

# Future Tandridge Programme

## Strategy & Resources Committee – 1<sup>st</sup> February 2022

Report of: David Ford, Chief Executive

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Purpose: For Decision

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Publication Status: Unrestricted

Wards affected: All

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During my 6 months as Chief Executive, I have had the opportunity to engage with Members, Officers and Residents and to review and take stock of the Council as a whole.

It is evident from this that the Council faces a range of challenges going forward which, taken together, will require a clarity of purpose, a strong and determined leadership and a willingness to think differently about the role and focus of the Council.

The financial challenges faced by the Council are well rehearsed; the budget report elsewhere on this Agenda sets out the scale of the challenge and the level of savings that are needed. In addition to this the Council suffers from gaps in its senior leadership and has struggled to attract and retain high calibre staff. Staff morale is low in some areas and there is a lack of a clear sense of purpose and accountability. There are new and emerging demands resulting from the pandemic and the prospect of further changes in upcoming legislation.

To address these challenges, I believe that we will need to develop a new corporate vision and strategic plan, a new operating model, and to transform the way services are delivered. We will need to become a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way that the Council operates.

Our culture will be focused on performance and meeting our residents and customer needs, with clear accountability for service delivery and financial management. We will develop an approach to ensure that managers and staff feel valued and motivated, with performance managed and talent nurtured.

To be successful we will need to robustly challenge the way things are done and have a willingness and openness to change. We will need to be realistic about our priority areas and outward looking in our preparedness to work with partners to deliver some of our priorities. We will need to ensure that staff are involved, informed and engaged in the change.

Finally, we will need to work closely as Officers and Members to ensure that we recognise each other's contribution and support each other to meet these challenges.

The Future Tandridge Programme ('FTP') brings together our approach to transforming the Council through its focus on developing a new operating model, leadership, service redesign and delivery, organisational and workforce change and tackling the difficult financial backdrop.

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As Chief Executive I am clear that the FTP and the changes we need to make should be led and owned by Tandridge and that we will want to give opportunities to Tandridge staff to be a part of the programme. I am also clear that we need to invest in expert support and external challenge where this can help us design and deliver the changes we will need to make through the programme.

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### **This report supports the Council's priority of:**

Building a better Council – making the Council financially sustainable and providing residents with the best possible services.

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### **Recommendation to Committee**

That the Committee agrees to:

- A support the need for the Future Tandridge Programme and the proposed approach set out.
  - B. approve a one-off investment of (up to) £200k, funded from flexible capital receipts, to mobilise and undertake Phase 1 of the programme (6 months).
  - C. note the indicative investment for the Delivery Phase 2 of the FTP. This investment required to deliver Phase 2 will be dependent on the findings of the Service Reviews. This will be the subject of a separate business case to the Strategy and Resources Committee before the end of Phase 1.
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### **Reason for Recommendation**

The FTP is key to tackling the challenges faced by the Council going forward. To be successful it will require a blend of TDC staff and external support. This report seeks approval to the FTP approach and the investment need to mobilise the first phase of the programme. Without this investment the benefits of the programme cannot be delivered.

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### **Background**

- 1 The Future Tandridge Programme ('FTP') has been developed over recent months with managers from within the Council, colleagues from Surrey County Council and additional expert support from outside of the Council. Together we have developed an understanding of the challenges faced by the Council and an approach to tackling them.
- 2 Whilst still in a formative stage of development, the FTP brings together the proposed approach to transforming the Council, building on and consolidating the work already underway in finance and planning.

- 3 The overall aims of the programme are to transform the operating model for Tandridge, creating a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way that the Council operates.
- 4 Briefings on the FTP have taken place with all Members and staff. The presentation used at the Member briefing on 19<sup>th</sup> January is included as an Appendix B to this report and contains further details.

## 5 Critical Success Factors

The overall success of the programme will be guided by the FTP Critical Success Factors. A draft of these is set out below; these will be refined further during Phase 1 of the programme to provide a framework for each of the workstreams and a set of metrics that can be measured through delivery of the programme.

