

ABERDEEN CITY COUNCIL

COMMITTEE	Strategic Transformation Committee
DATE	4 th October 2017
REPORT TITLE	Transformation Portfolio Governance
LEAD OFFICER	Angela Scott
REPORT AUTHOR	Martin Murchie

1. PURPOSE OF REPORT:-

This report informs the Committee of the governance to be applied across the Transformation Portfolio.

2. RECOMMENDATION(S)

The Committee is asked to note the governance arrangements.

3. BACKGROUND/MAIN ISSUES / OTHER HEADINGS AS APPROPRIATE

3.1.1 An extensive governance structure has been put in place to manage the delivery of the Transformation Portfolio. This is a radically different model from any previously in place and the application of governance around it needs to be clear and well understood at all levels.

3.1.2 The Strategic Transformation Management Board considered, at their meeting on 1st September 2017, a "Transformation Portfolio Brief" which includes extensive details of the governance which will be applied. All Senior Responsible Owners, Programme Managers, Board Members, and others as required, must be familiar with the full detail of the "Transformation Portfolio Brief".

3.1.3 This paper presents a summary of the Transformation Portfolio Brief with additional material to amplify key messages.

3.2 Governance Structure

3.2.1 The governance structure is shown in Appendix A and is designed to:-

- manage and approve future service designs and the supporting business cases;
- ensure all portfolio work meets the design criteria and delivers the objectives laid out.

3.2.2 The structure is organised into a three tier hierarchy, consisting:

- **Strategic Transformation Committee:** In summary, the Committee has delegated authority from Council:-
 - To control and allocate sums from the Transformation Fund for the implementation of the Target Operating Model;
 - To consider and make key decisions on business cases, proposals and cases for change to the Council's resources, including finance, people, staffing structures, systems and technology, and property.
- **Strategic Transformation Management Board:** Manages Transformation Activity; provides strategic direction to the Transformation Portfolio; monitors progress; and makes key decisions on business cases and proposals and cases for change; acting as the gatekeeper for all papers before they are submitted to the Strategic Transformation Committee.
- **Control Boards:** Ensure financial, technological and establishment control compliance; giving assurance to the Strategic Transformation Management Board that design, business cases and implementations adhere to designs; costs; realise benefits and meet outcomes.
- **Delivery Boards:** Support the Senior Responsible Owner to deliver the programme objectives and benefits, including the development and implementation of Target Operating Models and associated business cases, proposals and cases for change.
- **Design Authority:** Reviews the Business Models to verify they are individually and collectively aligned with the Target Operating Model design principles and will deliver the Council's Transformation Objectives.
- **Communications and Engagement Group:** Ensures stakeholders are engaged and informed of the Council's vision for change, its key objectives and programme activity by building effective channels to ensure communications and engagement reaches all tiers of the organisation.

3.2.3 Remits of the Strategic Transformation Committee and each Board are included in the "Transformation Portfolio Brief".

3.3 Programmes

3.3.1 There are seven Transformation Programmes:-

- Business Change
- Customer
- Workforce Change
- Commissioning
- Technology

- Finance
- Governance

3.3.2 The objectives of each Transformation Programme are listed in Appendix B. Full Terms of Reference have also been prepared and will be considered at the first meeting of the respective Boards.

3.4 Programme Management

3.4.1 The Programme Management Office (PMO) will support the SROs, Programme Managers and Programme Boards leaving the programme team free to focus on the business of running the programme. Specifically the PMO will:-

- Information management – hold master copies of all programme information, generate all necessary quality and assurance management documentation, maintain, control and update programme documentation, establish and maintain the index to an electronic library of programme information;
- Quality control – establish consistent practices and standards adhering to the programme governance arrangements, including project planning, reporting, change control, maintain and updating RAID logs (Risks; Actions; Issues and Decisions);
- Planning – create and own the portfolio plan and assist with the development of programme and project plans;
- Tracking and reporting – track measurements, report progress against plans, risks and issues;
- Dependency management – analyse interfaces and critical dependences between programmes and projects and recommend appropriate actions;
- Resource management - forecasting, multi-project scheduling and planning to address project and resource interdependencies;
- Advice and guidance - provide consultancy-style services to programmes and project delivery teams;
- Health Checks - carry out health checks and advise on solutions during the lifetime of the programme/projects;
- General support – facilitate workshops and assist with agenda planning, co-ordination and report preparation;
- Training - project and programme manager development, mentoring and evaluation.

3.5 Monitoring and Control

Decision Making Authority

3.5.1 This governance model is a new approach for the Council and it is important that there is clarity on how authority is obtained for making the changes required to deliver the Transformation Portfolio.

