

Finance and Resources Committee

10.00am, Thursday, 27 August 2015

CEC Transformation Programme: Progress Update

Item number	7.1
Report number	
Executive/routine	
Wards	

Executive summary

This report provides the Finance and Resources Committee with a single, consolidated status update on the Council Transformation Programme, aimed at delivering a lean and agile Council, centred on customers, services and communities. The progress update highlights key challenges and the associated mitigations to simplify the reporting, management information and implementation of the plan.

Links

Coalition pledges
Council outcomes
Single Outcome Agreement

Report

CEC Transformation Programme: Progress Update

Recommendations

- 1.1 Note the accelerated programme plan and savings profile for the core Transformation plan, as set out in Appendix 1.
- 1.2 Note that stop/reduce and service prioritisation proposals will now be integrated within the core programme in order to create one cohesive cost reduction and Transformation Programme, which will be designed to align with the Council's strategic planning framework and simplify the execution of the plan.
- 1.3 Note the alignment of the Health and Social Care Integration work with the Transformation Programme to ensure savings in both support and front line service provision are maximised and operational efficiencies are achieved.
- 1.4 Note the revised governance arrangements as set out from paragraph 3.18 and approve that future bi-monthly reporting will be through a single committee the Finance and Resources Committee.
- 1.5 Note that the Asset Management Strategy business case has been finalised and this will be presented to this Committee on 24 September 2015.
- 1.6 Note the progress across the programme as set out in the workstream updates and the Activity Analysis Report attached as Appendix 2.

Background

- 2.1 The Council continues to operate in a challenging environment with increases in demand for services within ongoing financial constraints. In response, the Council has developed a Transformation Programme aimed at building a lean and agile organisation. Centred on customers, services and communities.
- 2.2 On 25 June 2015, Council approved a report on the Transformation Programme which set out the future operating model for the Council. This report highlights the key challenges to the programme and mitigating actions to continue to progress implementation.
- 2.3 This report also provides an update on progress since made then, including status reports on the following workstreams:
 - Citizens and Localities Services (CLS);
 - Business and Support Services (BSS);

- Third Party Payments;
- Channel Shift;
- Asset Management Strategy; and
- Workforce Strategy and Management.

Main report

Programme Update – Key Challenges and Proposed changes

- 3.1 A significant portion of transformation savings are associated with management de-layering and the implementation of the new operating model. Since the meeting of Council, good progress has been made, however the programme has a number of key challenges which are constraining delivery and these must be addressed in order to accelerate and simplify the implementation of the plan.
- 3.2 In view of the above there is an urgent and pressing need to take the following actions:
- 3.2.1 Acceleration of the Core Transformation Programme;
 - 3.2.2 Integration of the stop/reduce and service prioritisation activity into the core Transformation Programme creating one cost reduction plan which is guided by the Council's agreed strategic priorities and simpler to execute;
 - 3.2.3 Alignment and integration of the Health and Social Care Integration plans with the work within the Citizens and Localities workstream to ensure operational efficiencies are maximised;
 - 3.2.4 Immediately simplify the Programme governance arrangements.

Core Programme Acceleration

- 3.3 The five year period originally set out in the business cases approved by Council in January 2015 is widely considered to be too slow, and likely to create uncertainty over a longer period of time than is necessary. The revised programme plan with key milestones is attached at Appendix 1; programming from quarter 1 of 2015/16 to quarter 1 of 2016/17 and also separately laying out a high level accelerated 3 year plan. The programme plan for 2015/16 is now targeting to complete the tier 4 - 6 levels in the structure on a functional/cluster bases rather than on a tier by tier basis for both the CLS and BSS workstreams.
- 3.4 An initial analysis of accelerating the plan highlights an improved savings profile associated with management de-layering within CLS and BSS, as savings will be realised more quickly than first assumed.
- 3.5 Other savings which are projected for the later years 4 and 5 (2018/19 and 2019/20) include £2.7 million for Channel Shift and £4 million of assumed savings within the CLS workstream associated with demand reduction through

prevention measures, will be re-programmed once there is sufficient visibility of the detail around these savings.

- 3.6 Further work is now underway to update the project business cases to profile accelerated savings and further opportunities for additional savings are being investigated.
- 3.7 It should be noted that this acceleration of the programme will not mitigate against the immediate need to bring forward additional stop/reduce and service prioritisation proposals. The current unresolved pressures in Corporate Property and Health and Social Care will mean that, even with an accelerated core programme, a significant gap will remain and additional service prioritisation proposals will be essential to deliver the financial targets set out by the Head of Finance and agreed by the Council.

Service Prioritisation (Stop/Reduce Proposals)

- 3.8 £51 million of savings are being targeted through service prioritisation over the next 4 years. In order both to provide an element of flexibility in the management of risks and pressures and to allow for a degree of political prioritisation, Directors were asked to develop proposals, capable of full implementation by April 2016, to a total value of at least £34 million.
- 3.9 A more consolidated approach needs to be progressed and it is been agreed that all service prioritisation proposals should be brought into the Transformation Programme, requiring the integration of the two programmes. This will now ensure that savings are realistic, deliverable, in line with transformation objectives and are not double counted.
- 3.10 However more strategic service prioritisation options will need to be considered if the funding gap is to be bridged. Corporate Leadership Group (CLG) is developing a set of strategic principles which will clearly define where service prioritisation should focus on going forward enabling the integrated programme to drive forward proposals which are truly stop or reduce in their nature and not a continued slicing of Directorate budgets which will not achieve the overall savings required.
- 3.11 The Council will be required to look at areas such as non-statutory spend, delivery by others, ineffective spend where outcomes are poor in relation to the Councils strategic objectives.
- 3.12 The Corporate Leadership Group have begun work to progress the integration of these elements into one cost reduction plan and a revised plan will be produced to be considered as part of the Council budget process and will be brought back to the Committee for approval.

