

**Report to:** Cabinet

**Date of meeting:** 6 November 2017

**Report of:** Head of Service Transformation

**Title:** Watford 2020 Programme

## **1.0 Summary**

- 1.1. Watford 2020 is a transformational programme which will review the internal workings and processes of the entire organisation to develop and implement a new operating model<sup>1</sup> for Watford Borough Council.
- 1.2. The paper presents the programme vision, that:  
  
*“Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council.”*  
  
and introduces a set of design principles that describe the aspirational operating model of the council in 2020.
- 1.3. The programme approach and plan is outlined with the next key gateway being the presentation of the Operating Model and Outline Business Case to Cabinet in March 2017.
- 1.4. As a significant transformation programme robust risk and issue management is a fundamental component to ensure successful delivery of the programme and its constituent projects. This will be completed in accordance with the council’s risk management strategy and approach.
- 1.5. In preparing the programme a rigorous risk analysis has been conducted and the key risks are outlined in the report. The key mitigation to the most significant risks is the approach that has been designed for the programme where, through the High-Level Design work, the Operating Model and Outline Business Case that will be presented to Cabinet in March 2018 will identify the benefits that can be identified and delivered and the resources required for their delivery.

## **2.0 Potential Risks**

- 2.1. As a significant transformation programme robust risk and issue management is a fundamental component to ensure successful delivery of the programme and its constituent projects. This will be completed in accordance with the council’s risk management strategy and approach.
- 2.2. In preparing the programme a rigorous risk analysis has been conducted and the key risks are outlined below. The key mitigation to the most significant risks is the approach that has been designed for the programme where, through the High-Level Design work, the Operating Model and Outline Business Case that will be presented to Cabinet in March 2018 will identify the benefits that can be identified and delivered and the resources required for their delivery.

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<sup>1</sup> An operating model is a model of the future organisation - its working practices and processes, its structure and organisation, the information it requires and the infrastructure and technology that supports its operations to deliver the vision statement.

Nature of risk	Consequence	Suggested Control Measures	Response	Risk Rating
The delivery of the programme's anticipated benefits at the required pace may be constrained if sufficient resources are not made available.	Benefit realisation will be slower than anticipated.	Detailed resource planning will take place to enable the required resources to be made available to deliver benefits at the required pace.	Treat	9
Council services (staff and managers) may not have the capacity to support the delivery of the transformation agenda in parallel with delivering their business as usual responsibilities.	Either: 1. The programme will be delayed / quality impacted and therefore benefit reduced or 2. Service delivery will be impacted	Detailed planning for delivery to be conducted with services to ensure the risk is mitigated and service delivery is able to continue in parallel with delivery of the transformation agenda.	Treat	4
The delivery of some of the programme's anticipated benefits assumes behaviour change from our customers (residents and businesses).	If change does not occur anticipated benefits, particularly from wider take-up of digital transactions will not be realised.	1. Ensure that the service provision through digital channels is of a high quality 2. Detailed communication plan to ensure customers are aware of the new channels available to them	Treat	8
The £1million savings attributed to the Watford 2020 programme in the MTFS may not be identifiable or deliverable.	Financial savings / income increases would need to be identified through other mechanisms.	Watford 2020 process needs to be robust and detailed to support the identification of financial benefits. Outcome will be known through the completion of first stage of work (Tranche 1).	Tolerate	9

Full delivery of the “customer-focussed” and “digitally-enabled” elements of the vision may be constrained due to available financial resources, or the availability of suitable products in the market to deliver this ambition.	Ambition would need to be reduced.	The Outline Business Case will identify the resource and product requirements to deliver the programme’s vision.	Tolerate	9
Legislative or policy changes could mean that the vision and design principles are not deliverable.	Ambition would need to change or be reduced.	Maintain an awareness of changes to legislation and policy to provide early assessment of their impact on the delivery of the programme.	Treat	2

### 3.0 Recommendations

- 3.1. That the Cabinet approve the proposed Watford 2020 Vision and Design Principles
- 3.2. The regular Highlight reports are taken to Overview and Scrutiny for the duration of the Programme.

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### 4.0 Introduction to Watford 2020

- 4.1. Watford 2020 was initiated to develop and implement a new operating model for Watford Borough Council. It is a transformational programme which will review the internal workings and processes of the entire organisation through a series of “Service Innovations” to create a council which is ready for the challenges of the future. The programme is a key component in delivering the council’s ambition to be “bold and progressive”. It will enable delivery of all of the corporate priorities and is at the heart of delivering the priorities to:
  - Deliver a digital Watford to empower our community
  - Secure our own financial future
- 4.2. The reduction in government funding has significantly reduced in recent years and is anticipated to continue, with the Revenue Support Grant being entirely withdrawn by April 2019. The current Medium Term Financial Plan includes a £1m saving per year to be delivered from April 2018 by the

Watford 2020 programme. This means that financial savings are not just an ambition, but absolutely necessary.

