ORGANISATIONAL GOVERNANCE

TERMS OF REFERENCE

Savings & Transformation Programme

Portfolio, Programme & Project Management (P3M)

Project Management Framework v1.0
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1. SAVINGS & TRANSFORMATION PROGRAMME TERMS OF REFERENCE

1.1. INTRODUCTION & PROGRAMME PURPOSE

The purpose of the London Borough of Hounslow (LBH) Savings & Transformation Programme (STP) is to support, challenge and facilitate LBH Council Departments in the identification and delivery of stated Council budget savings targets over the next four years and to identify additional savings opportunities that LBH can take advantage of.

In doing so, the programme will act to moderate the proposals offered by departments and from within the STP programme team itself. This is to ensure that a consistent and coherent corporate approach is adopted where the implications of the proposed savings have been considered over the life of the programme and beyond, rather than simply looking at the next financial year. In doing this we will challenge to ensure that outcomes are delivered in an affordable and sustainable manner over the life of the programme.

The STP programme will also work to ensure that the offered savings options will not detract from; and will in fact positively drive the Council towards the organisational transformation that it needs to undertake in order for it to remain fit for purpose as a modern public sector body going forward.

**Specific Purposes of the STP:**

The specific purposes of this programme are to:

- Deliver a new blueprint for the way the council operates.
- Work with all council departments and identified partners to successfully achieve the transition from the current ‘as is’ state to the desired ‘to be’ state described in the blueprint.
- Facilitate and support the Council in effecting the organisational transformation required for it to successfully operate within the blueprint.

1.2. KEY ACTIVITIES OF THE PROGRAMME

In achieving its purpose the STP programme will provide options to the STP Programme Board for discussion and approval before submission to the Council’s CLT and where appropriate the Council’s Executive for consideration. In all cases these options will:

- Be developed with a corporate (non-silo) approach and in a co-ordinated manner by the programme team in order to minimise disruption to the departmental staff working within individual Council service lines and also to avoid duplication of effort or re-work by these staff and the STP programme team.
- Have had thorough review to ensure that any service cuts are necessary and where possible service outcomes are still delivered but potentially in different (i.e. more efficient and effective) ways to the way that they are today.
- Have had thorough review to ensure that LBH staff redundancies are minimised and that no unnecessary redundancy measures are taken.
• Have challenged how those departments responsible are going to best meet the needs of the community it serves (either internal clients or external Hounslow residents and businesses) on an ongoing basis.

• Undertaken the appropriate Equalities and other relevant impact assessments.

• Explore all areas of operation of the Council and appropriate partners.

• Either have been already in development by a directorate or be an independent option provided by insight gained by the programme team. Ensuring that the appropriate and timely engagement of those who live, work and play in Hounslow has occurred.

• Be developed so that both option development and implementation issues and risks are fully understood and assessed, ensuring that suitable issue/risk mitigation and, (where required) contingency measures are developed and if necessary deployed.

• Be based on the best information available to the programme team at the time that the options are put forward.

• Use and adopt best practice that is available from both internal and external sources.

• Have challenged current thinking to ensure that the best possible outcomes occur given the prevailing financial pressures that the council is under.

• Indicate the STP programme team’s recommendation to the Programme Board, CLT and the Executive. This recommendation will be based on the programme team’s remit to assist the Programme Board, CLT and the Executive in creating their vision required for the blueprint to be created and implemented.

It is envisaged that CLT and the Executive will only feel confident that they are creating the best possible vision for the Borough, often having to make difficult decisions in highly challenging financial circumstances if they can be confident of the support of the officers in delivering their vision.

It is only in having undertaken these activities that the STP programme team will be confident in the options that it puts forward for discussion and ultimately for consideration and approval by the STP Programme Board, CLT and the Executive.
2. PROGRAMME GOVERNANCE

There is a complex interplay between the various groups of people that will be in some way involved within the STP programme. The model below outlines in a simplified way where the programme ‘sits’ in respect to its interactions with CLT, The Executive & Labour Group, Directorates and the staff.

The model below indicates the governance structure that will be adopted for the programme of works to be undertaken.

2.1. SPONSORING GROUP: EXECUTIVE & LABOUR GROUP

The Sponsoring Group Ownership will have ownership of the decisions made, after evaluation of options presented, in order to create the vision for the blueprint that will be created for the way that the Council operates.

Terms of Reference

- Confirms successful delivery and sign-off at the closure of the programme
- Leads by example the values implied by transformational change
- Approves funding for the programme or project
• Provides continued commitment and endorsement in support of the programme objectives at executive and communication events
• Champions the programme
• Resolves strategic and directional risks and issues
• Establishes the organisation context of the programme (creates the vision)
• Accountable for ongoing strategic alignment
• Advises and supports the Senior Responsible Owner

2.2. POLITICAL SPONSORS: LEADER / DEPUTY LEADER

The purpose of this role is to provide the programme with a strategic overview; decisions still need to be made within the Council’s constitutional framework.