Health and Social Care Integration

- 3.13 There are significant risks surrounding the Health and Social Care Integration Programme. Currently, the governance for the two programmes is managed

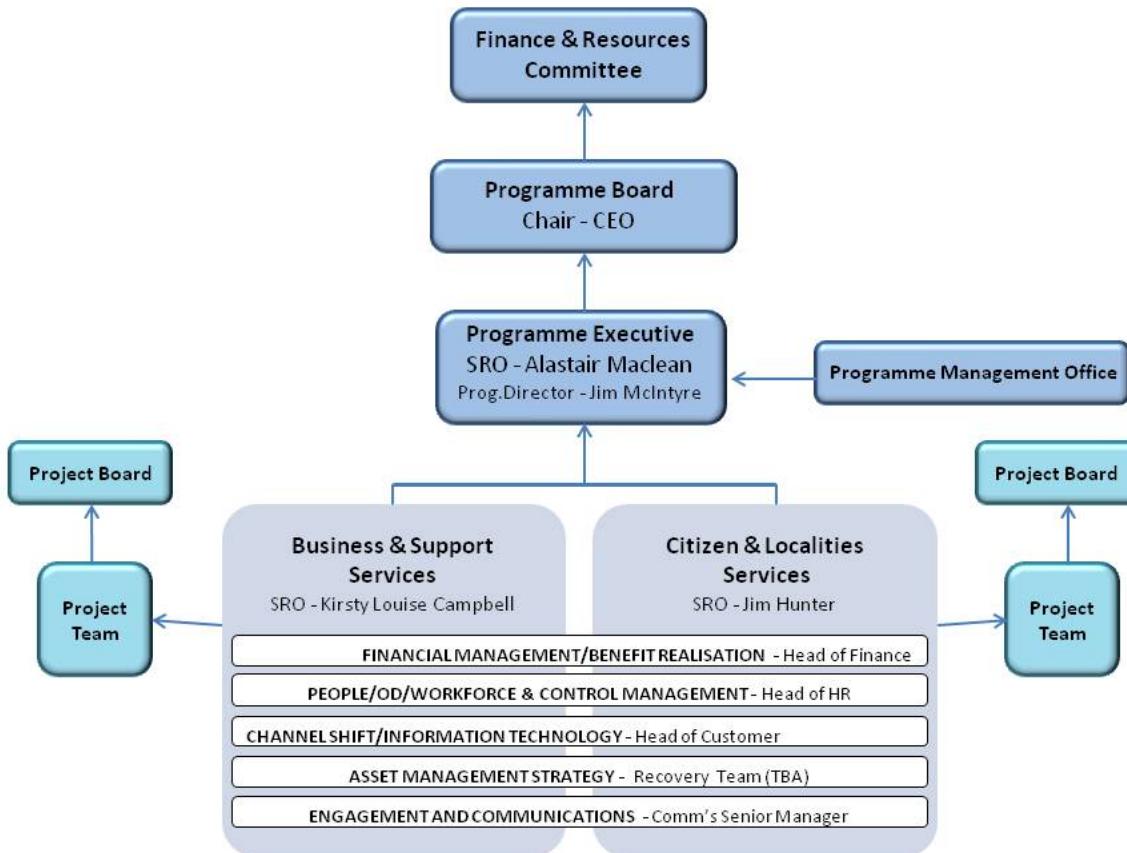
through two separate routes with no agreed financial parameters or cost reduction plans.

- 3.14 There are significant dependencies between the two programmes, particularly in relation to the development of the localities model, the success of which depends on strong integration of services. The current arrangements do not allow for sufficient integration between the two.
- 3.15 Moving forward, it has been agreed to build stronger links between the programmes and a formal relationship will be developed between the Health & Social Care Integration Programme and the CLS workstream. This will enable the coordination of planning, resource and key budget decisions between the two programmes.
- 3.16 Accordingly a report titled 'Delivering the Health and Social Care Locality Model' was made to the Joint Integration Leadership Group on 28 July 2015. This report updated the Joint Leadership Group on work to progress the delivery of a Health and Social Care locality model of working, undertaken in partnership with the Citizens and Localities team (of the Council Transformation Programme). It also sought approval to progress work jointly across a number of key issues identified in the report, in order to enable key operational arrangements to 'go live' by April 2016. The Group (chaired by Councillor Burns) agreed the proposed approach and to progressing the 'next steps' in the report jointly to deliver locality operating model arrangements and structure by April 2016.

Governance Arrangements

- 3.17 The governance arrangements for the programme are currently complex and time consuming. Reports are required by the dedicated Transformation Board, CLG, Finance and Resources Committee, Corporate Policy and Strategy Committee, Governance, Risk and Best Value Committee, the Checkpoint Group and the Budget Core Group. These arrangements need to be streamlined to ensure swift and effective decision making and to allow the programme team to focus on delivery.
- 3.18 Moving forward, it is suggested that governance needs to be streamlined in order to ensure that decisions can be made quickly and effectively. The Transformation Programme Board is to be dissolved and replaced by a dedicated 2 hour monthly meeting of the CLG focused solely on the Transformation and chaired by the CEO. It is also suggested that the main political oversight for the Programme comes through bi-monthly reports submitted to the Finance and Resources Committee and that the current arrangements of also reporting on a quarterly basis to the Corporate Policy and Strategy Committee cease.