3.5.2 Appendix C shows high level processes for decision making relating to:-

- Transformation activity; and
- Business as usual activity.

3.5.3 To provide some further detail and context to these processes, amongst the key points are:-

- Approval for business models, business cases and proposals can only be made by the Strategic Transformation Committee;
- The Senior Responsible Owner will present the report to both the Control Boards, the Transformation Management Board and the Strategic Transformation Committee as necessary.

Planning, Monitoring and Reporting

3.5.4 Each programme has a Programme Plan containing tasks, based lined milestones, dependencies. Deviation from the Plan will be considered at weekly checkpoint meetings with decisions captured in the Portfolio Decision Log and the plans updated accordingly. The Programme Manager will update the programme plan weekly. The PMO will work with Programme Managers to assess plan build quality and develop and maintain the plans.

3.5.5 The PMO will assess the milestone completion rate against baseline values and, each week, run monitoring reports and produce a programme dashboard indicating progress against plan and dependency analysis. This, together with the RAID Log, will be discussed with the Programme Managers, reviewed at the weekly Transformation Portfolio Checkpoint Meeting and submitted by the PMO to the Programme Board meeting accompanied by a Programme Manager analysis/commentary.

3.5.6 At Portfolio level the PMO will collate a portfolio dashboard and RAID Log for submission to the Strategic Transformation Management Board and Committee.

3.5.7 Each Programme Manager will maintain a “Governance Calendar” which shows a forward plan for reporting to Delivery Boards; Control Boards; Strategic Transformation Management Board, and Strategic Transformation Committee.

Tolerances and Escalation

3.5.8 Tolerances will be set and agreed by the Strategic Transformation Committee and any tolerance will be delegated by the Chief Executive to the Senior Responsible Owner. Tolerances in terms of **Cost**; **Quality**; and **Time** will be proposed within each Full Business Case presented to the Committee. Any variation from the agreed tolerances will require a change control request to be made and reported to the Committee for approval.

3.5.9 Escalations will be managed within agreed tolerances, or if a project or programme manager feels there is a need to escalate an issue or risk. If a project issue or risk

requires to be escalated the project manager or work package lead will notify the Programme Manager who will update the central Transformation Portfolio RAID logs and notify the SRO. If a programme risk requires to be escalated to portfolio level the Programme Manager will update the RAID logs and notify the PMO and the SRO.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report. Finance is, however, a key element of the governance arrangements of which this report provides details.

5. LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

6. MANAGEMENT OF RISK

Any significant risks will be identified and managed as appropriate.

7. IMPACT SECTION

Economy	-	None directly.
People	-	None directly.
Place	-	None directly.
Technology	-	None directly.

8. BACKGROUND PAPERS

None.