	<p><b>Financial</b></p> <p>An overall reduction in net budget of 15% by 23-24 over 18 months            An overall reduction in expenditure on 'Back Office' functions of 15-20% by 23-24            A higher proportion of the budget is spent on 'front-line' services and on the Councils stated priorities</p>
	<p><b>Customer</b></p> <p>Customers are involved in the redesign of services            Customer feedback and insight is used to drive service improvement            Customers are encouraged to use the least cost channel to access Council services</p>
	<p><b>Services</b></p> <p>A mixed economy of service delivery with services undertaken by the most appropriate means            Service performance is measured and benchmarked            Service performance is demonstrably improving</p>
	<p><b>Staff</b></p> <p>The Council has a smaller directly employed workforce            Managers and staff are engaged and accountable for their performance            Staff feel valued and motivated and understand the values and behaviours we expect of them</p>

## 6 Workstreams

The programme is structured into 4 workstreams and these are summarised below.

The Phase 1 roadmap for the programme is included as Appendix A. There is more work to be done during Phase 1 to develop each workstream into a co-ordinated delivery plan.

The longer-term objectives of the FTP will also need to be balanced with the pressure to move forward quickly to deliver the savings required to deliver the budget in 2022/23, and to take steps to meet the future financial challenge that the Council faces in 2023/24 and beyond.

### 7 Workstream 1 - Leadership

The priorities of the Leadership workstream are:

**Senior Management restructure** – building a new senior management team equipped to lead and deliver the Future Tandridge Programme and its outcomes.

**Strategic Plan** – the development of a new corporate vision and a new Strategic Plan to guide the Council from 2023/24. The new plan will be costed and measurable, with focused and realistic objectives and outcomes which reflect the Council's key priorities. It will define the Council's role in the delivery of those priorities and the role of key partners where they are better placed to lead or where their support is needed. It will be evidenced based and developed in consultation with Members, Officers, Residents, Customers and users of Council services.

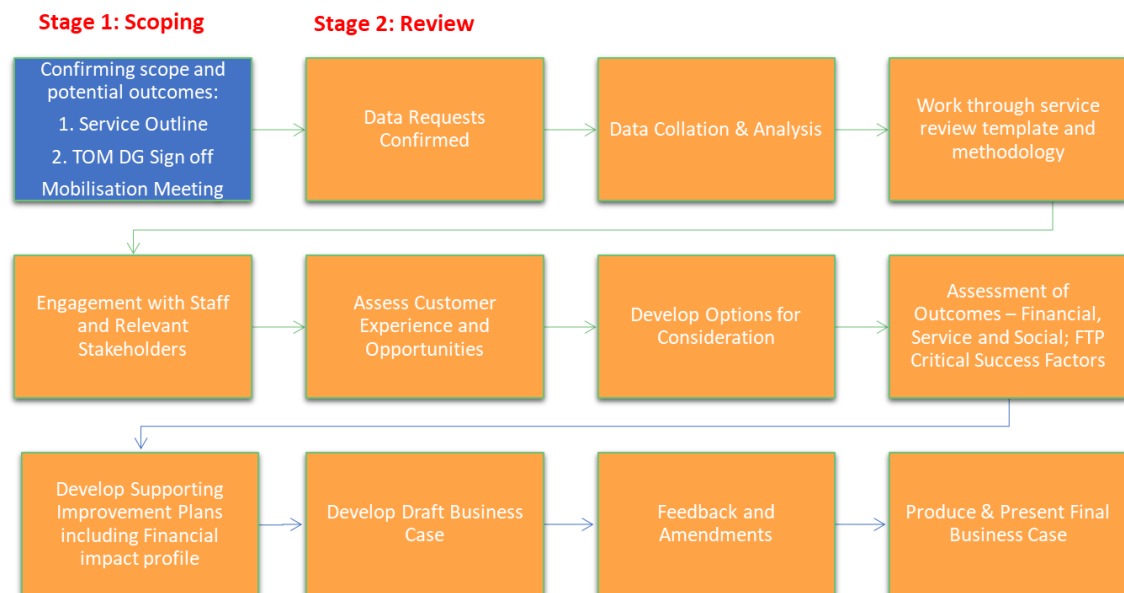
**Political leadership and Governance** – understanding the impact of the Boundary Review due to be in place for May 2024 (at the earliest), along with consideration of improvements to the Committee system.

8 Workstream 2 - Service review, redesign and delivery

8.1 The Service review and redesign workstream will deliver a prioritised, consistent and rigorous review of all services which fundamentally challenges how and why we provide services including the demand for these services, the most appropriate delivery model, performance, cost and value for money. This will incorporate a review of cross-cutting themes including Commercialisation, Asset Strategy, Customer Services and Digital.

