Overview and Scrutiny Committee Report

Ward(s) affected: All

Report of the Resources Director

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Review of the Implementation of Future Guildford

Executive Summary

This report provides the Overview and Scrutiny Committee with a final update on the implementation of Future Guildford. Updates on the implementation of Phases A and B were provided to this committee on the 17 December 2019 and 2 February 2021.

Future Guildford was the Council-wide approach to reorganise our whole organisation. The structure and the implementation of the new systems and procedures and way of working were all included under that heading. As was always intended, Future Guildford has now been completed and the on-going implementation of systems, procedures and the development of our culture is now all classed as 'Businesses as Usual' (BAU).   A final Future Guildford Board meeting was held in August 2021.

The report provides:
- some background information to Future Guildford
- presents the findings from two reports produced by Ignite ('operating model' **Appendix 1** and the 'Future Guildford programme benefit report' **Appendix 2**) at the end of their contract
- a summary of the findings of the recent KPMG internal audit on the governance of the project
- an update on various implementation issues including performance within the Customer Services Centre, planning applications and the introduction of the integrated finance and Human Resources (HR) system (Business World) and the Customer Relation Management system (CRM), Salesforce).

The Resources Director and relevant officers will present the report to the Committee at the meeting and will be able to provide response to any questions at that meeting.

The Committee is asked to provide its views on the implementation of Future Guildford. Some suggested issues for the Committee to consider are provided in Section 14 of the report.

Purpose of Report

1.1   This report provides the Overview and Scrutiny Committee with a final update on the implementation of Future Guildford. Updates on the implementation of Phases A and B were provided to this committee on the 17 December 2019 and 2 February 2021.

1.2   The report presents the findings from two reports produced by Ignite ('operating model' **Appendix 1** and the 'Future Guildford programme benefit report' **Appendix 2**) at the end of their contract.

1.3   A summary of the findings of the recent KPMG internal audit on the governance of the project is also provided.

1.4   The Resources Director and relevant officers will present the report and provide responses to any questions asked at the meeting.

2.   Strategic Priorities

2.1   Overall, the Future Guildford project ensured 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. This is further supported in the Council's new Corporate Plan 2021-2025 where we state that we will be an efficient and innovate Council and deliver good value for money services.

2.2   A key element of the Future Guildford approach is the investment in and development of our information technology. This related to the theme of 'Innovation' in the 2018-2023 Corporate Plan where we had stated that we would be ''using innovation, technology and new ways of working to improve value for money and efficiency in Council services''.

2.3   The Council is also a Category 1 responder as part of the Surrey Local Resilience Forum. The investment and development of our information technology has allowed this Council to function effectively throughout this pandemic with virtual committees and meetings (internally and externally).

3.   Background

3.1   Future Guildford was the Council's transformation programme covering the whole of the organisation. The Council agreed to the implementation of Future Guildford at its meeting on 26 February 2019 and Ignite (management consultants) were commissioned to work with us to implement their service model and the new structure. The service model is based on enabling genuine customer self-service through improved technology and managing resources into corporate case management, corporate customer service, specialists (e.g. Legal, accountants), strategy and commissioning and services.

3.2 Several factors prompted the need to implement a transformation programme on the scale of Future Guildford. These have been covered in detail in the previous reports but included:

- A lack of genuine customer self-service
- there was 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 had to refer to and directly enter cases into 14 separate systems, and they were not yet covering the full range of services
- there were 23 published telephone numbers for services
- out of 51 in-house systems identified, 30 related to support services
- finance had 20 in-house data bases/systems with significant off-system working and had 13 suspense accounts requiring reconciling which required significant manual effort
- Human Resources (HR) had a system but leave, sickness, time, performance and recruitment were all managed outside of that system.

3.3 Ignite also made the following observations:

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

3.4 Another key factor was the Council's financial situation. The General Fund Budget report, presented to Council in February 2019, identified that over the medium term period from 2019 to 2023 the Council was projecting a gap between income and expenditure of around £10 million. Sensitivity analysis concluded that the range of the gap was between £6million and £13 million.

3.5 As a result, the aims of the project were 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.

3.6 Phases A and B have now been implemented which has resulted in the structure shown in Appendix 4. The new structure reflects the implementation of the Model.