The overall governance arrangements moving forward are outlined in the diagram below:



Programme - Workstream Status Updates

Citizens and Localities

- 3.19 The Citizens and Localities Services Project is progressing development of the organisational structure and operating model agreed by Council on 25 June 2015.
- 3.20 Design of the senior management structure (tiers 1 and 2) is complete and consultation with trade unions and relevant staff is in process in accordance with the Council's agreed policies and procedures. Tier 3 design is almost complete and consultation will begin by early September. Appointments to this structure are scheduled to be complete by the end of November 2015. The design and implementation of management structures at tiers 4 and below is being taken forward on a phased basis, with the structure fully designed by December 2015 with implementation as soon as possible thereafter.
- 3.21 The localities operating model is also being developed. This sets out the overarching service approach, principles and governance frameworks that support the locality model, as well as defining the priorities, demand profile and resourcing at locality level. It is intended to pilot the new localities operating

model from December 2015, including testing with Community Planning Partners, ahead of wider implementation in April 2016. A detailed Implementation Plan and Project Plan are now finalised to ensure clear actions are owned to progress this work within the desired timescales.

- 3.22 In addition, actions are underway to redesign key processes, and realise associated improvements to the customer experience, as set out in the agreed business case. These actions include the analysis of case studies, customer journey mapping and the development of project opportunities emerging from the activity analysis and other initiatives. Delivery of these actions will be undertaken through ongoing engagement with staff and partners to actively manage the change process.
- 3.23 The summary report on the findings of the activity analysis is attached as Appendix 2.

Business and Support Services

- 3.24 The BSS project has continued to progress well and the focus has been on two main areas:
 - Completion of Phase 1 – the current state assessment and high level design phase.
 - Commencement of phase 2 – the detailed design and consolidation phase.
- 3.25 The activity analysis has been completed and the current state assessment report has been finalised and communicated to Union representatives and Council staff. Concurrently the information/data collected during the review is being used to support the ongoing delivery of the project. This includes refining the project scope, incorporation of improvement opportunities into the future service structures and delivery plan, as well as refining the savings profile and updating the business case to reflect the greater depth of information that is now available. The summary report on the findings of the activity analysis is attached as Appendix 2.
- 3.26 High level design of the senior management structures (tiers 1 and 2) is complete and consultation with trade unions and staff is underway in accordance with the Council's agreed policies and procedures. Tier 3 design is almost complete and consultation will begin by early September. Appointments to this structure are scheduled to be complete by the end of November 2015.
- 3.27 The BSS project implementation plan for the consolidation phase has been updated to align with the appropriate HR processes and timescales and builds in delivery of potential service prioritisation initiatives identified by Finance.
- 3.28 Implementation of the first consolidation phase of the project will continue to be in a staged approach, aligning to the approved tier 2 and future tier 3 structures. It will be delivered in the following four waves from July to December 2015:

1. Strategy, BI and Performance and Communication/Marketing
2. HR, Commercial and Democratic Services
3. Finance, Risk, Legal and Digital/ICT
4. Customer Services and Business Support

Third Party Payments

- 3.29 The Payments to Third Parties workstream continues to progress, with new co-produced grant programmes on schedule for implementation by April 2016 (with the exception of the Cultural Grant Programme, which was reported to the Culture and Leisure Committee on 18 August 2015 and will be implemented in 2016/17).
- 3.30 Work is also being progressed on a contract renewal schedule and associated savings to ensure visibility and achievement of workstream reduction targets.
- 3.31 The Council-wide project team for Payments to Third Parties, which oversees and ensures the coordination of new grant and contract programmes, is also undertaking work to ensure alignment with the emerging service prioritisation proposals, and the development of the localities model through Citizens and Localities Services workstream.

Asset Management Strategy

- 3.32 The business case for Asset Management Strategy (AMS) in relation to the Investment Portfolio; Estate Rationalisation; and Asset and Service Delivery Optimisation provides financial projections over a 10 year period and concludes that despite existing savings initiatives, property expenditure is likely to exceed the Affordability Baseline by a total of £124M throughout the 10 year period unless radical steps are taken to reconfigure the existing Council estate and fundamentally change the way asset and facilities management is delivered by the Council.
- 3.33 The business case has been finalised and will be presented to the Finance and Resources Committee at the end of September. In parallel with the development of the business case plans to establish a business recovery team to support the existing corporate property function have been developed and these will also be presented in September.

Channel Shift

- 3.34 The Channel Shift project aims to reduce the cost of delivery of a wide range of Council services by shifting the channel used for customer contact to the most efficient and appropriate and developing end to end process automation where possible.
- 3.35 This is based on a transaction-by-transaction change and has already seen significant benefits in delivering channel shift. To date, over 40,500 citizens have

registered for a Mygovscot account and over 2,500 transactions are carried out each week with citizens viewing their accounts over 25,000 times a week (figures based on June 2015).

- 3.36 The Channel Shift project has already delivered £355,000 of savings through a reduction of 17 FTE posts in 2015/16. This represents 100% of the Channel Shift savings which were assumed in the 2015/16 budget.
- 3.37 Work is being carried out to prepare for collaboration with the Council's new ICT provider (when appointed) to develop more online, end to end transactions to add to the 37 already live and accessible through our responsive website, on any device.
- 3.38 Strategies are in development to provide a basis on which to enable all channels to deliver a standardised level of customer service across the Council. This will include direct assistance to both staff and citizens in localities to deal with enquiries in the most appropriate and efficient way possible, centred around the needs of the citizen.

Workforce Strategy and Management

- 3.39 Committee previously agreed that proposals on a revised Voluntary Service Scheme would be subject to consultation with unions. The proposals have now been consulted upon and a further report on the outcome will be presented to Committee in September.
- 3.40 Senior leadership 'learning sets' have been launched and delivery scheduled for early September 2016 remains on track. These sets will assist senior leadership in managing the culture changes that will need to take place to ensure that the Transformation Programme can achieve its aims.
- 3.41 It will be crucial to ensure we track our progress as we create the engagement levels, climate and conditions needed for change and transformation to happen. Therefore an initial exercise to capture insight and data at the start of the change process was undertaken and progress will be tracked on a four-monthly basis. Our baseline has now been established and initial survey feedback indicated that staff understand the need for change and feel committed to helping the Council deliver the changes but don't have confidence in our ability to achieve it and don't feel that change is being managed well. The Corporate Leadership Group (CLG) has set ambitious targets for improvement and strategies are being agreed to secure the improvements. A second tracker survey is due to be undertaken at the end of August.

