



Business Case Template including Funding Application

Date: Thursday, 31 October 2019

Version number: 00002



Project title:	Project Manager:	Senior Responsible Officer:
People & Organisation	TBA	Jane West
Directorate:	Corporate Theme:	Estimated cost of project: Revenue / Capital / Ongoing
	Opportunities	TBC
Finance Business Partner:	Board/Governance Lead:	Projected cost savings: Incremental Revenue Savings
Richard Tyler	Opportunities Board	

1. Project overview	
What is the reason for the project?	<p>Havering Requirement Case to develop the people and organisation needed to meet its transformation ambitions</p> <p>Our overarching vision</p> <p>The Council is developing a vision for the future of Havering Council, which builds on work completed during 2017/18 and our ambitions as set out in the Transformation Plans for 2022.</p> <p>The vision for Havering is being built around a principle of:</p> <p><i>Resilient communities with a bright future</i></p> <p>We are confident that Havering has a bright future as a Borough and are committed to building on our strengths to ensure that residents have a bright future and are proud to be part of their local community.</p> <p>We recognise the need to continue to listen to our residents, staff and partners and to embrace innovation, and in this respect we have initiated an ambitious transformational change programme, to address the challenges ahead.</p> <p>Transformation and collaboration with our communities is especially important during a time of severe budget pressures and growing demands for services.</p> <p><u>Developing and Delivering our vision</u></p>

The delivery of the Transformation Plan is based around the Council four key priority themes with outcomes in each area. They provide a framework for our energies and commitments over the next four years and set the context for this Workforce Plan.

They are set out as follows:

Communities

Inclusive and safe, working across systems and partnerships

Resilient

Stable and supported by appropriate housing solutions

Safeguarding the vulnerable and supporting independence as a first option for all

Opportunities

Economically vibrant, encouraging inward investment and growth

Ambitious for our residents, particularly our Young People

Raising standards of achievement and life outcomes

Place

Environmentally responsible

Prosperous

Actively managing the future of Havering and it's 'place on the map'

Promoting sustainable development and making best use of assets and resources

Connections

Digital by design

Positively managing travel and transport

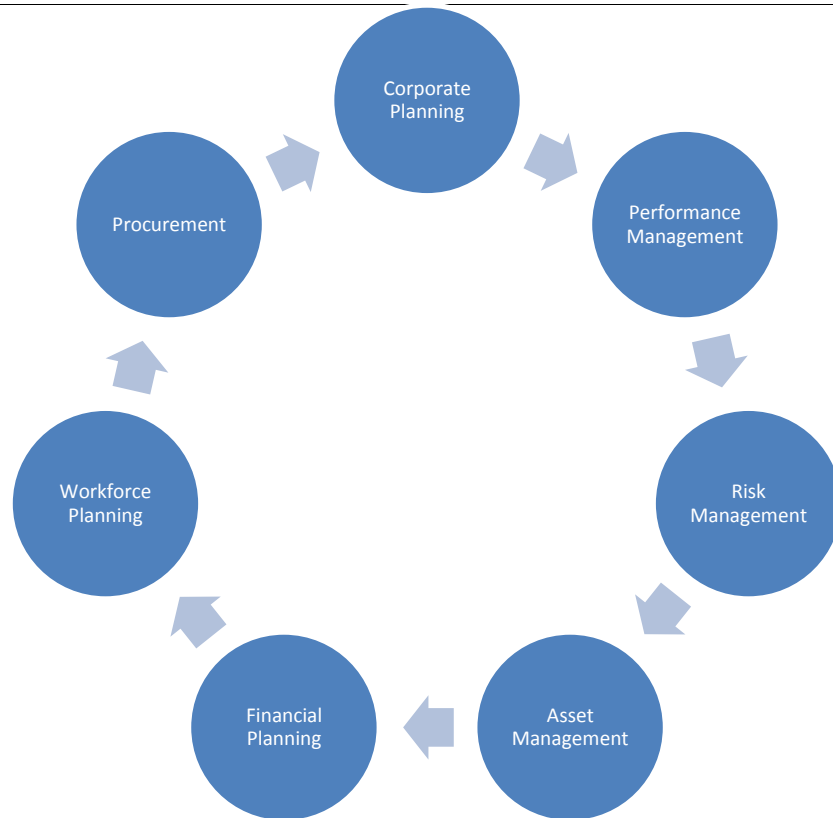
Partner of choice for growth, innovation and employment

Promoting the use of technology, insight and analytics to support decision making and investment

Key Service Development Areas

Delivering the Council's priorities will require a continued focus on effective workforce planning at both a directorate and corporate level and as part of an integrated and enabling approach to wider corporate planning.