4.   Ignite reports

4.1   Ignite produced two final reports and provided a presentation to the Future Guildford Board on 23 August 2021.

4.2   The first report, GBC operating model paper (Appendix 1), provides a summary of the Council operating model that should assist in the maintenance and further development of the model to meet evolving strategic priorities of the Council.

4.3   The second report, Guildford Borough Council Programme Benefit Report (Appendix 2) sets out the benefits, financially (savings and costs) and in relation to the services and the strategic management of the Council.

4.4   The covering presentation to the Board is provided in Appendix 3

5.   KPMG Future Guildford Programme

5.1   KPMG undertook an internal audit of the programme in quarter 2 2021-22. Their findings were reported to the Corporate Governance and Standards Committee at its meeting in November 2021 and the report is public as part of the committee papers on our website (see   [Microsoft PowerPoint - GBC Progress Report November 2021 DRAFT.pptx - Read-Only (guildford.gov.uk)](#)). Appendix 3 of the progress report summarises the findings and conclusions from the audit.

5.2   KPMG reviewed the design and effectiveness of the governance arrangements, risk assessment, reporting and action tracking. They reported a finding of 'significant assurance with minor improvement opportunities' (amber-green). The rating was driven by regular and varied governance arrangements, robust tracking of deliverables and good initial consultation with staff. Two recommendations were made as follows:-
   • the Council should undergo a formal, comprehensive exercise to understand the extent of lessons learned from the programme implementation, including continued staff surveys and consultations to measure how well staff have adapted to new organisational structures and processes
   • The council's organisational cultural framework needs to be reviewed and updated and used in a consistent manner by management

5.3   This report to overview and scrutiny committee forms part of the formal post-project implementation review.   A staff survey and customer engagement survey is planned however, they have been on hold during the on-going covid-19 pandemic restrictions as the government restriction for Council officers to work from home, increased customer contacts relating to the pandemic and the impact of the new services we have implemented within the customer services team to support vulnerable people will inevitably have an impact on both surveys. It would be best to conduct both surveys once Future Guildford process changes and systems are fully embedded and the council returns to its 'new normal' covid restriction free business as usual operation.

5.4   The Organisational Culture Framework is aligned to the Values as defined in the Corporate Plan. The 2021-2025 Corporate Plan introduced nine new Values. A revised Framework has been constructed that identifies specific behaviours at three levels – Team member, Team Leader and Service Leader. The updated framework will be widely communicated, along with detailed notes for guidance that highlight its day-to-day use and its role in Team Meetings and 1-2-1s. Periodic reviews of relevance and usage will be scheduled.

6.   **Future Guildford Operating Model implementation**

6.1   As discussed previously, this is the Council's most ambitious and largest transformation project it has ever undertaken. The operating model paper at Appendix 1 describes the new model which the council is operating and the move to handling customer contact, as far as possible, through new self service tools via our website. The model assumes that the majority of customer contact with the council will be through the new on-line self service channels however, the customer service team will deal with any customers that cannot or choose not to self serve through our on-line tools. The aim of the model is for the customer and case team to resolve as many customer queries at the point of first contact as possible and to escalate matters which cannot be resolved to specialists. The new customer relationship management system, Salesforce has been implemented to ensure that we record all customer contacts with the council and monitor their progress through to resolution.   However, it is recognised that culturally, an improved focus on customer service across all teams still needs to be embedded.

6.2   In addition to the scale of this project, the Council was also responding to the worldwide Covid pandemic. The situation, coming out of the initial pandemic, presented a situation where we saw an increase in planning applications, and a largescale demand for our services. This was at the same time as we were implementing Phase B and the new systems. There have been a number of concerns expressed about delays in answering phones and delays in processing applications. The teams are working very hard to address these issues and recruit the appropriate staff to carry out the required tasks. It is anticipated this will be an area for discussion at the meeting. The former Head of Customer, Case and Parking prepared a brief report, prior to his departure from the Council, to update the Committee on the situation (Appendix 5) which has been updated to provide data as per January 2022 and the progress that is being made to resolve the issues. The departure of the Head of Customer, Case and Parking has provided an opportunity to review whether we continue to have an internal and an external case services team or whether there are further benefits that could be achieved in combining the teams and providing a smoother workflow between teams and a more joined up view of our customers. As an interim measure, the Resources Case Services Manager has taken on a combined role to cover the Head of Customer Case and Parking whilst the options for merging the teams are explored. This may result in a restructure of the case teams that may provide an opportunity to address some of the issues training and development issues and re-assess the staff resource requirement.

