



Risk Log

Issue Date:



Meeting: Council

Date: 5 November 2013

Wards Affected: All

Report Title: Future State Process Project

Executive Lead Contact Details: Cllr Dave Thomas, Deputy Mayor and Executive Lead for Strategy, Planning, Housing & Energy, Tel: 01803 207069 and Email: dave.thomas@torbay.gov.uk

Supporting Officer Contact Details: Charles Uzzell, Director of Place, Tel: 01803 207701 and Email: charles.uzzell@torbay.gov.uk

1. Purpose and Introduction

- 1.1 The project is required as there is significant pressure on Council budgets. The contractual relationship between the Council and TOR2 in its current form does not provide the opportunity for the introduction of substantial process efficiencies to meet budget targets without a fundamental change to the interactions between both parties, processes and the organisational structure of both the Council and TOR2 in relation to Waste & Recycling, Street Scene, Assets and TOR2 and calls to the Call Centre that relate directly to TOR 2 services.

2. Proposed Decision

That the Mayor be recommended:



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- It is recommended that the Council Structure will mirror the changes that TOR2 have made in aligning the business around work types – Ordered/Programmed, Reactive and Cyclical work.
- It is recommended that the calls relating to TOR2 are moved from the Torbay Contact Centre and are taken by the TOR2 Control Hub.

2.3 That Torbay Council and TOR2 continue working towards the current performance standards and implement a process of continual performance improvement and auditing of the Joint Venture.

3.0 **Reason for Decision**

3.1 Moving both TOR2 and Torbay Council to a Future State will enable both organisations to meet current and future budget targets', also failure to make savings from the revised processes and organisational structures will result in a reduction of services provided by TOR2.

Supporting Information

4. **Position**

4.1 The Torbay Council/TOR2 Future State Process project is designed to move both the Council and TOR2 from their current inefficient state processes to more efficient processes, realising cost savings and improvement in service delivery. The existing processes have already been documented through a series of joint workshops highlighting where there are duplications, inefficiencies and processes that do not add value.

4.2 Future State will:



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- Establish a joined up approach (TOR2 & Torbay Council) leading to greater customer service and reduced complexity.
 - Implement Future State Processes based on lean principles that will increase efficiencies and release cashable cost savings.
 - Maintain existing service standards and level of performance to residents and visitors to Torbay unless both parties agree a revised standard.
 - Move to a Business Improvement approach whilst maintaining effective performance management.
 - Simplify processes making them easier to understand and administer.
 - Develop a 'One Team' approach, raising Customer Service and reducing complexity.
 - Meet the Council's requirement to make minimum savings over the next 2/3yrs
 - Achieve direct Council savings through the removal of duplication, increased self certification, shared systems and services.
 - Drive the reduction of Reactive work - which is the most costly and inefficient and increase Cyclical and Ordered/Programme work – which is more cost effective, along with getting it right first time. (See Appendix 2).
- 4.3 TOR2 and Torbay Council have already mapped their current state process and have presented a future state process for their business. TOR2 have forecast a saving of £369k per annum through re-organisation, of processes and the centralisation of a control hub; along with an improvement in productivity through effective and timely information.
- 4.4 The council have forecast £561.5k of savings that can be attributed to Future State within their current budget savings in Resident & Visitors and the Contact Centre. To achieve these saving there will be a requirement to design and agree the future state organisational structure of the Council within the context of restructuring due to budget cuts. There will also need future state processes to be implemented across all the work that Residents & Visitors undertake, not just in relation to TOR2 and other services within the Council and the TDA.



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- 4.5 There is significant commitment from the Council Executive, TOR2 and Elected Members (Cross Party Project Board); especially with the current climate of austerity still impacting budgets.

5. Possibilities and Options

- 5.1 There is an option to retain the existing organisational structures and revert to original contract requirements for efficiencies to be introduced annually via the JVC efficiency plan. This option may deliver some improvements but relies on cuts to existing front line public services to achieve savings.
- 5.2 Another option could be to implement as far as possible the reorganised processes already identified within just the TOR2 operation. However just reorganising TOR2 around the Future State processes will lead to limited efficiencies, as there will still be a significant interface from Torbay Council, which will lead to increased costs of doing business and there will be no savings made by Torbay Council.
- 5.3 Minor improvements around streamlining of processes is another option. This will involve the implementation of IT led workflows. This will lead to improved processes and reduce re-work, but it won't give significant savings on its own.
- 5.4 All of the above options do not lead to the significant savings that are required to meet budget targets, they also do not allow for and end to end look at how Torbay Council & TOR2 work. Doing the Future State Processes will lead to greater efficiencies, scalability of service, cashable budget savings and a closer working partnership.