This is illustrated below:



Our Values

Our values describe the behaviours and qualities and that will help us adapt to future demands, deliver the well-being objectives and achieve our principle of resilient communities with a bright future. They are set out as follows:

Future focus Forward thinking, embracing new ways of working, investing in our future

Collaborative Open to different ideas and being accountable for the decisions we take together

Working together as a team that engages with our customers and partners, respects diversity and is committed to quality services

Proud Proud of the Borough of Havering, proud to serve our communities and to be part of Havering Council

Our values have been informed by a series of workshops with staff from across the Council and by responses to the consultation on the medium term budget plans.

The values will be built into our recruitment, appraisal and future employment policies and will help shape our future employee development programmes. In this respect the values underpin much of the activity set out in this People & Organisation Plan.

What specific problem is the project solving?

Changes in how and where services are delivered

The financial challenges have major implications for the way public services are provided and will continue to drive the Council’s transformational change programme over the life of this Workforce Plan.

Increasingly the role of the Council is becoming one of enabling and commissioning

services from providers and/or working alongside other agencies to provide services. The emphasis is changing from responding to service need to looking at ways to prevent the need arising in the first place.

The changes in service provision are matched by an increase in the requirement for our managers to work across different sectors, to take indirect responsibility for the outcomes (and development) of staff that may not be directly managed and to increasingly work with service regulators and professional registration bodies.

The new 'shared' models of service which are likely to emerge across the Council's libraries, regulatory services, care teams etc., are indicative of a pattern of change that will gather pace over the coming years.

It is a pattern that is reflected in funding changes and will be a guiding principle within the programme of public sector reorganisation and reform which continued budgetary reductions will drive.

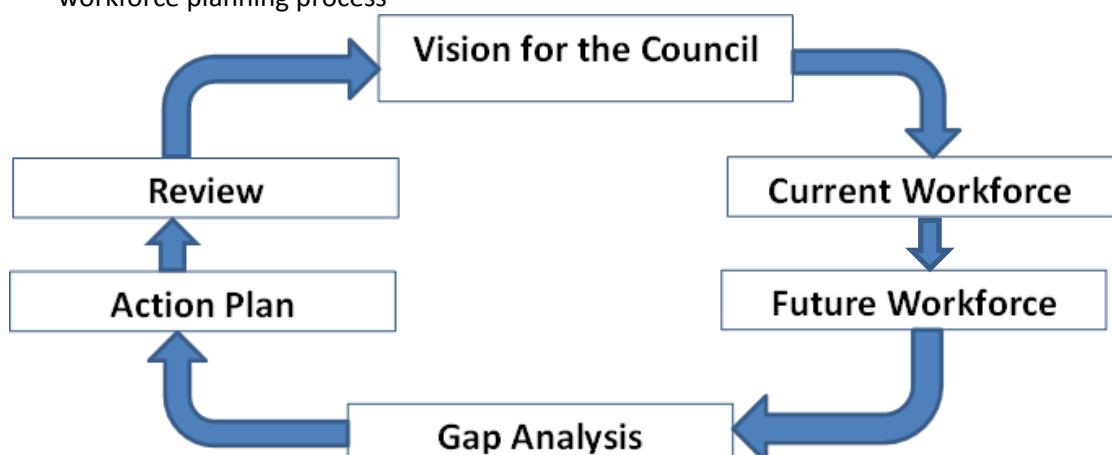
There will clearly be a need to keep pace with the human resource implications of this agenda.

Of particular importance will be the need to build the capacity of managers to deliver transformed services and the skills, desire and flexibility of our workforce to work within new service models.

Workforce planning is a process for identifying and addressing the gaps between the workforce of today and the human resource needs of tomorrow. The process is congruent with sustainable development principles, in terms of seeking to plan for the long-term.