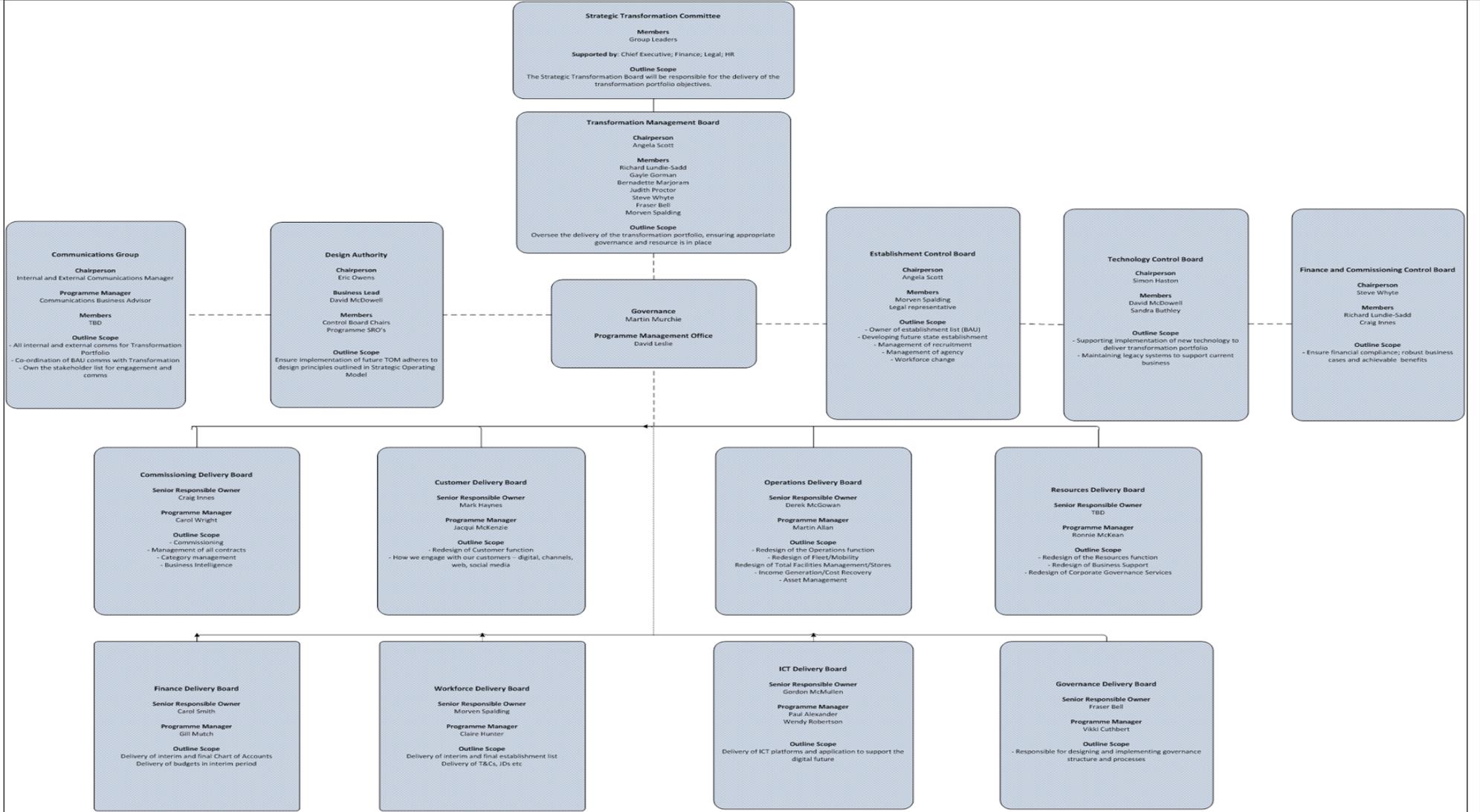
9. APPENDICES (if applicable)

Appendix A	-	Governance Structure Chart
Appendix B	-	Programme Objectives
Appendix C	-	Decision Making Processes

10. REPORT AUTHOR DETAILS

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1. Governance Structure Chart



PROGRAMME OBJECTIVES

Business Change

Design the Business Model for the Operations function as part of the Council's Target Operating Model;

- Design and implement of a new Business Support function;
- Review and redesign the management of how the Council manages transport and fleet functions;
- Review and redesign Total Facilities Management including utilisation and need for Stores;
- Review of Asset Management;
- Review Income Generation and Cost Recovery.

Customer

- Redesigning customer engagement and ensuring the fulfilment of customer needs;
- Utilise customer insight and engagement to understand who our customers are and what they need, ensuring a customer-led approach;
- Adopting a focused approach to digital service provision;
- Designing and implementing the preventative and early interventions agenda;
- Adopting a locality based approach;
- Ensuring empowered, resilient and sustainable communities;
- Ensuring people are resilient, included and supported when in need;
- Developing robust partnerships with external organisations to fulfil customer needs.

Workforce Change

- Restructuring the organisation into the target operating model including:
 - Reorganisation of the workforce and redesign of job roles and responsibilities where required;
 - Redesign of job roles and responsibilities as determined by the Programmes within the Transformation Portfolio. This will include the redesign of the HR function and the adoption of a digital people management approach;
 - Management of the complete workforce transition process including the redeployment and VS/ER process;
 - Establishing the overall process for managing staff placed on redeployment including authorising movements through the process
- Developing the organisational culture and workforce behaviours, skills and competencies required to deliver the target operating model;
- Preparing and supporting the workforce through change;
- Reviewing current terms and conditions of employment including a new Fair Agreement;
- Ensuring capacity and capability is in place to deliver the programme plan committing resources as required.

Commissioning

- Design and implementation of a commissioning model for the Council; which will include
- Implementation of a robust category management approach as part of the procurement strategy;
- Implementation of a robust contract management approach

- Build and design of a Business Intelligence Unit

Technology

- Deliver the Technology Roadmap and all associated projects;
- Co-ordinate IT resources for all other programmes;
- Consolidate IT activities across the Council and the develop a detailed Business Model;
- Design and develop an IT specification for the Strategic Partnership Model;
- Define outline requirements for core digital solutions, such as CRM and the Digital Platform, in advance of procurement activities commencing.

