

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 1 November 2016	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Implementation of the Modernisation Programme	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Fiona Colley, Finance, Modernisation and Performance	

### **FOREWORD - COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE**

Southwark residents deserve the very best from their council, and we need to keep up with the changing ways they want to access our services. Modernising the way we manage our workforce, workplace and IT is crucial if we are to respond to local needs, operate with reduced budgets, and keep up with changes in the wider world.

For any organisation, its staff are its greatest asset, and this is particularly true for Southwark council, where so many of our staff deliver excellent frontline services to our residents every day. We know that the majority of our staff think Southwark is a good place to work and are proud to work here, understanding and respecting our values as an organisation. But we also know there are improvements to be made. It's also essential that if the council is going to be fit for the future, and operate effectively with smaller budgets and growing demands, we need to make some changes to the way we support and manage our workforce.

Our workforce strategy pulls together a clear plan for how we can provide staff across the council with a more consistent experience, reduce bureaucracy and communicate to and between staff more effectively. It recognises the need to recruit and retain good staff, and ensure we have the right staff, with the right skills in the right jobs. It considers what those staff need to do their job well, to feel supported and to feel part of a 'One Southwark' workforce. Crucially, it sets out a plan for how we can help our staff offer our residents what they want and need in a changing world, now and in the future.

Of course, if we are to keep up with the needs of our residents and staff, we need IT that is fit for purpose. We need technology that is reliable, modern, secure and cost-effective, that supports the digital strategy and enables service transformation across the council. The IT strategy provides a clear plan for how we can build an evolving and responsive IT service that meets the requirements of all our staff as well as our residents.

The third pillar of our modernisation programme focuses on where we provide our services. The workplace strategy sets out our vision to provide a bright, modern flexible work environment for all staff that supports mobility, productivity and collaboration across departments.

Together these strategies will help us to be fit for the future, and transform how Southwark operates as a council, fulfilling our promise to modernise our council by transforming where and how we work in order to better serve our customers.

## **RECOMMENDATIONS**

1. To note and endorse the strategy contained within the “modernisation programme” (Appendix 1).
2. To note the vision, objectives and deliverables contained in the workforce strategy, workplace strategy and the IT strategy, at appendices 2 - 4.
3. To note a further report will be presented to cabinet in December 2016 setting out more detailed proposals and a business plan to enable the inclusion of further services into a flexible corporate office accommodation model.

## **BACKGROUND INFORMATION**

4. In October 2013 the cabinet agreed a three year workforce strategy to support implementation of the council’s aims and objectives. This strategy identified several key employment related areas that would assist with delivery of the council’s fairer future promises.
5. This workforce strategy was periodically reviewed and the progress made against the objectives has been reported back to the cabinet throughout the past three years. This has been supported by workforce reporting, covering aspects such as the composition of the workforce, recruitment and retention rates, and learning and development opportunities.
6. At the cabinet meeting in March 2016 it was agreed that a refreshed strategy would be presented to cabinet towards the end of the year. The intention is that the new strategy ensures that Southwark is “fit for the future” and continues the progress made to date against our fairer future promises.
7. Recognising that the council is progressing well against the fairer future promises yet also knowing that the world in which we operate is changing fast, in September 2016, the cabinet agreed a proposed refresh of the council plan 2014 - 2018. In proposing the refreshed plan, a new priority theme was adopted to deliver a council that is “fit for the future”. This is about articulating our commitment to deliver responsive, digitally enabled services that adapt well to change and deliver continuous improvement to residents.
8. The council has made a huge amount of progress in recent years moving to state of the art buildings in Tooley Street and the Queens Road campus, achieving Investors in People Gold, having the largest apprenticeship scheme in London and with 74% of staff proud to work for the council.
9. Building on these strong foundations that we have laid in the last five years through greater efficiencies, and in spite of unprecedented reductions in government funding, our priority to be fit for the future will focus on harnessing the skills and talents we need for the changing borough in which we operate. The new strategy and modernisation programme sits at the heart of delivering on this priority and our ambitions within it.
10. Noting the importance of the relationship to the council plan and the new theme to be fit for the future, cabinet also approved the fairer future medium term financial strategy and integrated efficiency plan. As part of that we have signalled our aim to

continue to develop our workforce, our workspace, our digital services and our technology to create a modern and sustainable council. We will also invest through our modernisation programme and seek value for money and high quality customer service in everything we do.