The plan for the Council should be drafted on the basis of the following sequential steps:

1. Setting out the strategic vision for the Council and the implications for the delivery of services over the next four years
2. Analysing the current workforce within the Council and the issues which may affect the supply of human resources over the next 4 years
3. Seeking to anticipate the demand for future human resources as a result of the above and specifically the sort of skills and competencies required of our future employees
4. Bringing together an action plan to 'bridge the gap' between our current and future workforce needs. This will, in turn form the basis for the Council's People Strategy.
5. Establishing mechanisms for monitoring and refreshing the plan and sustaining the workforce planning process



	<p>Technological Changes</p> <p>The approach to direct service delivery will also need to continue to change in line with the ever increasing expectations from service users about when and how services are provided.</p> <p>The Council’s ambitions around Digital channel shift and enabling/assistive technology will help improve the speed of (and access) to services and, in doing so challenge the appropriateness of current service delivery methods and the numbers and types of employees.</p> <p>The effectiveness of the Council’s automation, robotics and customer access programmes, as well as the wider rationalisation of business and systems architecture, to reflect a smaller, more efficient organisation in the future, will continue to depend on the investment in underpinning technology and the harmonisation of work and mobile communication devices.</p> <p>Success in both of the scenarios above will depend on a continuing investment in the digital skills, confidence and capabilities of our staff and the need for us to remain competitive in the recruitment of ‘digital native’ school leavers and graduates.</p> <p>The National Picture</p> <p>According to the UK Commission for Employment & Skills (UKCES) Employer Skills Survey in 2015 the vast majority of employers (86 per cent) reported that they had a fully proficient workforce. However, 14 per cent of employers reported skills gaps within their establishment, with approximately 1.4 million staff lacking proficiency in their current role (five per cent of the UK workforce).</p> <p>While the proportion of employers and staff affected by skills gaps decreased compared to 2013, the impact of skills gaps increased slightly, and appeared to impact on smaller businesses in particular.</p> <p>Skills Gap in London and the challenge for Havering</p> <p>According to London Councils, despite the rising population in London, many employers are facing skills gaps. 28,300 London employers report that not all their employees have the right skills for the job. Almost a quarter (23 per cent) of all vacancies in London are due to a lack of applicants with the right skills, while almost half of firms (42 per cent) are not confident they will be able to recruit people with the higher-level skills their organisation needs over the next five years.</p> <p>The number of cases where employers have been unable to fill a vacancy due to skills shortages in the capital has also more than doubled since 2011 – rising from 14,000 to 37,000.</p> <p>Employers have reported rising skills shortage vacancies in London and skills gaps in their workforce.</p> <p>More locally and as detailed in the Councils Employment & Skills Plan 2018-2020, the latest workforce information provided by Skills for Care in October 2016, shows that compared to London, Havering has:</p> <ul style="list-style-type: none"> • the highest turnover of direct carers at over 37% (representing 2300 leavers) - 14% higher than London average • the lowest pay across all levels – from professionals through to care workers • higher numbers of workers on zero hour contracts (5% higher than the London average) • lower numbers of the workforce with a relevant qualification (37%), 17% less than the London average.
<p>What total investment is</p>	<ul style="list-style-type: none"> • Further review of existing investment and potential for redeployment of resources is required to determine additional funding needed. • Currently, there are two small pilots being developed to deliver an improved

