in an Options Appraisal for consideration and decision by Programme Board. CIA’s will be subject to consultation with the Council’s Climate Change specialists within the Council and will be subject to frequent review and update based on the chosen option. Positive contributions to the Council’s carbon reduction targets will be monitored and mitigation will be sought for any negative impacts identified as a result of changes.</p>
<b>Health and Wellbeing</b>	<p>The Strategic Change Programme is closely linked to work set out in the Inequalities Programme. The design options for each workstream project, will be viewed through the ‘inequalities lens’ to ensure cohesion of delivery priorities. Programme Leads from each programme will maintain regular contact to ensure that dependencies across programmes are known and understood.</p>
<b>Wards</b>	<p>The Programme and the Business Case are ‘Council wide’ therefore, all wards benefit equally from the change, improvements, and cost savings of the Programme</p>

**Background papers:**

Lead Members and Officers were consulted on throughout Programme Phase 1 'Discovery' and the development of Strategic Change Business Case.

**Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

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