Measures of success

- 4.1 The business cases have identified significant financial and non-financial benefits associated with the Transformation Programme.

- 4.2 The PMO are developing a clear financial and non-financial benefits framework which will form the basis of bi-monthly reporting to Committee.

Financial impact

- 5.1 £34 million of additional recurring savings are being targeted through the Council's Transformation Programme over the period to 2019/20, including £11 million to be delivered in 2016/17. Work is ongoing to develop further proposals and update business cases.

Risk, policy, compliance and governance impact

- 6.1 A risk register has been developed as part of the PMO and is reported monthly to the programme board.

Equalities impact

- 7.1 New locality management arrangements and local community engagement arrangements take cognisance of the needs of equalities communities of interest in addition to communities of place
- 7.2 New grant and contract programmes are designed to ensure the protection of the most vulnerable communities, families and individuals to maintain equality of opportunity.
- 7.3 Face to face contact and other contact channels are maintained for individuals, families and groups that have difficulties when accessing new or IT based channels.

Sustainability impact

- 8.1 The recommendations of this report have been assessed in line with the public bodies duties described within the Climate Change Scotland Act (2009). In summary, a move to enhanced locality working will provide for new opportunities to strengthen the Council's work to mitigate against climate change, adapt to climate change and act in a more sustainable manner.

Consultation and engagement

- 9.1 The Council Transformation Programme has engaged with staff using a number of methods, including drop-in sessions, workshops, a dedicated email address, ORB pages, blogs, communications updates and briefings from line managers.

- 9.2 A comprehensive customer and employee engagement plan will be developed for each of the workstreams, with a dedicated overarching change plan involving staff, elected members, partners and trade unions.

Background reading/external references

[Item 8.2 - Council Transformation Programme: Status Report - 25th June, City of Edinburgh Council](#)

