

 Executive - 28th June 2017		Agenda Item No. <h1 style="text-align: center;">10</h1>
Title	Transforming our Workplace budget provision	
For further information about this report please contact	Bill Hunt bill.hunt@warwickdc.gov.uk 01926 456014	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	n/a	
Background Papers	Transforming our Workplace group meeting minutes; Executive report 2/12/15 - Digital Transformation of Council Services; Executive report 8/3/17 - 2017/18 ICT Services Digital Work Programme	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes – Ref no. 880'
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive		Bill Hunt - author
Head of Service	6/6/17	Ty Walter in respect of ICT issues and Tracy Dolphin in respect of workforce development issues
CMT	6/6/17	
Section 151 Officer	6/6/17	Mike Snow
Monitoring Officer	6/6/17	Andy Jones
Finance	6/6/17	Mike Snow
Portfolio Holder(s)	12/6/17	Cllr Andrew Mobbs
Consultation & Community Engagement		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. Summary

- 1.1 The Council agreed the Fit For the Future (FFF) change programme in 2010. The FFF programme has three interrelated strands – Service, People, Money – designed to address the significant reduction in funding from central government, maintain or improve service provision, and support and invest in the Council's staff.
- 1.2 Executive considered a report at the 1 June 2017 meeting which focussed on the Money strand of the programme. This report focusses on the other two strands and requests that funding provision is made available to enable the Council's workforce to develop new, more effective means of delivering services to its customers, supported by updated ICT provision.

2. Recommendations

- 2.1 That Executive approves the draw-down of budget provision of up to £152,000, from the Service Transformation Reserve, to support the work of the Transforming our Workplace group.
- 2.2 That Executive delegates authority to the Deputy Chief Executive (BH), the HR Manager and the ICT Services Manager, in consultation with the Leader of the Council to procure a 'change partner' to work with officers on the deployment of new ways of working.
- 2.3 That Executive delegates authority to the Deputy Chief Executive (BH), the Head of Finance and the ICT Services Manager, in consultation with the Finance Portfolio Holder, to procure new ICT products or licences, as described in paragraph 3.5 but notes that these would be trialled on a 'try before you buy' basis prior to any orders being placed.
- 2.4 That Executive notes that the potential deployment of new proposed ICT could have a revenue implication of up to £31,100 per annum, as set out in paragraph 5.3, and that, if such a cost did materialise, it would require an equivalent saving (or the generation of an equivalent amount of additional income) to be made on a recurrent basis through the wider FFF change programme.
- 2.5 That Executive notes that further updates on this work will be provided as part of the reporting mechanisms for the FFF change programme and Digital Transformation Strategy.

3. Reasons for the Recommendations

- 3.1 The Transforming our Workplace (ToW) group was established in summer 2016. This officer group, chaired by the Deputy Chief Executive (BH), comprises of members of the Senior Management Team, HR staff and staff from various support services in developing a work programme that supports the transition to new ways of working in advance of the HQ relocation. It is not a decision making group in its own right, with any proposals it develops being taken, as appropriate, to the Senior Management Team or the ICT Steering Group for approval, with updates on any workforce related issues also being reported to the People Strategy Steering Group.

- 3.2 Over recent months it has become clear to the ToW group that there are a number of change initiatives that need to be deployed to support the effective delivery of the Service and People elements strands of the FFF change programme. These initiatives fall into two interrelated strands, one around cultural and behavioural change in the workforce and another around the deployment of ICT solutions that support the workforce's ability to operate in a more 'agile' manner. Both strands are needed to support the meaningful change in ways of working, necessary to support the change requirements of the FFF programme and allow the Council to improve productivity and reduce costs through the deployment of new ways of working.
- 3.3 The ToW group have concluded that progress is required against both strands prior to the proposed HQ relocation. However, regardless of the progress of that project the Corporate Management Team has separately concluded that cultural and behavioural change is required to deliver tangible progress against the Digital Transformation programme, approved by Executive in December 2015.
- 3.4 Consequently, the ToW group has been investigating how these work-strands could best be delivered and has concluded that there is a need for the allocation of a capital budget of up to £152,000 to support new initiatives. Provision exists within the existing Service Transformation Reserve, specifically established to support the exploration of new ways of working within the FFF programme, for an allocation of this amount.
- 3.5 The bulk of this budget provision would be used to allow the deployment of ICT products to support new ways of working:

Description	Quantity	Capital Cost per unit	Total Capital Budget requirement
Jabber Video Clients	500	£90.60	£45,300.00
WebEx	50		
SX20 video room kit for plugging into a HDTV	1	£4,279.97	£4,279.97
SX20 Room Control Kit	1	£547.61	£547.61
SX20 software licence	1	£280.45	£280.45
Autostore	25	£495.16	£12,379.00
Storage (If required)	1	£8,000.00	£8,000.00
Total			£70,787.03

- 3.6 The Council currently uses a Cisco product, Jabber, to provide presence and instant messaging. An upgrade to the Jabber licence would allow the software to become a softphone which is also capable of point-to-point video calls. This solution could also be deployed to home workers and agile workers, allowing them to utilise a softphone device rather than an a more expensive internet enabled phone or mobile phone. The use of softphones would enable staff working at home, or off-site, to be connected to the Council's phone system so that all internal Council calls were free of charge, irrespective of where the user

was working, and calls could be received, routed and diverted in the same way as if staff were in the office and any non-premium rate external calls made by staff would be free of charge. The final mix of soft and hard phones would need to be determined by the ToW group, but the costs in the table above reflect a full deployment of softphones to all staff.

- 3.7 In addition to this it is also proposed that the deployment of WebEx, another Cisco product, should be investigated. This product would be utilised to provide multi-user video conferencing facilities within the HQ building, allowing staff and members to connect from remote locations and providing secure connectivity for personnel from other organisations to join discussions without having to travel to an on-site meeting. WebEx is a cloud based system so would not have an initial capital cost for its deployment but this type of video-conferencing facility would also require the deployment of the SX20 equipment. This product would allow a room or rooms to be set up with the necessary cameras and microphones to support this new way of working
- 3.8 All of these products would have an on-going revenue implication, as set out in at paragraph 5.3. However, the capital costs shown in the table above and the revenue cost projections shown at 5.3 represent the maximum costs for their deployment. At this stage it is not possible to accurately predict how many user licences would be required and whilst the numbers and, therefore, potential costs may be less than shown it is felt prudent to provide the likely maximum total costs in order to assist members in their decision making process.
- 3.9 Subject to approval of recommendation 2.1 it is proposed to deploy the video conferencing equipment in either the Board Room or the Corporate Training Room at Riverside House and work with BT, the Council's ICT provider responsible for all support and maintenance needs of the network infrastructure, to determine the optimum deployment process on a 'try before you buy' basis. Any equipment deployed in Riverside House would be capable of redeployment to the new HQ building.
- 3.10 To support workforce mobility and agile service delivery, staff will need access to paper documents when off-site. Many of the Council's major systems, such as Revenues & Benefits, have document management solutions as part of their business software application. However, as more staff adopt agile working practices, it may identify processes that are inhibited by that lack of an embedded document management solution like that within the Revenues & Benefits system. Fortunately, no additional corporate investment in a separate document management solution is required as the Council's existing SharePoint product is capable of acting as a document repository. However, a corporate scanning solution is required that can attach document metadata and intelligently route documents to the appropriate repository within SharePoint.
- 3.11 It is, therefore, proposed to investigate the use of the Autostore product. Again, the costs shown at 3.5 are both provisional and the maximum required as further work would be required to confirm the optimum number of scanning stations. Again, the proposal is 'future-proofed' as the product is compliant with the multi-functional scanning and printing devices due to be deployed later this year, regardless of any future HQ relocation.
- 3.12 Also included within the table at 3.5 is a notional sum for c5 terabytes of additional storage capacity, included for completeness although, at this stage, it is not known if this would be required. This sum brings the maximum total

capital budget that might be required to deploy these ICT products to just under £71,000.