Future Guildford Technology

6.3   The Future Guildford programme was divided into two major phases. Phase A dealt with the reorganisation of strategic and internal support services and Phase B dealt with the reorganisation of public facing services. The technology workstream was aligned to these two phases.
- Phase A
  - Unit 4 BusinessWorld Enterprise Resource Planning (ERP) system replaced the Selima HR and Payroll system, ABS e-financials finance system in August 2020 and will replace the Adelante payments and income management system by April 2022.
  - Halo Nethelpdesk internal case management system was introduced in January 2020 to manage support internal service requests for ICT, HR, finance and legal services
  - A new intranet (Goss) was introduced in December 2019 to aid internal self service
- Phase B
  - A new interactive website (Goss) was introduced in April 2021 to aid customer self service, rationalise content, improve accessibility and to standardise customer journeys into the Salesforce CRM platform
  - A new customer relationship management system, Salesforce, was introduced in April 2021 which provides a customer portal, workflow management and e-forms across the majority of front-line services as well as integration into OPENVision and OPENPortal. Ongoing development to the system will be made through to March 2022 and possibly beyond, to bring further services online.
  - The revenues and benefits software, Civica was upgraded and three new modules Civica OPENVision, OPENPortal and OpenChannel were introduced between April 2021 and September 2021. These modules allow customer self-service for revenues and benefits as well as paperless direct debits.
  - Housing pre-tenancy software was replaced with Housing Jigsaw to cover homelessness, housing register and choice-based lettings services on-line and increase the council's compliance with accessibility regulations
  - Tascomi licensing software was upgraded to provide on-line forms integrated with the Goss website

6.4   The implementation of these software solutions has enabled better, more efficient processes for staff, improved compliance with regulations and enabled more genuine self-service for customers. This has required a major cultural shift in the way that officers work and the way that the public interact with the Council. The two largest systems, Salesforce and BusinessWorld went live with core modules at the time of implementation however there are on-going work streams to continue to iron out initial go-live defects, make further improvements to core functionality, deliver further non-core modules and developments to migrate other council services and systems into their functionality. Both systems have on-going development roadmaps which is being delivered through the ICT and Digital programme and is now overseen by the officer level 'ICT and Digital Programme Board'. An update on these developments is provided below.

Salesforce update

6.5   Salesforce went live in April 2021 with the initial implementation covering customer, case and parking services, waste services and initial integration to Civica OpenVision and OpenPortal for revenues and benefits. Since go live further post go-live enhancements and stabilisation have been made to improve missed bin reporting, commercial waste, integration with Bartec waste management system, geo-location, MOT Bookings, improved customer services dashboard and customer portal which mainly went live in Autumn 2021. The team are continuing to work on improvements to garden waste forms, electoral roll automation and the 'about your area' search. The next phase of development scheduled for completion by March 2022 is to integrate Salesforce with the new Heycentric payment provider (part of BusinessWorld Income manager implementation to replace Adelante).

6.6   The roadmap for further development of Salesforce is currently under development and includes the following considerations:-
   • Replacement of Iken legal services case management system
   • Replacement of Halo nethelpdesk case management system for internal case management (being considered alongside a potential merging of the two case management teams across directorates)
   • Replacement of violent warning marker database
   • Integration with Modern.Gov for councillor information
   • Integration with the Accolaid planning system for pre-planning applications
   • Replacement of the Stopford and SeatGeek booking systems for room, parking space and sports pitch bookings
   • Replacement of the housing repairs workflow system for tenants to raise a housing repairs issue (this is also being looked at as part of a wider project to significantly upgrade or replace the Orchard Housing management system for the Housing service)

BusinessWorld update

6.7   As part of the report that the O&S committee received on 2nd February 2021, officers provided an update on the implementation of the new integrated Finance, HR and Payroll system, BusinessWorld. Officers reported that during implementation there were issues with testing, data migration and cutover to the new system due to capacity issues with delivering the staff restructure alongside a major system implementation. These issues were compounded by having to do the work remotely during the first of the Covid lockdowns. As a result, the system carried a higher level of defects at go-live than we would have liked. The defects have all now been resolved and the council has implemented the reporting and budget monitoring functionality, the first phase of Income Manager, the bank reconciliation module and has started to implement the timesheets and expenses

module. The second phase of income manager, which involves a major upgrade to our telephone and web-payments functionality, implementation of Heycentric payment solutions (replacing Adelante) and integration with Salesforce is underway and scheduled to go live in April 2022.