Finance

- Critically evaluate the 17/18 base budget and assess whether it reflects appropriately best use of resources to deliver for the organisation now and in the future;
- Conduct a deep dive on key spend areas across the Council in conjunction with Services;
- Deliver the interim and final chart of accounts for the new operating model;
- Introduce quarterly reporting;
- Implement faster close down (quarterly and year end);
- Coordinate finance support to all other boards;
- Monitor transformation spend/savings;
- Input into business case development;
- Model benefit realisation across the entire programme of transformation;
- Review of the capital programme to determine any capital investment currently earmarked that should be considered in relation to any transformation work stream.

Governance

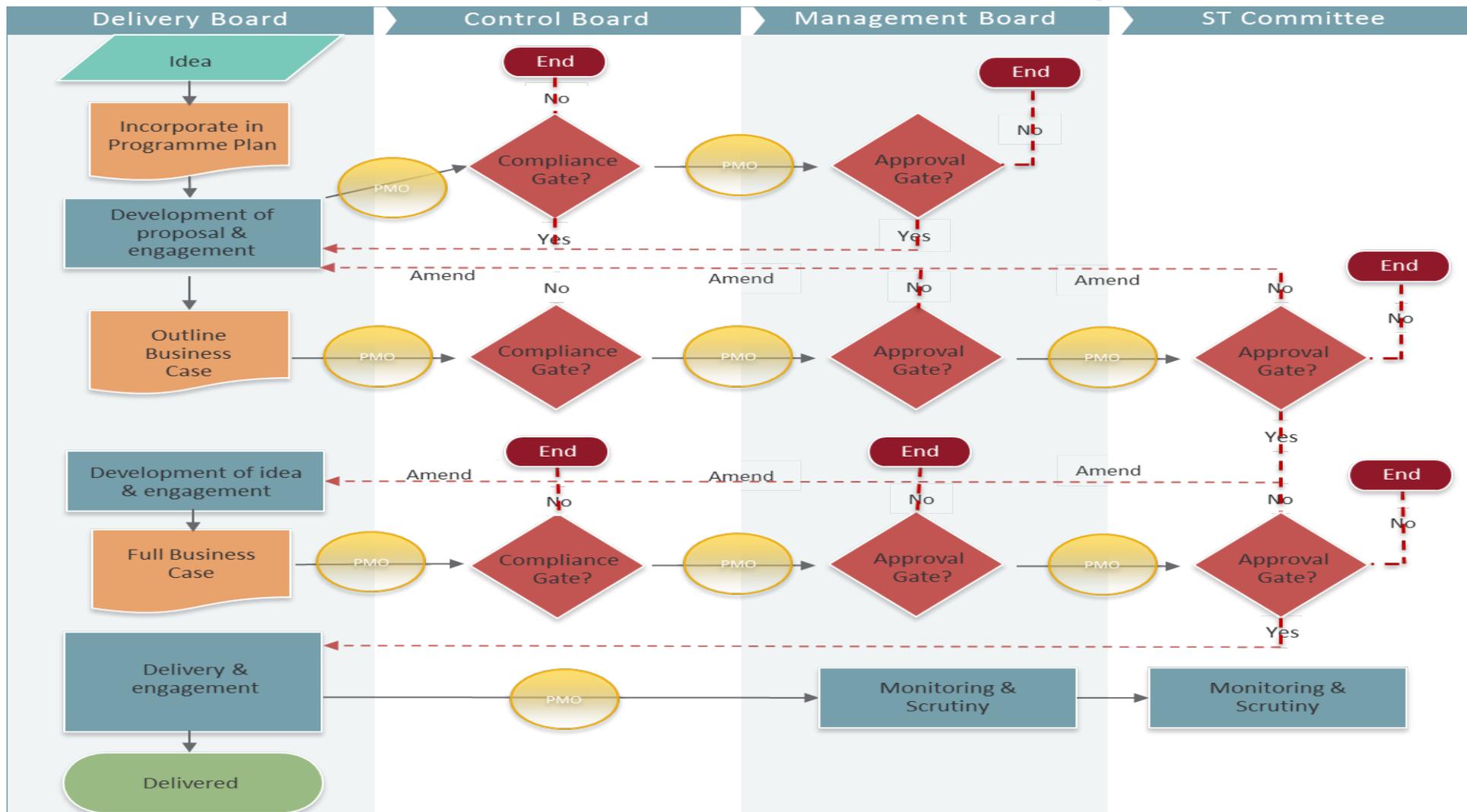
1. Revised Scheme of Governance to support Target Operating Model