2.3. SENIOR RESPONSIBLE OWNER (SRO): CHIEF EXECUTIVE

The Senior Responsible Owner (SRO) is ultimately accountable for the programme, ensuring that it meets its objectives and realises the expected benefits. This includes stopping the programme if it is no longer viable / capable or delivering the required outcomes.

Leadership Attributes of the Senior Responsible Owner

- Owns the vision
- Gives purpose and strategic direction
- Is proactive and the visible driving force
- Provides clear leadership and direction
- Inspires trust and loyalty, building effective relationships across the programme team
- Has access to and credibility with stakeholders
- Encourages open and honest dialogue
- Leads the programme with resilience and drive
- Has personal accountability for its outcomes
- Combines realism with openness and clarity of expression

Terms of Reference

- Accountable for programme delivery
- Accountable for benefits realisation
- Accountable for programme budget management
- Owns the programme business case
- Secures the required funding for the programme and approves project funding, in line with corporate governance requirements
- Accountable for programme stakeholder engagement strategy / change management plan
- Accountable for programme risk management
Accountable for programme governance arrangements, inc. ensuring compliance to the Council’s constitution
Provides overall leadership & direction to the programme
Chairs the programme board
Accountable for establishing the programme team
Accountable for appointing the programme manager

2.4. PROGRAMME BOARD

The Programme Board is made up of CLT and The Programme Lead (Steve Houghton-Burnett)

The Corporate Leadership Team (CLT)

The Corporate Leadership Team (CLT) provides the strategic direction the programme and the business operations and will be responsible for the creation of the new business structures, operations and working practices required by the programme.

- Maintains focus on realising beneficial change
- Works positively to enable change
- Prepare affected areas for transition to new ways of working
- Leads by example the implied values of the organisational change
- Resolves conflicts between the programme and BAU
- Proactively communicates collaborative working throughout departments
- Drives forward the required change
- Has personal accountability for achieving measured improvements
- Ensures readiness for change and fit-for-purpose solutions

Terms of Reference

- Supports the SRO to ensure programme delivery
- Accountable for project control by providing project approval at the start and end of each stage
- Advises on whether planned outputs and outcomes will lead to required benefits and optimises timing of project outputs
- Advises on progress reporting
- Provides assurance on delivery of new capability and realisation of benefits
- Ensures integrity and business ownership of benefit profiles & realisation plan
- Ensures that there is no double-counting of benefits
- Identifies, defines and tracks required benefits & outcomes
- Reports benefits beyond life of programme
- Identifies significant costs & benefits to optimise the business case
- Approves stakeholder engagement strategy / change management plan
- Takes ownership for stakeholder / change management in own area
• Prepare business areas for transition to new ways of working
• Manages and resolves risks
• Releases resources for the planning and delivery of the programme
• Creates new structures, operations and working practices
• Decides upon and approves business cases to progress through to delivery

2.5. THE PROGRAMME LEAD

The Programme Lead is responsible for leading and managing the setting up of the programme through to delivery of the new capabilities and realisation of benefits. The Programme Lead has primary responsibility for successful delivery of the new capabilities and establishing the organisational governance framework for the programme.

Leadership Attributes of the Programme Lead

• Understands wider objectives of programme
• Works positively with the full range of people involved in the programme
• Strong leadership skills

• Credibility and ability to influence others
• Develops and maintains effective working relationships
• Manages stakeholder communications

• Ability to find innovative ways of solving or pre-empting problems
• Has personal accountability for the delivery of the required capability
• Technical capability to create a realistic programme plan

Terms of Reference

• Plan and design the programme
• Proactively monitor progress, reporting to SRO
• Resolve issues, initiating correction action
• Coordinate projects & their dependencies
• Accountable for project control
• Maintains overall integrity & coherence of the programme
• Manages programme budget
• Manages stakeholder communications
• Manages and resolve risks
• Defines governance framework
• Responsible for ensuring compliance to the Council’s constitution
• Manage programme on a day-to-day basis, directing resources, managing suppliers and setting up the programme environment
• Facilitates project team appointments
• Maximise efficiency in allocations of resources & skills in project dossier
3. PROGRAMME TEAM

The programme team is a fluid entity. Over time, as the programme identifies key resources and skills that it will need in order to be able to deliver on its commitments the personnel within the team will change. However there are key core roles that the programme will require to be consistently filled. In addition to the roles explained above the following programme team roles will be required:

3.1. PROGRAMME TEAM ROLES

Programme Delivery Manager (1):

Responsibilities: Creation and organising of programme activities such as workshops and analysis sessions. Report back on status of each programme / project stream.