6. Fair Decision Making



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6.1 The business case for this project was presented to the Councillors by Charles Uzzell and Peter Woodhead on 7th August 2013 at the Place Policy Development Group (PPDG). The Project Manager has also meet with stakeholders or their representatives throughout the project.

7. Public Services (Social Value) Act 2012

7.1 There are no requirements to procure services, as there is already a contract in place between Torbay Council and TOR2.

8. Consultation

8.1 There has been a consultation with all key stakeholders or representatives for both Torbay Council and TOR2.

8.2 All Councillors have been made aware of the project through the PPDG or meetings with individual Councillors. There is also cross party representation on the Project Board. The Councillors concerns' at the PPDG was that the significant savings promised are delivered with minimal impact to service delivery to the public.

8.3 The Council Executive and Executive Heads of department have been kept informed of the project and proposals by the representatives on the Project Board and the Project Manager.

8.4 Torbay Councils Legal, Audit and Procurement teams has been engaged in the latter stages of the project to ensure we are complying will any legal requirements, along with seeking their advice on any potential changes that were being investigated.

9. Risks



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9.1 Please find the Risk log in the appendices – Appendix 1.

Appendices

Appendix 1 – Risk Log.

Appendix 2 – Reactive Reduction Model.

Appendix 1

RISK LOG

TOR2 Future State Process Project

Version: 1

Date: 06/09/13

PRINCE 2 - Gateway 1

Author: John Greaves



Risk Log
Gateway X of the Torbay Council Project Management Methodology



Risk Log

Issue Date:
Project Sponsor: Juan Hernandez

Client: Torbay Council

Document Number: PR6

Categories:

P = Political - change of policy, administration (locally/nationally) minor impact on schedule or cost. No impact on benefits
E = Economic/Financial - (int rates/tax/inflation/market dev) impact on benefits

S = Social - changing demographic, residential, socio-economic on benefits

T = Technological - infrastructure failure, inadequate design etc

L = Legislative - planning, contractual, regulatory

En = Environmental - climate change, transport, energy, waste

C = Competitive - costs/quality

CC = Customer- community needs/expectations

Cm = Community - natural, severe weather, pandemic, pollution
Medium Risk

Par = Partnership - scope creep, failing to deliver/expectations
Risk

Org = Organisational - corporate policies, management, conflict

Probability Score:

2 = Medium - fairly likely 1 - 20%

3 = High - almost certain 21-50%

4 = Very high - certain >50%

Countermeasures (CM):

P = Prevention/avoidance

A = Acceptance

Impact Score:

1 = Low - unlikely <1%

2 = Medium - moderate impact on schedule or cost. Minor

3 = High - significant impact on schedule or cost. Major impact

4 = Very high - major impact on project . Loss of benefits

Risk Score/Rating

1 - 4 = Low Risk

R = Reduction

T = Transfer to 3rd party

1 = Low -

6 - 8 =

9 - 16 = High



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Ph = Physical - Health & safety, fire, buildings, plant, equipment

C = Contingency

K = Knowledge/information - breaches, loss of intellectual rights

F = Financial - budget, funding, insurance, investments, fraud

S = Staff - negligence, human error, lack of skills, capacity

R = Reputation - public opinion, news, confidence/stakeholder trust

ID No	Description	Category	Probability	Impact	Risk Score	Counter Measures	Owner	Author	Date ID	Last Update	Current Status/ Mitigation/Contingency	Indicator ☺ = Warm ☹ = Alert
			1 - 4	1-4	Prob x Impact							
1	Political pressure for project to be completed by October for the next budget review	P, E, F	2	3	6	P	CU	JG	26/02/13	26/02/13	Structure project plan to allow for cost savings to be decided before implementation, this will give us time to get the information, report cost savings in time for budget review, then implement before new financial year.	☺
2	Redundancies - unfair dismissal/TUPE	F,S,R	1	2	2	P	CU	JG	26/02/13	26/02/13	Ensure stakeholders - HR & Unions etc are involved in the process and ensure transparent process.	☺
3	Cost of change	E	2	3	6	C	CU	JG	26/02/13	26/03/13	The cost of potentially reducing the staff levels may lead to a significantly longer payback period. Will only know the full extent of this risk once completed the baseline.	☺
4	Resistance to change	P, par, Or	3	3	9	P	PW & SC	JG	26/02/13	26/02/13	Due to the project introducing significant change to whole process of interaction between TOR2 and Torbay Council. We need to ensure that	☹