required?	understanding of the level of cultural and organisational change required, with an associated spend of £70k in total.
What options have been considered ?	<p>This business case proposes creating a methodology and process to enable the Council to effect cultural and organisational change, once an agreed Target Operating Model and vision for the shape and nature of the Council by 2022 has been defined and agreed.</p> <p>The document recommends a way to proceed with structured review and change across the organisation to support Havering in realising its ambitions for the future, and delivery of a culture and structure which will enable sustained transformational capacity and capability.</p>
What are the benefits that will be delivered?	<p>The Council's budget plan suggests that there will continue to be a reduction in the numbers of directly employed staff over the life of this workforce plan, since meeting the projected £37 million savings target will potentially require a decrease in staffing numbers of between 15% and 30% as part of transforming the way we work</p> <p>The training and development needs for our managers in exploring the possibility of alternative service delivery models and navigating the route from business case to delivery cannot be under-estimated. Nor can the requirement for our staff to develop very different skills and to work in new organisational structures.</p> <p>For other employees there will be a need to manage a reduction in numbers, through a sensitive and planned programme of redeployment, outplacement or redundancy whilst ensuring that important organisational knowledge is not lost.</p> <p>The challenge will be to ensure that we strive to retain the engagement of our staff, their involvement in and understanding of the change process and where possible their contribution to the design of the new working models.</p> <p>The scale of change, in relation to the workforce profile, will to a larger extent, depend on the progress of the public sector transformation driven by the changes to the funding for Local Government and the rationalisation of services across Authorities, which may be required to manage affordability of services, going forward. Prospective organisational mergers will magnify the issues set out above, both in terms of the degree of organisational change and the reduction in staff numbers.</p>
What are the key business impacts both positive and negative?	<p>Approximate staffing base at 2018 = 3,025 (includes agency staff, but excludes casual staff)</p> <p>Average salary = £27,711.40 (figure quoted is NET of overheads)</p> <p>To manage the funding gap, part of Havering's ambition is to become a leaner, more efficient organisation, with increased capability to automate transactional activity. The impact of process and practice efficiency is the potential to work smarter, rather than harder, and therefore to positively realise reductions in staffing over time.</p> <p>It is acknowledged that, as the vision and organisational culture and ambitions mature, re-scaling will emerge as part of service reconfiguration, proposed within the programme. A focus on the levels by which staffing will need to reduce, may prompt services to review:</p> <ol style="list-style-type: none"> 1. How this impacts our ability to deliver services from the current or proposed models being offered. 2. Efficiencies in processes, services and the effective development of community self-serve/self-manage. 3. Levels of staffing will most directly impact cashable savings, where transformation does not realise income generation or other growth in funding.

2. Delivering the Project

How will the project be delivered?

Current Phase – detailed mapping of the Workforce and Changes required to deliver the future state required for Havering

- Analysis of the current workforce and identification of significant underlying trends (in hand)
- A full analysis of our current workforce profile needs to be conducted and will be informed by data from the Council's Oracle HR/Payroll systems and based on as close to current workforce data as possible.

Second phase: shaping the future workforce (January 2019 onwards)

- Agreement of the Council's future ambitions, service reconfiguration priorities and detailed proposals for staffing and service reductions associated with transformation programmes
- Consideration of the likely workforce 'supply' issues as set out in previous sections, in relation to the national and local workforce challenges.
- Of particular importance will be understanding detailed workforce proposals for the future organisation, which will be required for each Service Reconfiguration Plan (as these emerge) and the overall approach to staffing reductions, to drive the objectives and outcomes set out in the 2018-22 Corporate Budget Proposals.

In achieving the Council's known service aspirations over the period 2018 – 2022 there will need to be a focus on a number of key workforce themes, as early as possible:

Workforce themes:

1. Reshaping services and the workforce profile
2. Leadership & succession planning
3. Employee engagement – maintaining momentum
4. Capacity, capability and performance
5. Optimising skills and capabilities in the workforce
6. A workforce that reflects our wider community

Theme 1 activity:

- Provision of training, coaching and mentoring for managers to support change management and the delivery of alternative delivery models
- Development of a strategic approach to managing the change in staffing numbers
- Strengthen the Council's approach to redeployment, out-placement and workforce mobility
- Identify, upskill and promote staff who are able to develop and model new skills, culture and leadership styles for the future
- Develop a positive approach to attracting, recruiting and retaining shortage skills staff and actively pursuing top talent to meet Havering's forward ambitions

Theme 2 activity:

- Review the Council's management competency framework to reflect the challenges of the next four/five years
- Review and refine the training/organisation development 'offer' to support delivery of the MTFS and the Transformation Programme
- Define and deliver an overhaul to succession planning and review arrangements across the Council
- Strengthen and promote opportunities for recognition, reward and career progression