- 3.13 The remainder of the proposed £152,000 budget allocation would be utilised to procure an external 'change-agent' to assist the ToW group to manage the transition to new ways of working and support the cultural and behavioural change necessary to support the Digital Transformation programme. The ToW group has identified a number of potential providers, who have worked with both private and public sector organisations, with expertise in creating and deploying change management programmes designed to allow organisations to achieve cost savings, productivity improvements and enhanced service provision by working in a more agile and flexible manner. The ToW group recommends that such a partner is needed by this Council as the nature of the change required is technically, behaviourally and politically challenging and the delivery and credibility of the change programme would be enhanced by the engagement of an external provider, able to engage and operate with staff and members at both a senior leadership and grassroots level.
- 3.14 Discussions with specialist providers in this area have identified that budget provision of c£80,000 would be sufficient to procure a partner to:
- Act as a 'critical friend' to review the robustness of the current proposals to deploy new ways of working;
 - Develop a clear, evidence-based, change 'proposition' to enable the workforce to understand what change is required, what it will deliver and why, based on experience elsewhere, it is credible and deliverable;
 - Facilitate leaders and their teams to identify where and how the deployment of new technology can be used to streamline business processes and add value to service delivery;
 - Implement agile working pilots and use these to refine business processes, use of technology and working practices;
 - Prepare staff and members for the transition to agile working to ensure the achievement of enduring changes to working practices to deliver the desired outcomes of costs savings and productivity and service improvements.
- 3.15 Subject to approval of recommendation 2.1 and the allocation of a notional budget of £152,000 from the Service Transformation Reserve it is proposed that officers develop specific proposals to progress the two work-strands. A specification for the proposed change-partner would be developed and, subject to the approval of the Leader, as listed at recommendation 2.2, a procurement exercise, compliant with the Financial Code of Procurement Practice, would be undertaken.
- 3.16 The ICT work-strand would be developed through further discussions with the Council's provider, BT, and the trialling of the new multi-user video conferencing products described in paragraph 3.7. This process would allow for the potential revenue considerations, set out in paragraph 5.3, to be fully understood.
- 3.17 Future updates on the progress of this work would be provided through the existing reporting mechanisms on the wider FFF change programme and any future reports on the Digital Transformation programme.

4. **Policy Framework**

- 4.1 **Sustainable Community Strategy** – The Council's Sustainable Community Strategy (SCS) has five thematic priorities and three cross-cutting priorities

areas. The recommendations in this report are consistent with the strategy as they ask Members to agree a programme of work which to a greater or lesser degree touches on all areas of the strategy.

- 4.2 **Fit for the Future (FFF)** - Underpinning the SCS is the Council's Fit For the Future (FFF) Change Programme which consists of three strands:
Service - Delivering customer focused services by: using customer measures, helping to build trust, continuously improving, understanding our customers, and designing the most effective service delivery mechanisms.
People - Valuing our staff, empowering our staff, supporting our staff through change, ensuring our communication is clear and regular.
Money - Managing the resources appropriately to balance our budget, ensuring our assets work for us, ensuring our town centres are vibrant and create solutions to increase our revenue.
- 4.3 The recommendations within this report are consistent with all aspects of the FFF programme but particularly in relation to the Service & People strands, equipping the workforce to work in a new, more agile manner, with re-designed business processes, supported by the deployment of new technology which can deliver enhanced service outcomes for customers. These organisational changes will then feed into the remaining FFF strand through the delivery of cost savings and productivity gains from the revised working practices.
5. **Budgetary Framework**
- 5.1 The Service Transformation Reserve has an uncommitted balance of £154,000, sufficient to allow the deployment of proposed budget allocation necessary to support the recommendations in this report. However, as such an allocation would effectively mean the Reserve had been fully deployed proposals on whether and, if so, how it can be replenished will be brought to Executive in subsequent Budget reports.
- 5.2 As explained in section 3 the proposed budget allocation is considered to be a maximum requirement with a reasonable expectation that the full amount will not be required allowing any unallocated provision to be returned to the Service Transformation Reserve. Increasing certainty on the actual sums required will be available after the procurement of the change-partner, an assessment of the 'try before you buy' pilot of the new video conferencing technology and further discussions with technology providers and service areas on the number of scanning stations required in the future.
- 5.3 As identified in recommendation 2.4 the proposed deployment of the new technology would have some recurrent revenue implications. If the maximum deployment envisaged in the table set out in paragraph 3.5, and the full utilization of the total capital budget of £70,787 were to be required the revenue implications, based on current quotes, would be as follows :

Description	Quantity	Unit Revenue Cost	Total Revenue Cost
Jabber Video Client licences	500	£20.85	£10,425.00
WebEx licences	50	£240.36	£12,018.00
SX20 video room licence	1	£1,641.54	£1,641.54
SX20 Room Control licence	1	n/a	
SX20 software licence	1	£49.01	£49.01
Autostore licences	25	£185.69	£4,642.25
Storage annual cost (If required)	1	£2,376.00	£2,376.00
Total			£31,151.80

5.4 The c£31,000 annually recurring revenue cost could reduce significantly depending on the actual number of licences required and whether or not the additional storage capacity is actually required but this would not be known until the discussions and trials, described above, are completed.