11. The modernisation programme, will therefore transform where and how the council works in order to better serve our customers. The programme sets out a new three year strategy that focuses upon developing our workforce, workplace and IT to meet business need and our strategic vision.
12. The new strategy also continues to meet the requirements of Equality Duty 2010, which requires public bodies to publish relevant, proportionate information annually demonstrating their compliance with the Equality Duty. Information will be produced through an annual workforce report, which comprises a range of human resources related data and is published on the council's website.

### **KEY ISSUES FOR CONSIDERATION**

13. The modernisation programme outlines how Southwark will transition into a forward thinking, dynamic council that effectively embraces modern ways of working to serve our customers better. The strategy focuses upon our key business needs across three distinct areas:
  - Workforce
  - Workplace
  - IT.
14. A separate strategy with detailed objectives has been created for each of these key areas see appendices 2 to 4. These outline how the council will change the way it operates from a people, workplace and IT perspective. It is apparent that these three areas interlink in delivering the modernisation programme and that elements will overlap, with the drive towards digital encompassing all three areas. These areas will improve together to modernise the council.

### **The modernisation programme**

15. The strategy details how the council will transform the way it works, considering the work environment, the development of the workforce and the impact of digitalisation. This overarching strategy is underpinned by three inter-related strategies, supported by a plan of activities, setting out how the council will work:

**Workforce** - the vision is to develop the culture, skills, processes and management capability to support a productive, motivated and high performing workforce.

**Workplace** - the vision is to provide a bright, modern, flexible work environment for all staff that supports mobility, productivity and collaboration across departments.

**IT** - the vision is to deliver modern, reliable, secure, cost effective technology that supports the digital strategy and enables service transformation across the council.

Each of these visions supports the council's overall priority to be "fit for the future" and so ultimately deliver a fairer future for Southwark.

16. This modernisation programme will work in a manner that serves as a flagship for our ways of working and ensures that the council is fit for the future. It will follow a set of operating principles:
- One council approach
  - Effective governance
  - Integrity and transparency
  - Engagement with all stakeholders
  - Clarity and clear communications
  - Challenge and empowerment
  - Supportive and professional working environments.
17. The programme presents a unique opportunity for the council to re-establish where it needs to be. Further austerity cuts mean that we will have to make additional financial savings whilst delivering value for money. We will continue to change the way we serve customers and must harness the opportunities presented through modern ways of working.

### **The workforce strategy**

18. The new workforce strategy has a clear focus on ensuring that new and existing staff have the skills, knowledge, support, confidence and environment to develop and succeed. The strategy will help to put in place the essential elements that enable people to be productive at work and deliver on our fairer future promises and corporate plans and priorities.
19. Whilst there are positive indicators and good progress was made throughout the duration of our previous workforce strategy, there are continued drivers for change:
- **Re-structure with a purpose** – there needs to be a clear strategic vision for the structure of the council that is linked to workforce planning.
  - **Better communication** – there is an overall consensus that communication could be improved as our current channels and methods are not reaching the desired audience and do not encourage feedback upwards.
  - **Need for a ‘Southwark Manager’** – there are inconsistencies in abilities to manage people effectively, which impacts upon accountability for delivering services; competency levels should be understood and demonstrated.
  - **Better performance management** – the appraisal process is over-bureaucratic and should place a stronger focus on the longer term development of the service and staff. The disciplinary and capability processes should enable managers to act with greater confidence and better address under-performance.
  - **Effective recruitment** - processes should be more responsive to business need and reduce the time taken to recruit suitable candidates. The process should be less bureaucratic and allow greater flexibility to fit in with the skills and attributes required.
  - **Learning needs** – there should be greater consideration of individual learning styles and personal development strategies.
20. This strategy requires effective collaboration between the council, as an employer, and the dedication and effort of the workforce. To this effect a set of deliverable outcomes has been created to meet the key priorities:

- **New ways of working** - all staff will feel part of a “One Southwark” workforce, working collaboratively throughout the organisation. Roles will have greater flexibility enabling the best possible service for customers. This will overlap with the workplace and IT strategies to enable staff to work better and embrace the digital future.
- **Recruitment and retention** - ensure that at least 3% of our workforce is an apprentice or a “first level” entrant each year. The recruitment process must be more user-friendly for applicants and hiring managers, ensuring that we recruit and retain the people with the right talents and aptitudes, with 90% of vacancies filled within three months. We must also maintain the high level of advocacy across the workforce and work to better understand how the skills and experience of our staff meet organisational needs.
- **Management and leadership** – managers understand their responsibilities for managing people and model the required behaviours and actions. Ensuring that managers have the tools and resources to manage effectively.
- **Learning and development** – activities will align with our strategic priorities enabling teams to serve our customers most effectively. We will continue to offer staff opportunities to obtain professional qualifications such as the Institute of Leadership and Management and develop the skills necessary to provide excellent services. All staff will be given at least one appropriate learning and development opportunity each year; career opportunities must be clear and accessible, ensuring that the diversity of the workforce is represented at all levels across the council.
- **HR management and policies** – procedures and policies will be concise and support consistent outcomes, providing a framework for managers to act professionally and fairly. The human resources function will help shape the organisation and support the delivery of services. 90% of disciplinary panels will be arranged within 30 days and constructive relationships with trades unions will deliver positive outcomes for the workforce.
- **Pay and reward** – staff will be fairly rewarded for performing well, and understanding what they are being paid to do. This will be supported through behaviourally based performance management, consistency in the application of the grading mechanism and employment packages. All staff and contractors will be paid a salary at or above the London Living Wage.
- **Equality and diversity** – our diverse and talented workforce will be reflective of our local communities. We will create opportunities to increase the number of BME staff at the more senior levels. There will be no tolerance of discrimination, harassment or victimisation throughout the council.
- **Job design and organisational structure** – ensure an agile and responsive structure that is responsive to changing needs of public service. Jobs are designed to maximise organisational effectiveness, ensuring that the work is as interesting as possible. We will continue to reduce our reliance on agency workers to no more than 4% of the overall workforce.
- **Wellbeing and engagement** – retain the Investors in People “gold award”, maintaining a positive culture where staff feel valued. Continue to promote good health and seek a further reduction in the levels of sickness absence throughout the workforce. Provide a safe and healthy work environment with practices that support a positive work-life balance and encourage engagement with the local community.

### The workplace strategy

21. The way we work is changing, and has to change fast enough to keep pace with the current challenging climate. To date the development of 160 Tooley Street and the

Queens Road campus has provided modern office accommodation, however there are still a number of ageing buildings housing front facing services that cannot be accommodated within our existing model.

22. These include children's services which are currently being delivered over a number of sites as follows:

- Sumner House
- Curlew House
- Talfourd Place
- 47b East Dulwich Road (leased).

23. A business case will be developed which will include a detailed design brief and outline costings on the provision of a new building. The provision of the new accommodation will be subject to detailed consultation regarding the site and timescales for delivery. The specifics will be detailed in a separate cabinet report in December 2016.

24. Developing a new building will only deliver part of the workplace strategy. To meet the challenges ahead, modernise the way that we work and streamline with the workforce and IT strategies across our whole estate, a review of our office accommodation model is necessary. Initially shaping and trialing the model at the new site we will look to reflect developments back in Tooley Street and the existing Queens Road sites. We will also review consolidating our depots into one 'super depot' and work with registrars to assess their service accommodation.

25. The key drivers for change have been identified:

- **Change is always on the horizon** – the needs and requirements of our buildings are constantly changing, meaning we must design and develop spaces that are truly flexible, have various possibilities for use, are expected to change and can flex with a constant flow of teams and partners.
- **Collaboration** – whilst there are some benefits from the uniform structure, our spaces should be designed to encourage collaborative behaviours and open communication.
- **Diversity of space** – a more agile workforce requires more varied working spaces and environments, with greater flexibility on room layouts and seating arrangements. Spaces should cater for all working styles.
- **Utilisation of space** – work areas are currently chosen on availability or allocation. There needs to be a shift towards functionality or capacity in the future with staff free to move between spaces suited to the task in hand.
- **Culture** – workplace transformation presents an opportunity to install a strong sense of culture, ownership and belonging and challenge out-of-date practices.