- 4.3. Alongside this requirement to make financial savings has been the acknowledgement that the council needs to improve its digital offer for customers (residents and businesses), both of whom often expect to access services and communicate with the organisation outside of the usual office hours. The corporate drive to further develop the council's use of digital solutions, both customer-facing and back-office, is demonstrated by the inclusion of a digital agenda in the council's corporate priorities. The organisation is subsequently in a position where it needs to offer additional channels and digital integration without increasing the level of continuous resource or annual operating expenditure. However, the two are not mutually exclusive and Watford 2020 seeks to apply the council's 'bold and progressive' approach to the programme acknowledging that both commitments are an opportunity to improve services to customers whilst introducing significant efficiency.
- 4.4. To deliver this agenda a fundamental shift in mind-set is required across the organisation to be more commercial and to act and think in a more business-like manner. Encapsulating all of this under the umbrella of the Watford 2020 programme allows competing demands for resources to be reconciled, interdependencies to be identified and managed and the necessary change in culture to be firmly embedded across the council.

## **5.0 Programme Vision and Design Principles**

### **5.1. Vision Statement**

Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council.

- Our high-performing services will provide an excellent customer experience and will be designed from the customer's perspective and will ensure accessibility for all.
- Our services will be digital by design, exploiting opportunities provided by existing and emerging technology to deliver significant efficiencies.
- We will be innovative, bold and entrepreneurial in continually challenging ourselves to improve performance, reduce costs and generate income.

### **5.2. Design Principles**

As has been noted in the introduction, Watford 2020 is fundamentally concerned with developing and implementing a new operating model for Watford Borough Council, which will realise the programme's vision. At the point of initiation of the programme it is not possible to articulate in detail the organisation of the future, as doing so requires substantial work and is part of the first tranche of the programme. It is however necessary to define as a set of design principles the aspirational operating model for the future organisation, as these help to set the framework against which the operating model will be designed. The design principles are deliberately written as a future present and do not comment on where the organisation is now, or how it will move to that future.

#### **1. Process Principles**

- All processes are end-to-end digital by design and maximise use of automation
- The web channel is the default option for customers - Customer Services only facilitate / support

use of the web channel for those who can't / won't use it<sup>2</sup>

- We tell customers what they should expect, keep them regularly updated of progress and either meet the expectation we have set or proactively tell them why if it won't be met
- We publish only selected telephone numbers – there is no initial transactional telephone contact with customers anywhere except within Customer Services
- Front-end services are joined-up around life events not our organisational structures adopting tell-us once principles
- Processes are simple and standardised designed around the customer outcome and ideal customer journey
- We don't check physical things – we use the Internet of Things to alert us when we need to do something

## 2. Organisation and People Principles

- Our culture is creative, entrepreneurial, pro-active and can-do
- We have the skills and expertise to fully utilise digital capabilities
- Staff are rewarded for enhancing the delivery of our organisational objectives
- Management is output and outcome focussed
- We are a learning organisation – we encourage balanced risk-taking and there is no blame for “failure”
- We are outward-facing and industry aware – we learn from what others are doing and we share our learning with others
- Staff are appropriately empowered and encouraged to make decisions and changes
- We have a culture of continuous improvement, always searching for opportunities to make changes that will enhance the value of what we do

## 3. Infrastructure Principles

- We are enabled to work wherever and whenever
- Accommodation is utilised around functional requirements delivering maximum value from the asset
- We are paper-light
- Our ICT environment is modern and fit-for-purpose
- We only use a defined set of core applications
- All signatures are digital

## 4. Commercial Principles

- We continually identify and develop opportunities to commercialise existing and new services
- Our partnerships (private and public) are efficient and deliver value

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<sup>2</sup> This does not mean that channels will be closed – customers will still be able to access the council via the telephone and face-to-face; however the way in which this will be supported / mediated will be using the same digital processes as if the customer had self-served

- We have a strategic commissioning and procurement approach that derives the maximum value from every pound spent
- We adopt the most effective delivery models to deliver best value services
- We price commercially ensuring we cover all our costs (except when we have made a conscious and evidenced decision to subsidise)
- We are commercially astute – we understand the market and know how to make it work for us

## 5. Information Principles

- We input / capture data once and use it many times
- We have accurate real-time information about customers and our business performance
- We have a knowledge culture – we are data / information rich, which is used to drive decision-making and day-to-day performance management
- We know what information we hold and we only hold that which we need in the most appropriate format
- We share information where it is appropriate to do so across the Council and with our public sector partners