Programme Office Administrator (1):

Responsibilities: Administration roles and duties for the team

Programme Accountant (1):

Responsibilities: Management of the programme finances and updates on benefits realisation as cashable savings.

Comm’s Manager (1):

Responsibilities: Creation of an overall internal and external communications strategy for the programme. This will include the appropriate channels, messages and frequency of the communications. These messages may need to be delivered by the team, CLT and Members. This person will be needed in the initial start up phase of the programme and will then on a consultative (part-time) basis once the communications strategy has been agreed.

Comm’s Officer (1):

Responsibilities: Delivery of the programme communications in accordance with the comm’s strategy created by the comm’s manager. Liaising with all stakeholders to create and release the communications required through the chosen channels.

Finance Lead (1):

Responsibilities: Ability to create and operate return on investment, discounted cash flow and benefits realisation models. Challenge with confidence existing financial/budgeting structures and suggest appropriate alternatives. This person must have a thorough understanding of the Council’s capital and revenue budgetary models.
OD Lead (1):

**Responsibilities:** Understand what the transformation propositions are and work with the team to ensure that we are creating the right sort of organisational development strategies and mechanisms as part of the transformation programme. This person will be responsible for ensuring that the OD strategy is created in order to ensure the success of the transformation.

Directorate Representation (6, 1 per Directorate):

**Responsibilities:** Work together to understand what the transformation is that can be achieved and testing existing ways of working. These people **MUST** have the ability to challenge the current silo’d ways of working **but** they must also be pragmatic about some of the elements that already work well within their areas. These people will have to reach out into their part of the organisation and ask some tough questions. They will also need to co-opt people in to the team to support the work that they are doing. **It is critical that these people have the respect of their colleagues and peers within their area of the council.**

Lead Analyst (1):

**Responsibilities:** This role is critical to ensuring that the analysis work (both business and financial) is dependable and unbiased. They need to be able to understand both the legal and financial ramifications of the transformation suggestions being made by the team and they need to be able to model and robustly defend these in a way that negates some of the significant emotional responses that will be given to suggested changes.

Business Analyst (2):

**Responsibilities:** Business process modelling and business process reengineering skills. The ability to model ‘as is’ and ‘to be’ modes of operation. It would be preferable if these two resources had prior transformation experience. It is key that these people are able to interact and quickly build trust with the directorate representatives and officers within the directorates.

HR Lead (1):

**Responsibilities:** Understand what the transformation propositions are and work with the team to challenge and potentially rewrite HR policy in this area. This will also involve liaison with Unions and Members.

Legal Lead (1):

**Responsibilities:** Understand what the transformation propositions are and work with the team to understand and challenge the Council’s legislative obligations and potentially rewrite Council constitution in these areas.
Partnership Champion (1):

Responsibilities: Understand what the transformation propositions are and work with the team to identify what appropriate partnerships might be created in delivering the transformations. *It is critical that this person understands the TotalPlace and other place shaping agendas.*

Citizen Champion (1):

Responsibilities: Understand what the transformation propositions are and work with the team to ensure that the solutions being offered represent a better value service (where we still offer a service) overall for our citizens and local businesses.

Commercial Lead (1):

Responsibilities: Understand what the transformation propositions are and work with the team to make sure that the best possible commercial advantage can be delivered whether this is reflected in new contracts that we may be entering into or existing contracts that we are attempting to alter or exit.

4. PROGRAMME BUDGETS & TIMETABLES

4.1. BUDGET

At present the budget for this programme is still being established. However based on the previous experience of the Programme Lead an estimate of 5-8% of the required savings should be allocated to the programme budget. The budget will not be required to be available in one drawdown of funds and instead it is proposed that a ‘virtuous funding cycle’ be created based on the diagram below:

On this basis it is estimated that an initial ‘fighting fund’ of £750k be set aside for the programme. In order for the cycle above to work it is critical that a shared benefits realisation
model is created between the operational departments of the Council and the Savings & Transformation Programme.

4.2. TIMETABLE & REPORTING CYCLE

This is a four year programme, with the Programme Delivery stage commencing in Apr-11 through to Apr-14. The programme setup activities will complete by Mar-11. In line with the governance arrangements for the programme, the programme will:

- Report weekly to the Programme Board. This will be the first hour of the regular CLT meeting.

- Submit proposals initially to the Programme Board, for consultation at the Labour Group prior to submission to the Executive and Borough Council.

- The options for delivery for the programme will be submitted to 01 February Borough Council; some initial options for delivery may be submitted to 14 December Borough Council.

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