26. Having analysed how our work space is currently utilised and considered changing behaviours and working environments, a series of key activities and deliverables have been identified to ensure we meet our priorities and strategic objectives;

- **Increase space utilisation** – diversify facilities and create opportunities to share space provision.
- **Cultural change** – deliver a workplace that enables space for the growth of cultural change and fosters a culture of self-governance
- **Education** – explain and re-enforce new behaviours and attitudes, so people embrace the benefits of new facilities and better ways of working.

- **Alignment with the workforce and IT strategy** – work with digital technology to create fluidity between multiple work environments, and encourage collaborative working across a variety of spaces.
- **Ensure appropriate accommodation models** – work with departments and discrete service areas to meet their specific accommodation requirements and serve the needs of customers.
- **Digital by default** – ensure that facilities support our digital requirements
- **Support partner organisations** – design facilities, technology provision and cultural alignment to integrate other organisations into our workplaces.
- **Champion change** – ensure that modern ways of working are followed and respected.

## IT strategy

27. The IT vision for Southwark is to deliver modern, reliable, secure, cost effective technology that supports the digital strategy and enables service transformation across the council.
28. This will manifest itself in the following deliverables, which have been developed in consultation with a range of stakeholders across the business:
  - **Support Southwark’s digital vision** – increasing the availability and adoption of on-line services, the greater use of self-service and automation, and improved integration between front-office and back-office.
  - **IT as a strategic enabler** – supporting business process transformation, creating efficiency savings, staff mobility, and driving service improvements for residents and customers.
  - **Customer centric service** – services are designed with the customer in mind. These are easy to use, providing a choice as to how and when customers access information.
  - **IT which is modern and reliable** – the service is agile, scalable, secure and available, resulting in high customer satisfaction.
  - **A strong retained IT function** – the team has the capability to fully support and inform business aspirations.
  - **Multi-speed IT capability** – supporting and delivering traditional corporate services whilst also meeting the rapid timescales for agile development and deployment.
29. Our IT strategy will deliver modern, reliable, secure, cost-effective technology that supports the digital strategy and enables service transformation across the council. The council has ambitions to become a “Digital Council” and a “Digital Borough” within the next three years. This requires a radical re-design of how services are delivered and the operating model that underpins them. To deliver this strategy services must be supported by reliable, appropriate technology and people must have access to the right information at the right time. This sits within the context of delivering greater productivity and efficiency savings.
30. The council requires an IT operating environment focusing on improved end user experience, applications, hosting, platforms and infrastructure. To this end, the server estate will be transformed through adoption of cloud-based services, the migration cloud platforms (such as Microsoft Azure) or the migration to Windows 2012. This will bring the server estate back into a supportable environment and address a number of security concerns around Public Sector Network (PSN) and Payment Card Industry (PCI) compliance. Likewise the network infrastructure will

be refreshed and redesigned to ensure higher performance and greater reliability. This will include the upgrading of older switches and increase in network capacity.

31. Smarter and more mobile ways of working will be enabled through a complete redesign of Wi-Fi coverage across the estate ensuring it is of a consistent standard. In addition, we will improve the end users' experience by moving away from the current desktop thin client provision through either standard build laptops or tablets. This is a key enabler to smarter and more mobile ways of working and will address the 'paper' culture that exists across the business. In addition, we will accelerate the retirement of BES services (Blackberry) and adopt a two pronged approach as part of our device refresh cycle. Firstly, we will offer users a small range of new mobile telephony devices as a corporate standard. Secondly, we will offer an option where we can deliver services to a user's personal mobile telephony device (Bring Your Own Device – BYOD).
32. The council is investigating the potential of collaborative technologies that will enable data and ideas to be shared amongst groups of workers, and potentially our partners too. These collaboration services will be based on a consistent user experience, predominantly through Office365, Yammer, Exchange Online, SharePoint Online and Skype for Business. The bias towards Microsoft is in part driven by the successful deployment of Microsoft Dynamics CRM as our customer relationship management (CRM) tool and the easy integration offered through the Microsoft technology stack as well as the CRM being a key enabling technology for the delivery of our digital vision.
33. There are increased expectations that services can be provided through digital channels and for IT to enable the transformation. Customers want to undertake transactions at the time that is most convenient to them. Our workforce needs to be mobile, working with robust and reliable IT provision.
34. The council relies upon a wide variety of information systems and infrastructure to deliver digital services. Our IT services have become reactive and tactical in nature and opportunities to rationalise and standardise IT have not been adequately realised.