8.2 The approach and methodology is based on best practice from elsewhere, tailored to the requirements of the Council. The focus will be on identifying outcomes which support the longer-term operating model but it will also be necessary to identify short term opportunities to deliver the budgeted savings in 22/23 and 23/24. This will not be an easy balance to strike.

An outline of the stages of the Service Review is set out below.



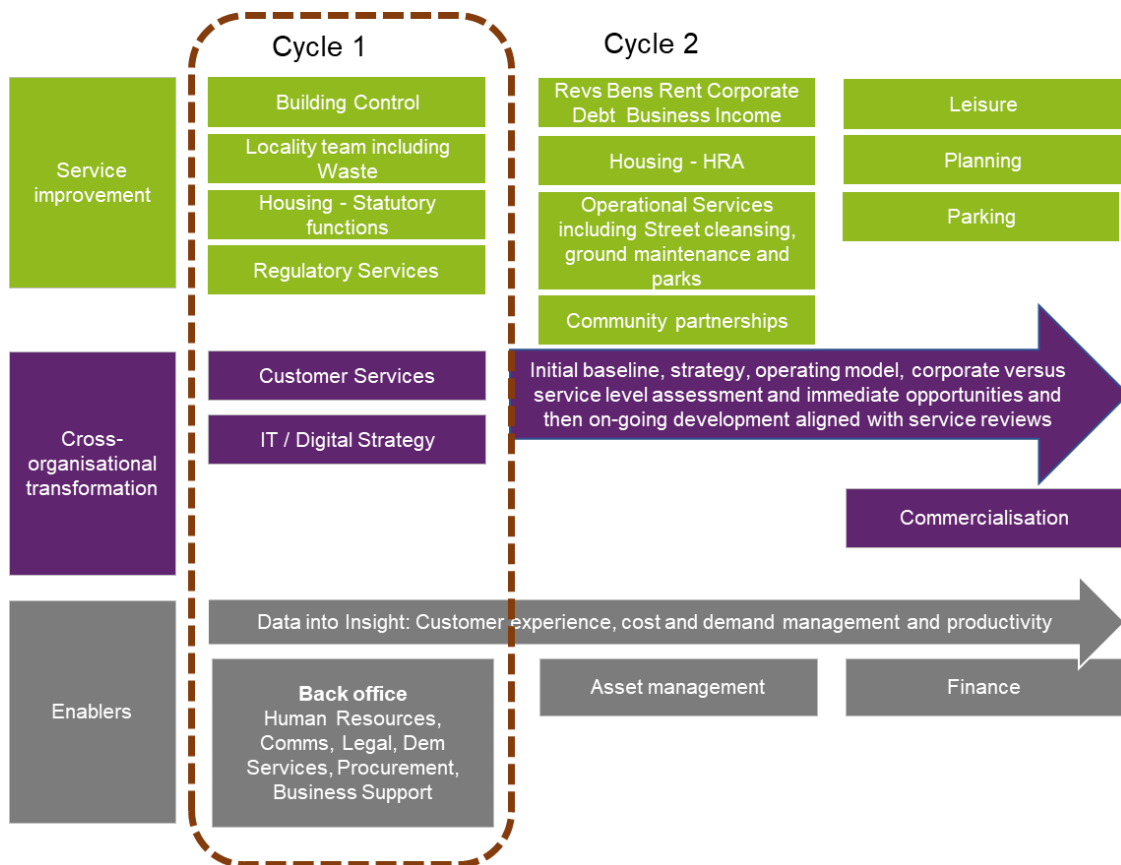
8.3 Whilst there will be a consistent overall methodology the review will be tailored to each service to ensure that the process is not overly burdensome and aligns to the size, scale and expected outcomes for each service. Further detail of the proposed approach is set out in slides 40 to 51 of Appendix B.

8.4 Consideration has been given to the phasing and sequencing of the Service Reviews taking account of the criteria shown below:

- Scale and complexity of service
- Current service context
- Size of potential transformation opportunity
- Requirements of the 2022/23 budget for savings
- Alignment with Corporate Priorities
- Impact on service and wider resources

8.5 The reviews will be undertaken in 2 initial cycles with a typical duration of 8 weeks for each review. This may need to be amended to fit with the requirements of the Committee cycle and/or the needs of the service. Some services which have recently undergone a review (Finance and Planning) will be picked up a future stage; oversight of the delivery of the benefits identified will however be brought within the scope of the FTP.