6.8   There have been on-going issues with the budget monitoring functionality and officers have learned that the software supplier has now decided not to continue to support the module we have implemented, called 'business books'. The supplier has launched a new budget monitoring module called 'FP&A' and Officers are currently reviewing implementation of the budget monitoring functionality and considering migrating to the newer module (which we are aware that Surrey County Council are implementing as part of their implementation of the same system). HR training and HR performance modules are likely to start development for implementation later in 2022.

6.9   Overall, there has been significant and on-going improvement in the development of BusinessWorld since go-live and this has been recognised in the improvement of the internal audit assurance ratings and in the internal audit reports we have received for the core financial functions in 2021 compared to 2020. The improvement in core financial functions will be recognised in the internal audit progress report that is due to be reported to the corporate governance and standards committee in January 2021.

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 Phases A and B.

7.2   The proposed management actions within the KPMG audit will be progressed.

8.   Key Risks and Lessons Learned

8.1   The full project risk register has been provided in the previous reports and is covered within the KPMG audit report

8.2   In terms of lessons learned officers would offer the following reflections:-
- Cultural resistance to change has been significant and continues – Future Guildford is often blamed for problems that are not always related to the operating model or the technology but Future Guildford becomes the blame point with staff and councillors
- Future Guildford has not resolved some of the issues that were apparent in the organisational culture prior to Future Guildford – particularly communication, team working and a focus on customer service across all teams. In some cases issues have increased.
- Implementation during the pandemic and a large scale move to remote working has been a significant additional challenge
- The benefits report from Ignite (Appendix 2) recognises that not all aspects of the originally envisaged culture and change programme have

been implemented (partly due to the disruption caused by the pandemic) as a result there have been challenges in building new teams remotely

- Staff are not used to being managed through service plans, service level agreements and KPIs; this has been a significant adjustment which is still embedding
- There was a trade off in timing between doing the staff restructure to implement the new operating model to achieve the savings and the and testing and implementation of the new technology. In most cases the restructure was undertaken before the testing and implementation of the new technology meaning there was reduced capacity to deal with the testing and implementation. However, if the testing and implementation had been done first then we would have been training staff to learn systems they would not then be using meaning that training would have needed to have been repeated as new staff joined the organisation. There were advantages and disadvantages of both approaches and no right answer on how a change of this magnitude should proceed.
- Linked to the above point, following the implementation of new technology many process and procedure notes and knowledge based articles (KBA's) across teams need updating – this process is ongoing and is key to on-going training and development of staff as well as induction of new starters
- Due to 'firefighting' issues, transition plans and training and development plans were not always fully completed and implemented. Where issues have arisen and we have undertaken a further review then often the completion and implementation of the training and development plans is a key factor.

8.3 In order to address some of these issues, particularly before we go through a further organisational change with the Guildford-Waverley collaboration, the launch of a new organisational development framework, training and development plans for staff and robust performance and behavioural management is key.

9. Financial Implications

9.1 As detailed in Appendix 2, the Council is forecast to achieve around £8million of efficiency benefits from Future Guildford when compared to the baseline budget from 2018-19. Staff savings of £4.0million have been removed from the budget already for 2021-22 along with around £2million of other savings. A further £600,000 of income from the implementation of the asset management strategy and £1.3million of procurement savings are scheduled for implementation between 2022-23 and 2024-25 and are included in the Council's medium term financial plan. Savings originally identified under Future Guildford for the strategy based reduction in Community services, Leisure services, and Cultural and Heritage services have been carried forward into the Council's current savings strategy and are being considered for implementation as part of the on-going budget setting process for 2022-23 and medium term planning cycle up to 2025-26.