### **Policy implications**

35. The modernisation programme supports our overall priority to be a council that is fit for the future, as set out in the refreshed council plan 2014 - 2018. The delivery of the programme is set out in the respective workforce, workplace and IT strategies, and progress will be reported through these and regular annual reporting on the council plan itself.
36. Some action points may require amendments to existing human resources policy, or more likely our approach to policies. Where necessary this will be subject to consultation and appropriate governance decision-making.

### **Community impact statement**

37. Analysis and ongoing evaluation of the equality impact is fundamental to the workforce strategy. Our workforce reporting provides information demonstrating compliance with the Equality Duty and considers how the strategy affects people



who share different protected characteristics. The report informs the strategy and analyses the impact upon:

- composition of the workforce
- pay equality issues; reporting on profile at different grades
- recruitment and retention rates
- learning and development opportunities
- grievances and disciplinary issues for staff with different protected characteristics.

38. Analysis of the reporting information influences plans and proposals to address equality concerns within the workforce, which is addressed throughout the modernisation programme.
39. A thorough equality and health impact assessment has been completed for the modernisation programme, which is regarded as a living document and will be updated as more data and evidence is collated on the impact on people with protected characteristics. It will be a requirement of all major projects established as a result of the strategy, to conduct impact analysis, as led by service areas.
40. The workforce, workplace and IT strategies will have an internal focus and will therefore impact upon our workforce at the design stage. We will focus on engagement methods, to ensure that the implications of such changes are positive taking into account all protected characteristics.

### **Resource implications**

41. There are no specific implications arising from this report. Existing resources are already in place to meet the strategic aims. Any actions arising which have resource effects will be subject to separate decision-making process and reallocation within existing budget.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Democracy**

42. The director of law and democracy notes the content of the report.
43. The report asks cabinet to note and endorse the strategy contained within the "Modernisation Programme" and to note the vision, objectives and deliverables contained in the workforce strategy, the workplace strategy and the IT strategy.
44. This is in accordance with part 3B of the council's constitution.
45. The cabinet are reminded of the PSED general duty under section 149 of the Equality Act 2010 to have due regard to the need to:
  - a. Eliminate discrimination, harassment, victimisation or other prohibited conduct
  - b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
  - c. Foster good relations between person who share a relevant protected characteristic and those who do not share it.

46. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
47. Paragraph 38 of the report advises that a documented equality analysis has been carried out as part of the requirement to have due regard to the PSED general duty in these recommendations. The cabinet must read the documented equality analysis (see background documents) and should satisfy itself that the PSED general duty has been complied with when considering these recommendations.
48. The cabinet should also note that the Equality Act 2010 (Specific Duties) Regulations 2011 impose on public bodies a specific duty (specific PSED duty) to annually publish proportionate equality information in respect of their workforce to demonstrate their compliance with the general PSED duty.
49. In producing and publishing the annual workforce reports the council is meeting that specific PSED duty.
50. The PSED general duty is a continuing one and the refreshed Workforce Strategy will assist the council in complying with that general duty.

**Strategic Director of Finance and Governance (FC16/020)**

51. The strategic director of finance and governance notes the recommendations in this report. Where the updates to the council’s modernisation programme have financial implications, these will be managed within the existing agreed budgets for 2016 - 2017 and subsequent years for the council’s general fund and housing revenue account.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Southwark’s Modernisation Programme Equalities and Health Analysis	160 Tooley Street London SE1 2QH	Paula Thornton Tel: 020 7525 4395
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5375&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5375&amp;Ver=4</a>		

**APPENDICES**

No.	Title:
Appendices 1 – 4 circulated separately	
Appendix 1	Southwark’s Fairer Future modernisation programme 2017 - 2020
Appendix 2	Southwark’s Fairer Future workforce strategy 2017 - 2020
Appendix 3	Southwark’s Fairer Future workplace strategy 2017 - 2020
Appendix 4	Southwark’s Fairer Future IT strategy 2017 - 2020

## AUDIT TRAIL

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Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
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