8.6 The proposed Cycles for the Service Reviews is set out below:



## 9 Workstream 3 - Organisational and Workforce change

9.1 The outcomes of the Organisation and Workforce Change workstream are to implement leaner management and service structures to deliver to the new operating model. The service reviews and redesign will also result in a reduction in staffing levels which will need to be overseen through this workstream.

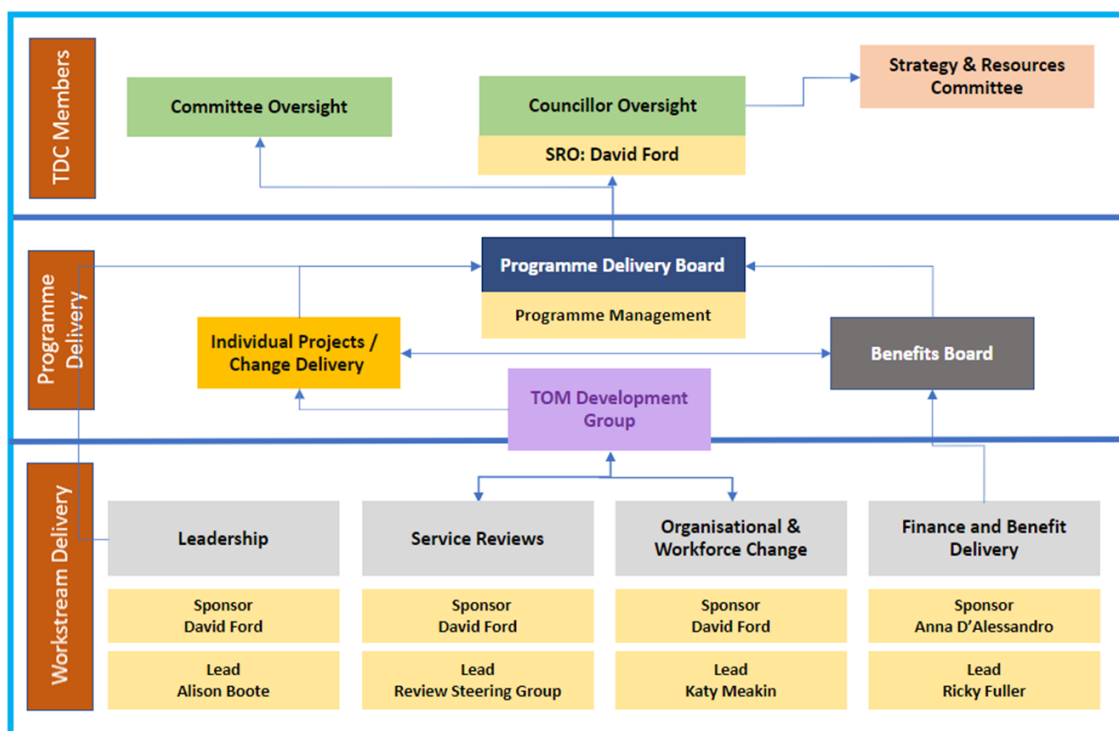
- 9.2 There are some immediate priority areas to address to support the delivery of the budget proposals in 2022/23 and to take actions to address the findings of the Staff survey. Beyond that work will be focused on supporting the delivery of the Service Reviews and developing a consolidated People plan to support the delivery of the FTP.
- 9.3 Within this context we will review how we recruit and retain staff who will fit the 'Future Tandridge model' and ensure that managers and staff feeling valued and motivated, with performance managed and talent nurtured.

## 10 Workstream 4 – Finance and Benefit delivery

- 10.1 The Tandridge Finance Transformation (TFT) programme was approved by the Strategy and Resources Committee in July 2021 and has been underway since then.
- 10.2 Its aims are to blend the skills, experience and expertise of the Surrey and Tandridge teams into a high performing, resilient, finance function for the Council and to build a trusted, proactive and insightful Finance Service which is at the heart of a strong culture of financial management, accountability and evidence-based decision making across the Council.
- 10.3 The programme has made significant progress to date and will continue under the FTP programme through to its intended close in June 2022.
- 10.4 Alongside the delivery of the TFT programme, this workstream will oversee the establishment of a Benefits Board to oversee and manage the delivery of savings identified for delivery in 2022/23 as set out in the Budget report. The Board will also oversee the delivery of benefits that will be identified as part of delivering the FTP. Further details on the role and purpose of the Benefits Board and the approach is set out in slides 23 to 25 of Appendix B.