9.2 The original cost of Future Guildford was anticipated to be £13.3million. As detailed in Appendix 2, the cost at the time of project closure in June 2021 was £10.6million principally as a result of £1.6million lower redundancy costs than initially envisaged and a further £1.3million from not implementing the Teckal and trust model of service delivery for operational services. There remains on-going spend on ICT consultancy services and ICT software implementaion costs associated with the on-going delivery of the technology workstream in relation to BusinessWorld and Salesforce in particular. It is likely therefore that the final spend by March 2022 will be around £12.0million.

10. Legal Implications

10.1 The Head of Paid Service (HoPS), 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 HoPS 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 HoPS consider necessary. Section 3 of the Local Government Act 1999, 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.

10.2 The Blueprint (provided by Ignite at the very start of the process and referred to in previous reports) 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 Public Contract Regulations 2015 and the Council's Procurement Procedure Rules.

10.3 The Council will need to ensure it continues to comply with its employment law duties in relation to staff affected by the Phase B restructure.

11. Human Resource Implications

11.1 As stated in previous reports, the Future Guildford Transformation Programme has introduced a completely new way of working for staff and has resulted in the restructuring of teams and services as well as the introduction of new roles, which have all been subject to full consultation. Some further small scale restructuring is ongoing to address areas where service delivery can be enhanced. The 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 continually being assessed and met by a variety of methods alongside the provision of a number of wellbeing initiatives aimed at supporting our employees through periods of change and building resilience. These are being provided through the use of both the internal HR team and external resources.

12.   Equality and Diversity Implications

12.1   The Screening Equality Impact Assessment is in the Council report 26 February 2019.   At this stage, no further action is required but on completion of the transformation programme an assessment of the impact on our workforce profile and on the equality strands will be carried out. If an impact is identified and inequality needs addressing this will be reflected in the Council's Equality Action Plan.

13.   Climate Change/Sustainability Implications

13.1   The Council will ensure that all reviews and the development of services take into account the Council's strategic direction on climate change/sustainability policies and priorities.

14.   Suggested issues for overview and scrutiny

14.1   It is suggested that the Committee may want to look at the following issues:

- Future Guildford has produced a new, modern and efficient structure that should lead to better corporate management of the customer and services and delivers substantial savings. Does the Committee have any further observations in relation to the structure?
- Have the Committee got any comments on the lessons learned?
- Appendix 5 provides an update to the Committee on the issues faced within the customer, case and parking team in particular, have the Committee any further comments on this?

15.   Summary of Options

15.1   The Council agreed Future Guildford as its major, organisation-wide transformation project at its meeting 26 February 2019. The structures for Phase A and B have been informed through workshops, the meetings of the Future Guildford Board and formal staff consultation. All options for the review, structure and redesign of services, and the new systems have been managed through the project board and project team.

16.   Conclusion

16.1   In the previous report we stated the Council faced numerous challenges that led to the decision to implement Future Guildford. We found, from Ignite's work and our own internal assessments, that our IT systems were in need of investment and development to address these requirements and expectations. 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. We know, as a result of the Covid pandemic and other pressures that further efficiencies, increased income and savings are still required. The partnership/closer working with Waverley Borough Council will also continue the transformation agenda.

16.2 To conclude, much has gone well but, as with any project, there are areas where we have learnt from the experience. The reports form Ignite highlight the benefits and strategic areas that will require further consideration. The KPMG report confirms how the governance of the project was undertaken and provides some recommendations going forward. The update report from the Head of Customer, Case and Parking Services highlights where we are in terms of implementation and managing some of the backlogs and service concerns being experienced at the moment. The officers present at the meeting will update on the progress of these areas of work.

16.3 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.

17. Background Papers

[KPMG Internal Audit Progress Report Microsoft PowerPoint - GBC Progress Report November 2021 DRAFT.pptx - Read-Only (guildford.gov.uk)](https://democracy.guildford.gov.uk)

https://democracy.guildford.gov.uk/documents/s22498/Item%2005%201%20-%20Internal%20Audit%20progress%20report%20-%20App%201%20-%20GBC%20Internal%20Audit%20Progress%20Report%20November%202.pdf

18. Appendices

Appendix 1 – GBC Operating Model Paper (Ignite)

Appendix 2 – GBC Programme Benefit Report (Ignite)

Appendix 3 - Presentation for FG Board (Ignite)

Appendix 4 - GBC Future Guildford Structure

Appendix 5 – Update on Services and systems