## 6.0 Programme Plan

- 6.1. As referenced in the Introduction, the programme is transformational and will review the internal workings and processes of the entire organisation through a series of "Service Innovations" to create a council which is ready for the challenges of the future. This is not a simple exercise and there are a number of gateways that are essential throughout the life of the programme to ensure that the programme's business case remains valid and delivery remains aligned to the realisation of the vision and objectives of the programme.
- 6.2. To provide this control and scrutiny the programme has been organised into Tranches, which group activity (projects) of a similar nature and will conclude at defined points when a formal review and authorisation to proceed will be required.
- 6.3. Tranche 1 - Service Innovations - High-Level Design

This tranche is planned to run from July 2017 to March 2018 and will deliver:

- Design of the future operating model in accordance with the design principles (covering processes, people, commercial opportunities and technology / infrastructure ) for the council across all services identifying required changes, the benefits of these changes and the technology / infrastructure required to enable the changes
- Outline Business Case demonstrating the benefits that can be delivered through implementation of the future operating model, the cost of implementation and the assumptions made
- Implementation Plan to identify when and how changes can be made and therefore when benefits can be realised - this will inform Tranche 2 of the programme plan

These three deliverables will require sign-off by Cabinet (in March 2018) prior to the initiation of Tranche 2.

#### 6.4. Tranche 2 - Service Innovations - Detailed design and implementation

This is the truly transformational part of the programme which will be initiated upon the conclusion and approval to proceed at the end of Tranche 1. This will see the high-level design being developed into detailed designs and implemented for all areas of the organisation. It is this tranche in which the benefits of the programme will be realised as commercial ideas are progressed, digital infrastructure is utilised and efficiencies are made. Through the detailed design work detailed cost and data analysis will enable the Outline Business Case developed during Tranche 1 (identifying expected benefits) to be developed into a Full Business Case describing the benefits that should/will be delivered.

It will not be possible to determine the projects or phasing of changes until the end of Tranche 1 as projects will need to be prioritised based on benefit, when required enabling infrastructure (technology) can be in place and synergies between different opportunities.

#### 6.5. Tranche 3 - Enablers

This tranche, potentially running throughout the life of the programme, will explore and implement all required components to enable delivery of the new operating model.

The initial scope of this tranche at the point of the programmes initiation includes all known required enablers at this point and for which there is a valid business case. New projects will be added to the scope as and when the requirement for them is identified through the programme's lifecycle (anticipated to be through both Supporting Strategies and Service Innovations - High-level Design) when there is a valid business case and available funding as approved by the Programme Board.

#### 6.6. Tranche 4 - Supporting Strategies

This work will include the development of three key organisational strategies (People, ICT, Commercial), which will articulate in detail key components of the future organisation to ensure that the new operating model can be delivered and the benefits realised. It is anticipated that through the development of these strategies more enabling requirements will be identified and that therefore more enabling projects will need to be initiated.

The strategies will all require approval by Cabinet with an objective for this to take place during the autumn of 2017.

#### 6.7. Tranche 5 - People

This tranche, running from the approval of the People Strategy, will include a variety of activity to deliver the desired organisational culture and supporting HR infrastructure. This Tranche will run for the lifecycle of the programme. The People Strategy will be reported to the December Cabinet in support of the change programme.

### **7.0 Implications**

#### 7.1. Financial

- 7.1.1. The Shared Director of Finance comments that there is a budget allocated to the Watford 2020 programme in the current year. Any additional costs identified through the process will need to come for approval either through the annual budget setting process or supplementary budget requests.

7.2. **Legal Issues** (Monitoring Officer)

7.2.1. The Head of Democracy and Governance comments that there are no specific legal implications at this stage of the programme.

7.3. **Equalities / Human Rights**

7.3.1. Having regard to the council's obligations under s149, it is considered that at this time no Equalities Impact Assessment is required because as yet there are no specific proposals relating to service delivery changes arising from the Watford 2020 Programme.

7.3.2. A full Equalities Impact Assessment of all proposed service delivery changes will be presented to Cabinet with the Operating Model and Outline Business Case in March 2018 with further evolution of the Equalities Impact Assessment for each individual service change in advance of implementation.

7.4. **Staffing**

7.4.1. The staffing implications of the Watford 2020 programme are not yet known; however it is anticipated there will be an impact on staffing once the design of the future organisation has been established. Any changes to staffing will be conducted in accordance with the organisation's approved change management policy and processes.

7.5. **Accommodation**

7.5.1. Any accommodation implications of the Watford 2020 programme will be identified within the New Operating Model and Outline Business Case in March 2018.

**Appendices**

None

**Background Papers**

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- None

**File Reference**