## 11 **Governance**

- 11.1 The approach to governance of the FTP is set out below. Overall Member oversight of the FTP and the impact on the financial position of the Council will be through the Strategy and Resources Committee. Service Committees will consider key proposals for change resulting from the Service review and redesign work. Wider Member engagement will be undertaken on specific topics and regular progress updates provided to all Members.
- 11.2 Each workstream will have its own Sponsor and accountable officer. The Service Reviews and Organisation Development workstreams will be overseen in Phase 1 through the TOM Development Group along with the overall development of the operating model. This group will be chaired by the Chief Executive and will, in effect, be the guiding team for the development of the FTP. As individual change projects are identified and approved for delivery these will be overseen by the Programme Delivery Board with the Benefits Board maintaining oversight of benefit delivery.



11.3 Risk will be managed in a consistent way across the FTP through the programme management office (PMO) and reported and managed through the relevant Board. Further details on the role of each of the Boards is set out in slides 10 to 13 of Appendix B.

## 12 Resourcing

12.1 It is important that the delivery of the FTP and the changes needed is led and owned by Tandridge. Wherever possible opportunities will be given to Tandridge staff to be a part of the development and delivery of the programme.

12.2 The Council however lacks both the capacity and capability to deliver the programme successfully in isolation and will need an investment in both expert support and external challenge to design and deliver the changes identified through the programme. The table below sets out the roles that will be important to deliver the programme successfully.

Type	Function	Core / Variable
<b>Programme Management (Prog Mgr)</b>	Overall operational oversight of the programme progress through design, options appraisal through to delivery, interface with key sponsors	Core
<b>Programme Management Office (PMO)</b>	Maintain overview of progress and ensure consistency in approach, documentation, reporting etc, interface with sponsors	Core
<b>Business Analyst (BA)</b>	Detailed data, performance and benchmarks especially during design and options appraisal stages	Core
<b>HR advisory</b>	Expert HR advice / support on revisions to working practices, employment terms etc in support of Org Devpt workstream	Core
<b>Change Management</b>	Support change management through delivery, staff and stakeholder engagement	Core
<b>Project Administration</b>	Provide administrative support through programme / project delivery – attached to PMO or provide by service	Core
<b>Workstream Leads</b>	Operational oversight of workstream progress through design, options appraisal and delivery, interface with key sponsors	Core
<b>SRO (Senior Responsible Officer)</b>	Lead for delivery of the change project (Director / Head of Service)	Variable
<b>Project Managers (PM)</b>	Manage detailed development and delivery of individual projects, reporting into Service leads	Variable
<b>Subject Matter Experts (SME)</b>	Support with expert knowledge through design, options appraisal, potentially also delivery depending on internal resources available	Variable

12.3 The mobilisation and design phase of the programme (Phase 1) will last for approximately 6 months; an estimate of the level of resource needed to deliver this phase is shown below.

Type	Core / Var	Total	Phase 1 (6 mths)	Est Cost
Prog Mgt	Core	18 mths	Buy in for up to 6 mths (SCC / External – c 0.5 FTE)	£30-£40k
PMO	Core	18 mths	Buy in for up to 6 mths (SCC / External – c 0.5 FTE)	£25-£35k
Project Administration	Core	18 mths	Provided in house. Estimate 1 x FTE additional	
Business Analyst	Core	6 mths	Buy in (External)	£25-£30k
HR advisory	Core	18 mths	HR advisory tbd	£25k
Change Management	Var	12 mths		
Project Manager(s)	Var	12-18 mths	Review internal capacity and capability. Identify during service reviews. Estimate 1 x FTE for 3 mths (from Apr 22)	£15-£20k
Subject Matter Experts (SME)	Var	12-18 mths	Strategic advisory & expertise on TOM / Service Reviews. Buy in (External)	£40-£50k
<b>Total</b>			Indicative range	<b>£160k - £200k</b>

**This is the initial investment required to mobilise the programme and undertake the Service Reviews**

12.4 It is important to note that the FTP supports the delivery of savings identified in the budget in both 2022/23 and 2023/24. These are summarised in the table below and set out in the budget report elsewhere on the agenda.