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Deputy Chief Executive

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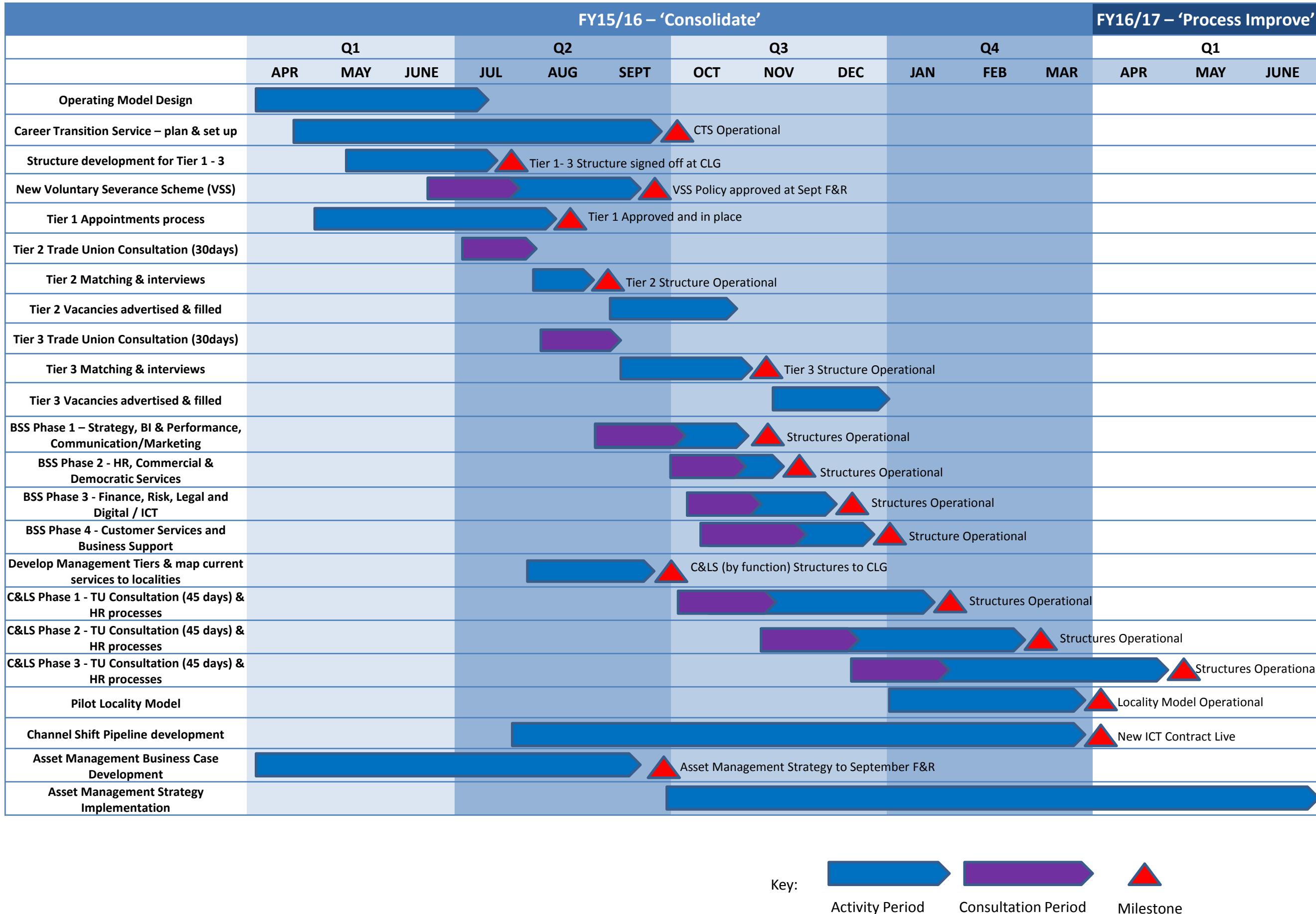
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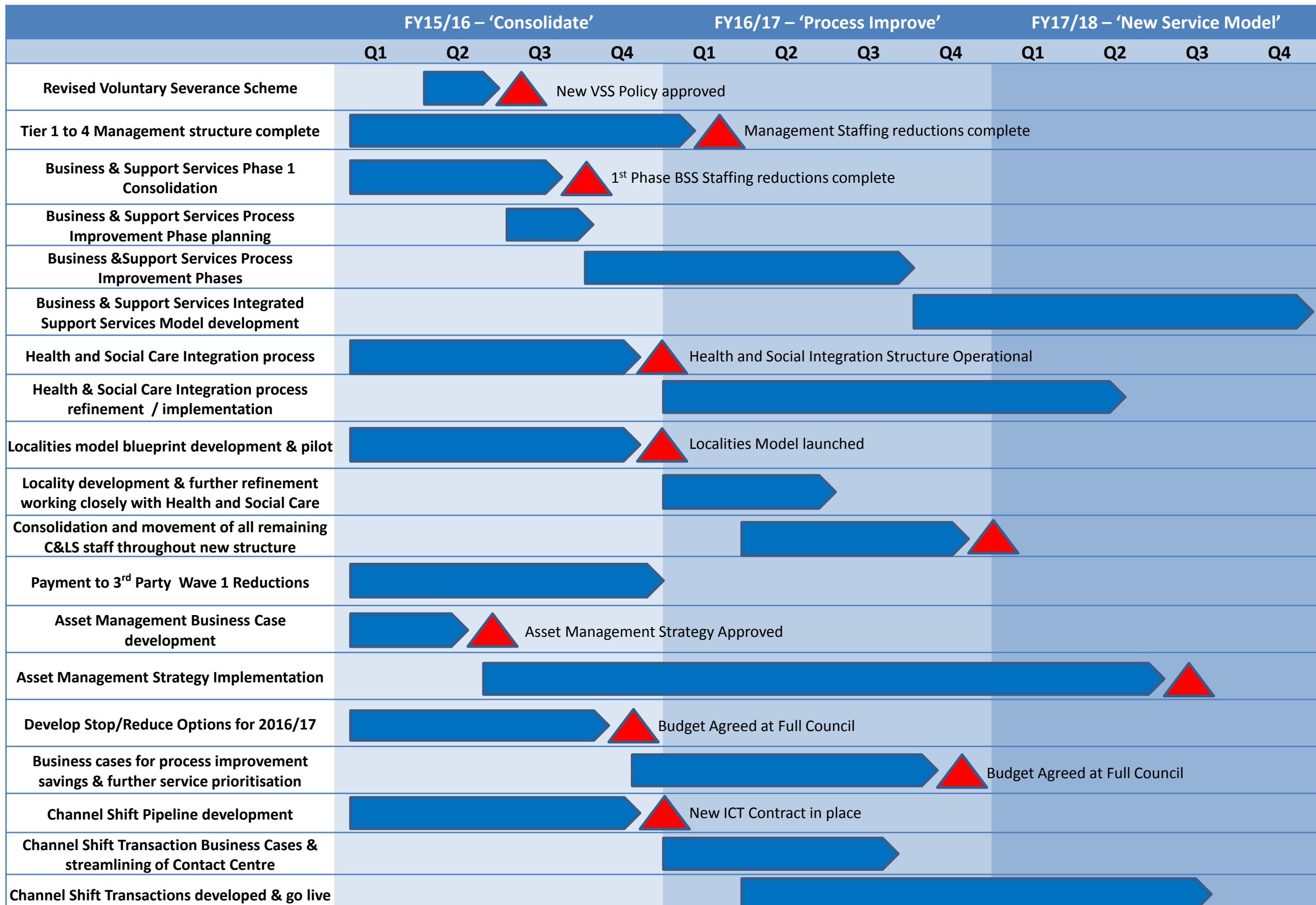
Links

Coalition pledges	P30 - Continue to maintain a sound financial position including long-term financial planning
Council outcomes	CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 - Edinburgh's communities are safer and have improved physical and social fabric
Appendices	Appendix 1 – Programme plan Appendix 2 – Activity Analysis Summary

APPENDIX 1

Implementation plan for organisation restructure - 2015/16





Key:



Activity Period



Consultation Period



Milestone

TRANSFORMATION PROGRAMME

City of Edinburgh Council Transformation Programme Current State Assessment Summary Report July 2015

DOCUMENT PURPOSE

Objective of the current state assessment

The Current State Assessment of the City of Edinburgh Council (CEC) summarises what permanent staff do, how their time is spent, the cost of that time as well as highlighting opportunities for performance improvement or savings delivery.

Data gathering and analyses

The report utilises data and information gathered relating to both business support services and communities and local services. The data gathered captured the activity of over 12,000 staff members. Over 100 workshops were attended by staff to identify additional opportunities and strengths. The information and analyses is based on data gathered at a point in time only, with final data completion on 9th June 2015. The output and analyses should be regarded as time sensitive.

Purpose of the summary report

The report summary provides an overview of the Transformation Programme explaining why and how the Current State Assessment was completed,. It gives the key observations and opportunities identified by staff members during the review and summaries how the data collected will be used to support the delivery of the transformation programme. The analyses is drawn from information provided by Council staff only and has not been altered to perform the analyses.

The data collected during the assessment will be used to inform the design stage for Citizens and Localities Services (CLS) and the overarching blueprint for the Council, and is currently being used to inform the design and subsequent stages for Business Support Services (BSS).

The summary report, its contents and associated datasets are for City of Edinburgh Council use only and are confidential.