	<p><u>Theme 3 activity:</u></p> <ul style="list-style-type: none"> • Develop and launch the “ Havering Pact”, following consultation and refinement • Ensure the refinement and full launch of a revised staff engagement approach/strategy • Monitor and evaluate staff engagement levels on a bi-annual basis • Develop an employee relations framework agreement with the unions to support Transformation <p><u>Theme 4 activity:</u></p> <ul style="list-style-type: none"> • Review and relaunch the Staff Appraisal Process as part of the wider transformation performance management framework • Develop approaches to support greater mobility of staff between services and a broader approach to job design • Review key employment policies to help deal more effectively with issues of grievance, under-performance and capability • Implement measures to further reduce absence levels across and in doing so to improve capacity and resilience • Review and relaunch an Employee Assistance Programme <p><u>Theme 5 activity:</u></p> <ul style="list-style-type: none"> • Develop and implement a new Training & Development Strategy (TDS) • Develop a new ‘Passport to Training’ Scheme to support the TDS • Undertake a skills audit across service areas and refresh as part of service redesign/reorganisation • Support the development needs associated with the Digital by Design Strategy • Support the workforce development needs associated with Integration and multi-agency working <p><u>Theme 6 activity:</u></p> <ul style="list-style-type: none"> • Review, develop, analyse and publish an equalities data set to track against progression of Transformation and ensure impact is appropriately managed • Implement a strategy to improve the numbers of employees aged 16-24 <p style="text-align: center;">Delivery Confidence RAG Rating</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"><input checked="" type="checkbox"/> Red - Completely new approach, a new pilot and/or process with a new supplier.</td> <td style="width: 33%;"><input type="checkbox"/> AMBER – Known method/process/supplier but not used before.</td> <td style="width: 33%;"><input type="checkbox"/> GREEN – Tried and trusted method/process with known supplier.</td> </tr> </table>	<input checked="" type="checkbox"/> Red - Completely new approach, a new pilot and/or process with a new supplier.	<input type="checkbox"/> AMBER – Known method/process/supplier but not used before.	<input type="checkbox"/> GREEN – Tried and trusted method/process with known supplier.							
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<p>What are the top level milestones for the project?</p>	<ul style="list-style-type: none"> • Initial Data capture on a rolling basis as part of service review and redesign • Workforce analysis, assessment of skills gaps and organisational models detailed for each service as reviews complete • A more detailed business case and change programme for investment delivered by March 2019 for the first tranche of services, providing indicative priority areas for Organisational development and change and a pathway for cultural change • Full change plan to be developed as part of the programme of service reviews • Route to approval if known <p style="text-align: center;">Route to approval if known</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input type="checkbox"/> Consultation</td> <td><input type="checkbox"/> Key Decision</td> <td><input checked="" type="checkbox"/> Non key Decision</td> <td><input type="checkbox"/> Cabinet Approval</td> <td><input checked="" type="checkbox"/> Other (specify)</td> </tr> <tr> <td>Date:</td> <td>Date:</td> <td>Date:</td> <td>Date:</td> <td>Date:</td> </tr> </table>	<input type="checkbox"/> Consultation	<input type="checkbox"/> Key Decision	<input checked="" type="checkbox"/> Non key Decision	<input type="checkbox"/> Cabinet Approval	<input checked="" type="checkbox"/> Other (specify)	Date:	Date:	Date:	Date:	Date:
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Date:	Date:	Date:	Date:	Date:							
<p>What are the top level risks to the project?</p>	<ul style="list-style-type: none"> • Lack of skills and delivery resource to deliver the scale and complexity of change required for the organisation. • Lack of clarified target operating model (size/type of organisation, including decisions about in/out-sourced services, retention of non-statutory functions, ambitions around digital & automation, to enable planning & training the workforce and organisational culture) • Lack of active leadership and direction of the programme: clear commitment to a well defined target operating model and to driving through uncomfortable, cultural change, the organisation will not realise its ambitions for transformation 										

	<p>in a sustainable way</p> <p>In addition the organisation will need to consider investment in resources to realise:</p> <ul style="list-style-type: none"> • Cultural change and organisational redesign leadership, with the authority to drive an agreed approach to performance culture and customer centric planning and management of services (including effective engagement with staff, partners and communities to enable the changes required) • Rationalisation of systems, processes and policies to create an agile, flexible and mobile workforce, which can be sized to meet the future needs of the organisation and which can recruit or resize rapidly, to meet the changing local government environment. • Additionally, ad hoc resources will be required, to ensure that the Council is legally and financially able to make the changes to its size and shape, revisit the nature and type of employment contract documentation, revisit arrangements for performance managing and retaining top talent are in place and so on.
What assumptions have been made?	<ul style="list-style-type: none"> • It is assumed that Havering has both ambition and the appetite for risk that a fundamental shift in its organisational shape and culture and that political and officer leadership will champion the changes required, with the workforce. • It is further assumed that Havering will develop the tools and techniques to engage effectively with both the workforce and the wider community on the changes which will be realised in the next 5 years.
What is included and excluded from scope?	TBC
What project board will this project report to?	Opportunities
Who are the identified stakeholders for the project?	<p>Cabinet</p> <p>Andrew Blake Herbert</p> <p>SLT</p> <p>Sean Harriss</p> <p>Jan Douglas</p>
Who or what are impacted by this project (including headcount reduction)?	All staff.