5.5 The worst-case scenario is that the full amount, i.e. £31,000 per annum were required which would add to the current saving requirement identified within the latest version of the Medium Term Financial Strategy (MTFS) presented to members in the FFF Update report considered by Executive on 1 June 2017. This scenario would require additional savings, or increased income, of an equivalent amount to be achieved. The impact on the MTFS will be considered in future Budget reports as and when the final level of additional cost is known.

6. Risks

6.1 There is a risk that the costs of the ICT products are higher than anticipated and can't be accommodated within a capital budget allocation of £71,000 and/or have on-going revenue implications in excess of £31,000 per annum. , with no realisation of any cost-savings

6.2 The work done to date indicates that this is a relatively low risk as the cost estimates set out in this report are the result of detailed discussions undertaken with specialist providers. Equally were the discussions with BT and/or ICT product providers to indicate cost pressures or an inability to deploy technology as currently envisaged the 'try before you buy' approach would safeguard the Council from abortive costs and the proposed reporting mechanism allow alternative options to be considered by members.

6.3 There is a risk that in the event of the AutoStore product being evaluated and installed its full capability could not be utilised without further re-modelling of business processes that could not be accommodated within the internal Application Support team's resources, requiring budget provision for external support to be made available.

- 6.4 This is an unquantifiable risk until the evaluation of the AutoStore product is completed but included now for completeness. The mitigation for the risk would be provided by the future deployment of AutoStore being dependent on the submission of a business case to the ICT Steering Group, allowing the resource needs to be evaluated and budget allocated as appropriate if external support were to be required.
- 6.5 There are no such risks associated with the future deployment of the Jabber, WebEx or SX20 products, subjected to a successful evaluation, as they could be implemented through licence changes or, for cloud-based products, with minimal internal resource commitment other than appropriate staff training.
- 6.6 The AutoStore evaluation would potentially require procurement of an external partner as the product would not form part of the network infrastructure changes that would be progressed via our existing partner BT. There is a risk of not being able to secure an appropriate partner but this can be managed through existing 'direct award' frameworks and the costs accommodated within the budget provision proposed in this report.
- 6.7 Finally, there is a risk that the proposed procurement of a change partner and/or the deployment of new technology does not achieve desired outcomes.
- 6.8 The likelihood of not achieving the desired outcomes has been assessed through comparison of the outcomes achieved by other organisations that have embarked on the type of change programme that is envisaged for this Council and is assessed as a low risk. There are, in any case, a number of opportunities to mitigate the risk. For example, if the proposed procurement exercise for a change partner demonstrated that the tendered specification could not be delivered within the estimated £80,000 allocation and/or that the quality of the returns did not provide confidence that the desired outcomes could be achieved then the exercise could be aborted and an alternative approach deployed.

7. Alternative Option(s) considered

- 7.1 One alternative option would be to attempt to deliver the proposed transition to a more agile approach to service delivery in-house, via the ToW Group, Senior Management Team or, where appropriate, the ICT Steering Group, rather than procure a specialist change-partner. This approach has been discounted based on the evidence gathered from organisations who have already progressed down the proposed transition path, which indicates that change can be effected at a faster pace than if attempted to be delivered through existing resource and that the engagement of an external partner allows an evidence based approach to be developed that enhances the credibility of the proposals and minimises the likelihood of resistance to their deployment.
- 7.2 The option of not pursuing a full video conferencing or document management solutions has also been discounted given the business process efficiencies that can be derived from the deployment of both technologies.
- 7.3 The option of developing solutions in-house rather than testing and subsequently purchasing existing external products has also been discounted as the Council lacks the resources to develop such solutions on a timely basis and/or potentially the specialist skills to do so at all.