TRANSFORMATION PROGRAMME AND ASSESSMENT PROCESS OVERVIEW

TRANSFORMATION PROGRAMME OVERVIEW - DRIVERS FOR TRANSFORMATION

The Council operates within a challenging environment, with rising demand for services, regulatory change, budget pressures and an increasing population. The cumulative impact of these changes mean the Council needs to reduce current expenditure by £107million over five years and requires the Council to change how services are delivered through transformational change. The key drivers and challenges are summaries below:

External Drivers

- Local Government budget cuts
- Public sector reform
- Increasing service demands
- Population change and growth
- Rising customer expectations
- Changing skills requirements
- New ways of working

Internal Challenges

- Meet savings requirements
- Improve customer outcomes
- Improve performance
- Improve Council reputation
- Deliver a lean and agile Council

There are a number of change activities underway, which aim to help achieve the Council's vision to deliver lean and agile council services, contribute to the Council's target savings, and reshape the structure. These activities have been brought together under a single transformation programme to make sure the overall effect of these changes is understood, dependencies are managed and there is clarity about the scope to avoid issues such as double counting of benefits. The Transformation Programme has a delivery target in excess of £48.8 million of recurring savings over the period to 2019/20

TRANSFORMATION PROGRAMME OVERVIEW – PROGRAMME STRUCTURE

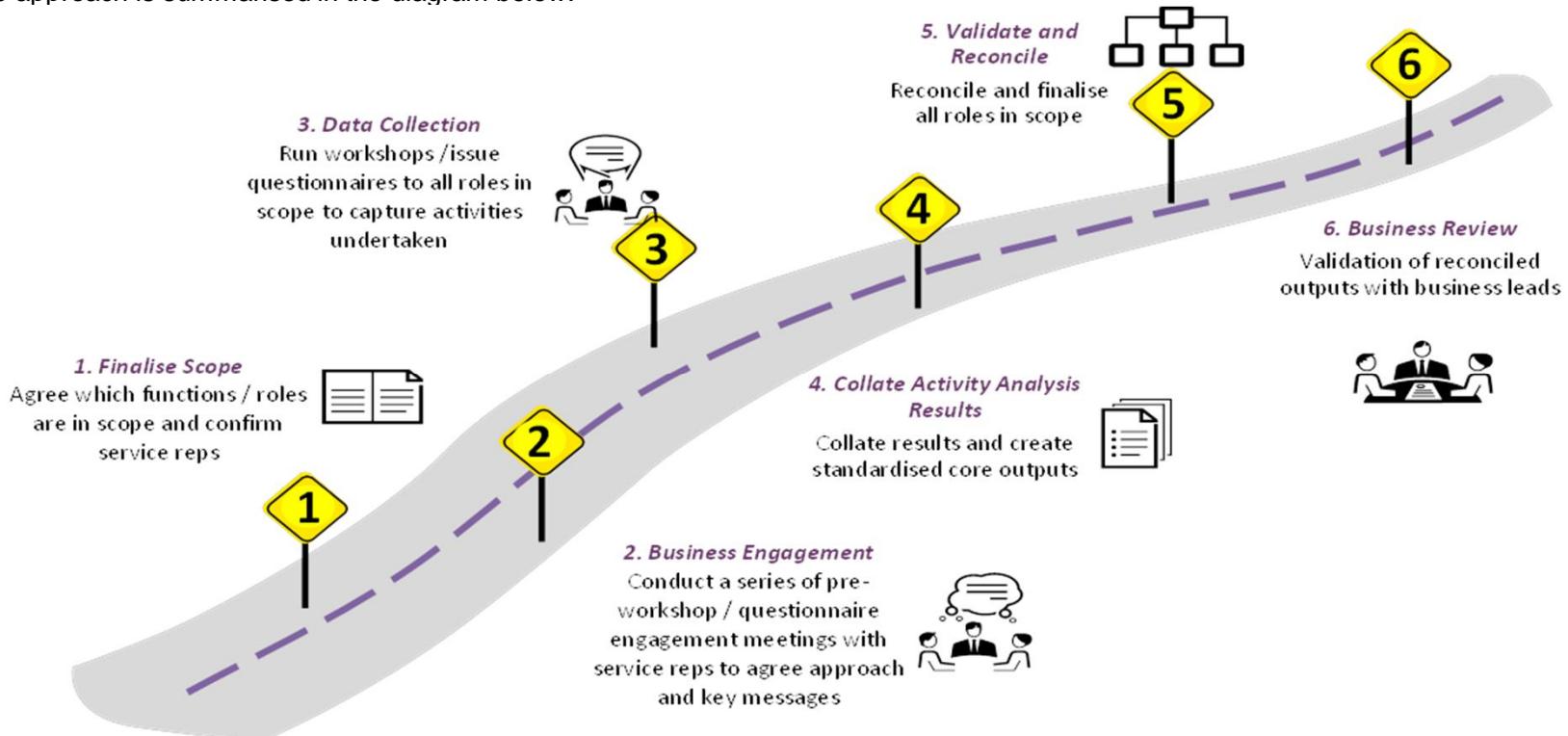
The Transformation Programme comprises of two core projects supported by a number of cross cutting work streams. The structure and a overview of the core projects are shown below:

- **Citizens and Localities (CLS):** This project will deliver a new operating model for the Council in which services have an enhanced focus on local communities. The project will improve local control over services and priorities, reduce bureaucracy and deliver more resources to the frontline
- **Business and Support Services (BSS):** This project will deliver a new model for the provision of central support for Council services. The project will provide a strong strategic centre to support frontline delivery, streamline processes and help move towards a ‘right first time’, customer focussed approach



CURRENT STATE ASSESSMENT APPROACH

The current State analyses has the objective of better understanding service delivery. A data collection exercise was completed to capture current services, FTE's, strengths and opportunities, and IT systems used . The data collection was lead by a core project team and delivered through over 40 Council Change Representatives from across the organisation. A consistent data gathering approach has been applied across the whole organisation. The approach is summarised in the diagram below:



For the purpose of the data gathering and analysis all the staff in scope were divided into 'clusters' and 'sub clusters'. The staff members within each cluster area were engaged through 1:1 meetings, focus groups and workshops. Standard templates were used to capture the percentage of staff time spent on 34 generic activities and workshops to capture the qualitative data regarding wider opportunities and strengths. All outputs were validated with functional areas Change Representatives

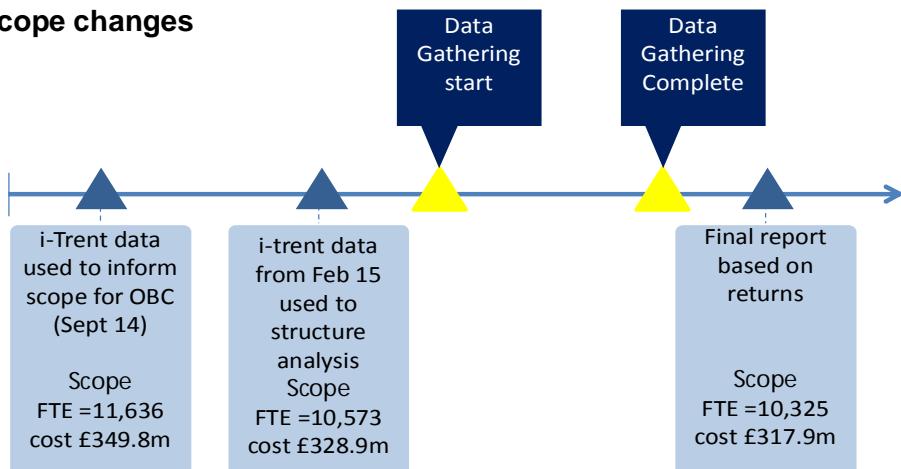
CURRENT STATE ASSESSMENT APPROACH - SCOPE, KEY FACTS AND ASSUMPTIONS

Timeline

The data gathering was completed over a six week period using staff data taken from i-Trent in February 2015. In scope job roles were then allocated to a cluster structure, by CEC, to enable the data gathering process to begin on April 20th.

- Initial figures relate to November 2014 Business Cases
- February 2015 figure relates to the dataset at the start of Activity Analysis data collection
- The final figure relates to the Activity Analysis data that was returned and used in the Current State Assessment

Scope changes



Key Facts regarding data gathering

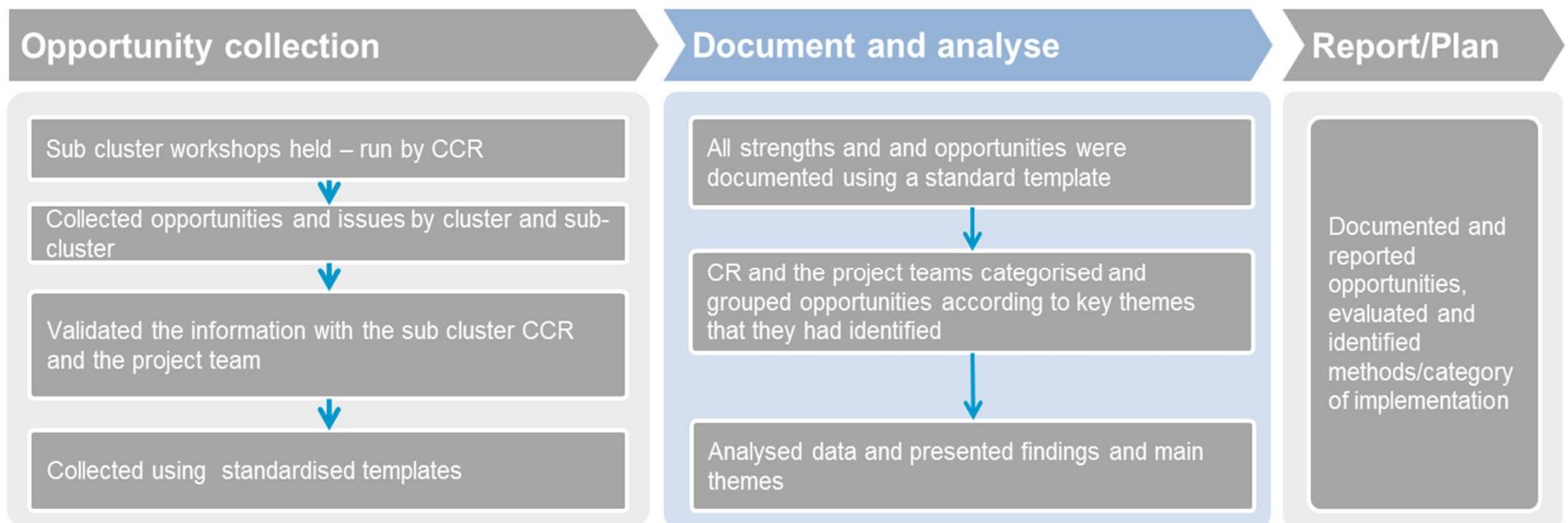
- Activity data has been gathered covering 12,000 staff roles
- Over 100 workshops were held with staff groups across the organisation to identify strengths and opportunities
- Over 800 opportunities were captured for both BSS and CLS with evidence of service strengths

Notes on Scope

- The scope for BSS and CLS shown in the diagram includes all CEC staff, excluding Lothian Pensions staff and Teachers. Asset Management was later removed from scope
- Final scope was agreed with Finance on 21 May 2015. Any future scope changes will require a change request. Changes from the original scope used in the January business cases has been captured within change logs
- During the data gathering 50 leavers were identified. No new joiners were added to scope
- The data is gathered on the basis staff roles as defined in i-Trent, FTE values is applied to the roles
- Costs for the individuals in the data were calculated using actual salary for their grade pro rata to their FTE. On costs of 27% are added for National Insurance and pension contributions
- Only CEC staff members were in scope (agency staff were not included)
- Data collection was from individuals in a role or managers providing a sample of people for that role
- Activity analysis data has been collected for the roles that individuals currently perform, any seconded individuals completed analysis for their seconded post
- Data collected was verified by the Council Change Representative and/or Head of Services
- The analyses is drawn from information provided by Council staff only and has not been altered in any way to perform the analyses