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			1 - 4	1- 4	Prob x Impact							
		g, S									Stakeholders are involved at an early stage and that there is buy in from Managers at all levels.	
5	The council savings are not realised - staff will absorb additional work	Org	3	2	6	P	CU	JG	06/06/13	06/06/13	We need to ensure that this is monitored throughout the project, so it doesn't become a high risk.	
6	There is a channel shift for correspondence during the project (e.g. Twitter, Facebook)	T, CC, Org	2	1	2	A	PW	JG	06/06/13	06/06/13	This could be seen as a positive move, with issues highlighted and responded to immediately, need to ensure that social media works for us and not against us.	
7	Politicians don't understand and own the consequences	P, CC	3	3	9	R	PW & CU	JG	06/06/13	06/06/13	Cross party representation on the board to ensure that the necessary messages are communicated to the Councillors.	
8	Some aspects of the process are not under the ownership of Peter Woodhead or Sue Cheriton	Par, Org	3	2	6	R	CU	JG	06/06/13	06/06/13	Ensure that all of the SLT and Exec Heads are fully aware of the project and get their agreement to participate as required.	
9	Top level changes in Torbay Council and Keir MG could impact the project.	Org	1	1	1	C	SA & CU	JG	06/06/13	06/06/13	The impending merger between May Gurney and a 3r Party could impact on the project, but currently we aren't sure to what extent if any. The Council are going through change	



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											management and also recruitment for new Chief Exec, again there is nothing to suggest that it will impact the project. There is some contingency built in as merger should happen before we get to implementation stage.	
10	Cost Shift - the work and cost is transferred elsewhere in the council or Tor2	Org , F	3	3	9	P	SC	JG	06/06/13	06/06/13	Need to make sure this is prevented from happening as in effect we could be double counting the savings.	
11	Increase in 3 rd Party claims	F	2	1	2	R	PC	JG	06/06/13	06/06/13	This needs to be kept under review.	
12	Reputational Risk	R	2	1	2	P	SC	JG	06/06/13	06/06/13	Keep project within budget and deliver services to the public.	
13	Resources pulled off or do not have sufficient time.	Org	3	3	9	C	CU & PW	JG	06/06/13	06/06/13	Time scales are tight, however, there is a small contingency built in that can be used to manage a change in resource.	
14	Impact of project on staff affects service/performance	S	2	1	2	P	JH & SH	JG	06/06/13	06/06/13	Ensure lines of communication remain open and staff are kept up to date with developments.	
15	Inaccurate/incomplete base data	Par , K	2	2	4	P	CS & JH	JG	06/06/13	06/06/13	We need good base data to know if we are making a difference. What needs to be recorded will be defined.	
16	Delays in capex funding	F	3	1	3	C	SC & PW	JG	06/06/13	06/06/13	We need to build in a contingency to enable us to cover expenditure should there be a delay in Capex funding.	



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			1 - 4	1-4	Prob x Impact							
17	Inadequate resource for TOR2 to grow the business outside of council work.	E, PAR, F	2	2	4	A	PW	JG	06/06/13	06/06/13	Until we know the extent of what is required with regards to resource for the FSP, we have no idea what will be left over to devote to growing the TOR2 business.	☹
18	Implementation from April - savings realisation	F	3	2	6	A	CU	JG	25/06/13	25/06/13	Do to the potential scale of the change, some of the changes may take longer to implement and won't meet the April 2014 timescale	☹

Distribution:

Abbreviations:

Initials	Name
PW	Pete Woodhead
JG	John Greaves
CU	Charles Uzzell



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This document has been distributed to:

Name	Department	Date of Issue
Peter Woodhead	TOR2	07/06/13
Charles Uzzell	TC – Commissioners	07/06/13
Sue Cheriton	TC – R&V	07/06/13
Patrick Carney	TC – Streetscene	07/06/13
Claire Shears	TC - Assets	07/06/13
Ian Hartley	TC - Waste	07/06/13
Yvette Ball	TC – Contract Manager	07/06/13
Juan Hernandez	TOR2	07/06/13
Tony Milton	TOR2	07/06/13
Stephen Gunter	TOR2	07/06/13

SA	Steve Ashman
SC	Sue Cheriton
PC	Patrick Carney
JH	Juan Hernandez
SH	Steve Hurley
CS	Claire Shears

Appendix 2 : Reactive Reduction Model.