3. What are the critical success factors for the project

Deliverable	Success measure
(see themes above)	<ul style="list-style-type: none"> • Transformation of the Council's culture and ambitions enables an agile, flexible workforce • Cultural change delivers a performance driven, customer focussed organisation • Values and behaviours embedded, consistent with a high performing, highly effective Council • Improved focus on 'human decision making' and automation/digitisation of transactional activity wherever possible • Significant channel shift to digital for public interactions

	<ul style="list-style-type: none"> • Reduced cost to serve • Reduced end to end customer processes and journeys, improved user experience
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4. Total Cost and Saving Projections please attach appendices if required

Supporting Narrative:

Existing Revenue Budget <small>indicate if HRA, Grant, or General fund applicable, Transformation</small>	Yr1 18/19	Yr2 19/20	Yr3 20/21	Yr4 21/22	Yr5 22/23	Total
Cost centre 1						
Cost centre 2						
Total:						
One off Capital costs <small>e.g. significant building modifications</small>						
Cost A						
Cost B						
Total:						
One off Revenue costs						
Cost A						
Cost B						
Total:						
Ongoing Costs <small>e.g. Programme Manager, Legal Advice</small>						
Cost A						
Cost B						
Total:						
Savings <small>e.g. Existing budget less ongoing costs or income generation</small>						
Saving A						
Income generation A						
Total:						

5. Financing the Project

<p>What assurances can you give that costs/benefits identified will be delivered?</p>	<p style="text-align: center;"><small>What methods of value for money have be used? eg Benchmarking, soft market testing, competitive analysis:</small></p>
<p>What are the key financial risks to the proposed option?</p>	<p>In addition:</p> <ul style="list-style-type: none"> • Non adherence with policy will continue to consume time and effort and therefore cost • Key skills to drive both change and innovation across the Council, as well as the cultural disposition towards transformation, are currently not embedded in the Council (and lacking, in some areas) and investment will be required to improve these before transformation is likely to be impacted significantly.

	Financial Confidence Rating		
	<input checked="" type="checkbox"/> RED - Indicative figures that are yet to be ratified, further work required to develop full costings and/or savings.	<input type="checkbox"/> AMBER - Costs and saving identified for part of the project but delivery in some areas is uncertain.	<input type="checkbox"/> GREEN – Costs are known and saving targets are deliverable.
If savings been listed under MTFS or any other savings target please explain?			
Can this project be delivered within existing budgets if not why not?	To be confirmed.		
What other sources of funding could be considered?			

6. Initial Equality & Health Impact Assessment Checklist		YES	NO	Action
Are you changing, introducing a new, or removing a service, policy, strategy or function?	<input type="checkbox"/>	<input type="checkbox"/>	<p>If you answered YES to any of these questions complete full EQHIA</p> <p>If you answered NO Please provide an explanation on why your activity does not require an EQHIA below. <i>This is essential in case the activity is challenged under the Equality Act 2010.</i></p>	
Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	<input type="checkbox"/>	<input type="checkbox"/>		
Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	<input type="checkbox"/>	<input type="checkbox"/>		
EQHIA not required:	Unknown at this level of detail. There will be impact on people, but until a detailed case can be delivered, it is unclear where and with which groups impact will be felt.			
Further guidance and advice https://intranet.havering.gov.uk/help-with-work/equality-impact-assessment/				

7. Consultation & Approvals			
Who has been consulted with?		Who has approved this?	
Risk Management		Responsible Director	
Equality & Diversity		Chief Financial Officer	
HR		Transformation Board	
Legal		Lead Member	
Procurement		Other Board	

Appendix 1 Version History		
Revision date	Revision by	Summary of Changes

24/09/18	Susie Faulkner	Version 1
25/09/18	Susie Faulkner	Version 2
27/09/18	Susie Faulkner	Version 3
27/09/18	Susie Faulkner	Final draft for SLT

Delivery