- Institutional Governance and Terms of Reference
- Elected Member Remuneration
- Committee Reporting Arrangements
- Delegated Powers
- Financial Regulations
- Procurement Regulations
- Committee Effectiveness Framework
- Standing Orders
- Member Officer Relations Protocol
- Staff Governance Framework
- Council Diary
- Member Induction

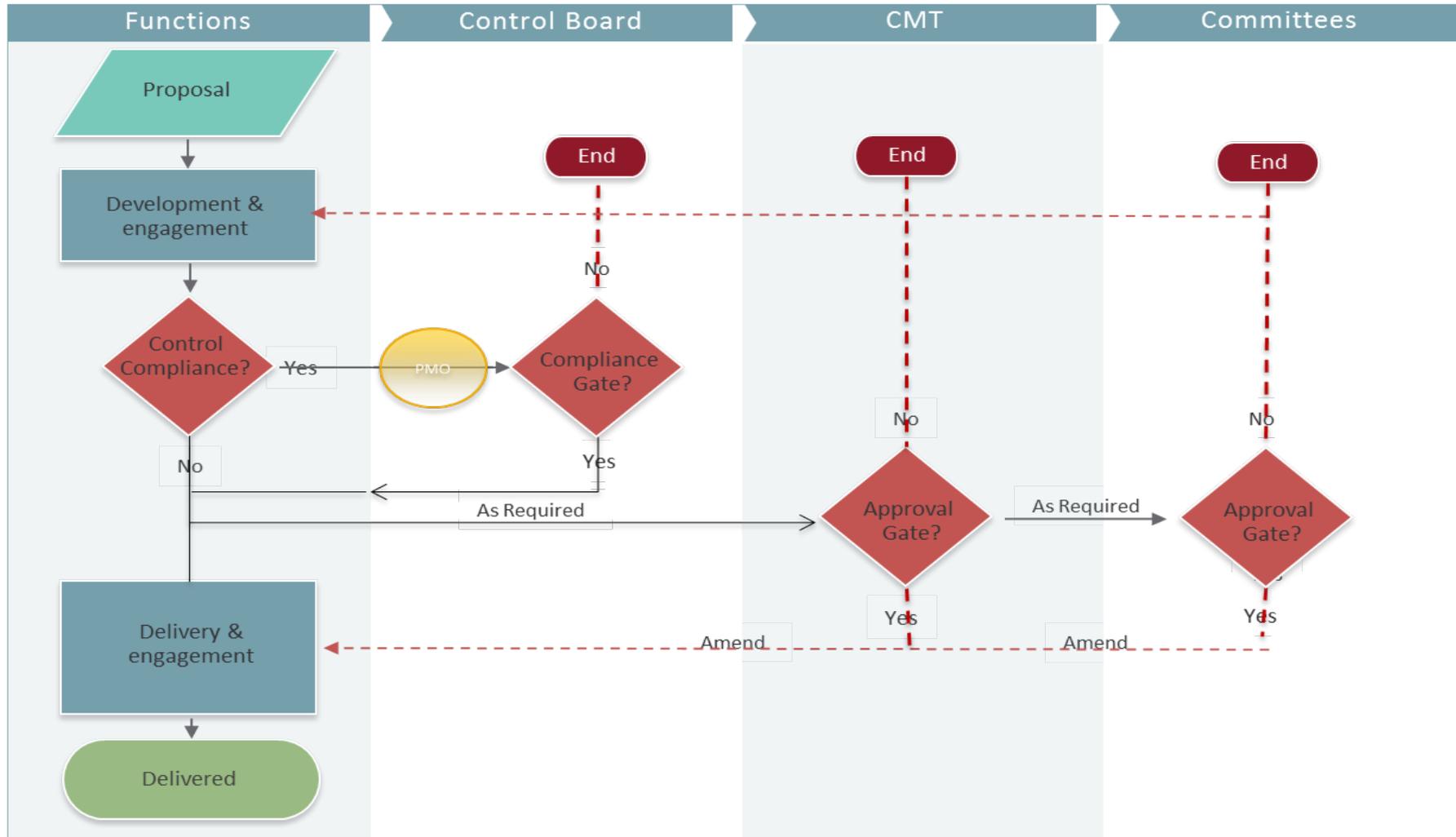
2. Urban Governance – Civic Engagement

3. Digital Governance

Transformation Decision Making



Business As Usual Decision Making



Control Boards and Compliance Gates

- | | |
|----------------------------------|--|
| Establishment Board | - Proposed changes which could impact on current and future staffing establishment |
| 10 Finance & Commissioning Board | - Proposed changes to current and future commissioning and monitoring delivery of agreed savings |
| Technology Board | - Proposed changes which could impact on current and future digital infrastructure and resources |