12.5 If the investment in the FTP is not made, an alternative approach to delivering some of these savings will need to be found, notably those identified in Tranche 3. The programme will also be critical in addressing the remaining budget gap for 2023/24.

	22/23	23/24
<b>Starting position</b>	<b>£11,295k</b>	<b>£11,351k</b>
Service	£256k	£250k
Corporate Items	£545k	£1,030k
Funding	£367k	
Pressures	£1,167k	£1,280k
<b>Tranche 1</b> - directly related to services	(£461k)	(£513k)
<b>Tranche 2</b> - distributed in March	(£200k)	
<b>Tranche 3</b> - distributed by Benefits Board	(£450k)	(£200k)
Savings	(£1,111k)	(£713k)
Movement	£56k	£567k
<b>Budget</b>	<b>£11,351k</b>	<b>£11,918k</b>
Funding	(£11,351k)	(£11,044k)
<b>Gap<sup>1</sup></b>	<b>£0k</b>	<b>£874k</b>

12.6 Provision has been made within the budget strategy to fund this investment from flexible capital receipts or through the capital dispensation being sought (section 10 of the budget report).



12.7 An indication of the potential level of additional investment for the programme through the delivery phase is set out below. This will be dependent on the results of the Service review and redesign and will be the subject to a further business case before the end of Phase 1.

Type	Core / Var	Total
Prog Mgt	Core	18 mths
PMO	Core	18 mths
Project Administration	Core	18 mths
Business Analyst	Core	6 mths
HR advisory	Core	18 mths
Change Management	Var	12 mths
Project Manager(s)	Var	12-18 mths
Subject Matter Experts (SME)	Var	12-18 mths
<b>Total</b>		

**This is an estimate of the potential level of investment required to oversee delivery of the changes identified in the Service Reviews.**

**The expected benefits, level of investment and the return on that investment will be identified in the business case**

Phase 2 (12 mths)	Est Cost
Recruit during Phase 1 to oversee Delivery. Cost included in base budget.	Incl
Continue to buy in OR recruit during Phase 1. Additional cost.	£50-£70k
Provided in house. Estimate 1 x FTE additional	
Decision whether ongoing requirement during Delivery	tbd
HR advisory and Change Management	£50k
Change Management through Delivery	£50k
Review internal capacity and capability. Identify during service reviews. Estimate 1 x FTE minimum	£60-£80k
Potential to support during Delivery, dependent on Service Reviews	tbd
Indicative range	<b>£210k - £250k</b>

**Core** – core requirement for the programme

**Variable** - dependent on Service Reviews. Roles could be combined for smaller projects.

## **Other Options Considered**

Doing nothing is not considered an option because of the financial and other challenges that are faced by the Council. The approach to the FTP has been developed over recent months, taking into account the views of various stakeholders in its development and is considered the best option going forward.

## **Consultation**

Discussion and consultation has been undertaken with a wide number of stakeholders, both internal and external to the Council. Briefings have been held with staff conference, managers and Members. Member feedback has been captured during and following the Member seminars on 19<sup>th</sup> and 20<sup>th</sup> January 2022.

## **Key Implications**

### **Comments of the Chief Finance Officer**

The Chief Finance Officer is fully supportive of the approach and timelines presented in this report. The FTP will be central to sustaining the financial recovery of the Council and the objective of putting our finances onto a significantly more robust and sustainable footing. The investment identified will support the successful delivery of the programme and the budget and meets the criteria for funding through flexible capital receipts. Without this investment it is unlikely that the budget savings identified for 2022/23 and 2023/24 can be delivered in full.

### **Comments of the Head of Legal Services**

Several decisions will flow from the actions outlined in this report, and the legal implications of these decisions will be included in future reports. Generally, as the Future Tandridge Programme develops the Council should conduct any necessary consultation required as a result of the proposals for change to its service delivery models and have regard to its Best Value and public sector equalities duties in making its decisions. Also, there will be legal implications in respect of an individual employee. The Council will need to demonstrate decisions are taken within the framework of employment legislation.

## **Equality**

It is not foreseen that there are any direct equality implications as a result of the recommendations in this Report. Options will be rigorously assessed as the TFT plan progresses.

## **Climate Change**

There are no significant environmental / sustainability implications associated with this report.

## **Appendices**

Appendix A - Phase 1 roadmap for the Future Tandridge programme

Appendix B - presentation slides for the Member briefing on 19<sup>th</sup> January 2022

## **Background Papers**

None