CURRENT STATE ASSESSMENT APPROACH - OPPORTUNITY GATHERING AND DEVELOPMENT

- The process for collecting opportunities and strengths was managed by the Council Change Representatives (CCR) through engagement with staff from their respective areas
- Engagement in the area during these sessions has been high. Staff have seen these sessions as opportunities to share ideas and issues
- Over 800 opportunities have been identified, categorised and analysed
- Opportunities require further development to determine priority and implementation plan in line with the Transformation Programme



- **Categories** = identify how relatively easy it is to implement the opportunities and the need for transformation. Incremental/Quick win - these could be implemented without major transformation, however, they would benefit from being implemented as part of Transformation. Transformational - these require Transformation to be implemented as they encompass the whole of CEC and not just specific areas. Aspirational are potential opportunities but have not been prioritised for implementation at the current time
- **Themes** = key themes are the common subjects running through the collected opportunities, and opportunities have been grouped accordingly

KEY OBSERVATIONS

KEY OBSERVATIONS

Common Observations Across Projects

1. There is evidence of duplication of some activity that has already been centralised, such as procurement, ICT and finance which may indicate duplication of activity and roles, inefficiency of support provision and ultimately potential to improve processes that cut across centralised and locally delivered support activity
2. The grade analysis shows certain activity being completed by staff at grades higher than would be expected, which may be a result of poor processes for decision making or a way of working where decision making is referred upwards for approval
3. There are a high number of job roles when compared to staff numbers, although more prevalent in BSS, this does indicate that there is not a consistent view of skills and activity which may mean grades are inconsistent and, ultimately lead to poor workforce flexibility across functions
4. There is evidence of ICT systems used having overlapping functionality, which may lead to duplication of inputting between systems, a number of different means of reporting and additional cost in licences and support requirements

Citizens and Localities specific observations

- Service delivery is below the desired level and staff engagement has shown a strong desire to refocus time on frontline delivery
- Customer contact and asses and decide totalled over 16% of time and over £40m spend. Although seen as adding value to customers, the processes are reported as inefficient by staff due to the number of contact points, hand offs and the proliferation of supporting IT systems
- The percentage of time and associated cost related to managing people is significant at over £19million and 8%. Staff engagement has suggested that there are inefficient processes and systems, as well as need for management training
- Travel time accounted for 6.3% of time and £15.3m in spend, staff supported a move toward more localised working and better planning and use of technology to reduce travel cost

Business and Support Services specific observations

- There appears to be a number of individual areas performing similar activities leading to teams working in silos e.g. multiple call handling teams
- The spread of General Administration and Procurement costs/activities indicate siloed working across the Council which could be leading to significant duplication
- Savings could be made streamlining customer service as this appears across all sub clusters within BSS
- When combining Managing People and Work Planning and Scheduling it makes for the third highest spend, saving could be made in these areas
- Strategy, Policy, Quality Service Development requires more detailed analysis to understand where efficiencies can be made

SOME AREAS OF GOOD PRACTICE

Engagement with staff has highlighted a number of service strength or recent improvement. It is key that any future designs build on these areas of current good practice and that they form the basis of further service redesign



Locality based teams are in place to deliver certain services

Across the Council there are some services which are already aligned to Neighbourhoods. This experience will help support the implementation of the future Blueprint and focus the service to the needs of the communities. It has also highlighted challenges which need to be overcome, for example, teams having narrow spans of control and divergent processes and opportunities as wider integration of teams and consolidation of processes



Some functional teams have already been consolidated

Finance, ICT and Commercial/Procurement have already consolidated some key staff and standardised some processes to more effectively manage service delivery. This work can be built on. The data captured within the activity analysis will be used to identify fragmented areas/services, which can then be further consolidated



Some areas of good practice within Services

The Council is recognised for some areas of good service delivery, which are demonstrated by statics which show that 89% of residents are satisfied with Edinburgh as a place to live and 88% of residents are satisfied with their neighbourhood. Also, the CEC is recognised by the Scottish Government as leaders in Early Years expansion and the CPS team received the CIPFA award for innovation. However, building on these achievements need to be aligned to current financial constraints



New digital ICT partner and a drive towards self-service and channel shift

The Council is currently procuring a new ICT partner with the aim of improving the technology currently available. Aligned to this is a drive to move towards more self-service, both internally and externally, and to deliver more services digitally or through a more effective channel reducing non core customer contact

KEY OBSERVATIONS - COUNCIL SPEND BY ACTIVITY AND DIRECTORATE

The table below shows the total cost by activity broken down by directorate. The variances in spend have been noted and initial exploration with staff within workshops and meetings has identified duplication of activity and many activity areas

Activity groups	City Development	Corporate Governance and Corporate Services	Children & Families	Health and Social Care	Services for Communities	Total
Customer Contact	£505,360	£7,945,425	£11,178,786	£8,756,016	£14,464,196	£42,849,782
Assess and Decide	£153,769	£2,269,538	£5,558,631	£5,542,457	£4,399,988	£17,924,383
Service Delivery	£1,362,012	£6,070,570	£44,496,252	£36,780,580	£38,593,061	£127,302,475
Travelling	£99,974	£388,506	£2,721,880	£6,356,740	£6,293,932	£15,861,033
Work Planning and Scheduling	£284,532	£2,018,896	£5,534,348	£3,931,148	£5,181,770	£16,950,695
General administration	£313,703	£4,203,613	£8,572,362	£12,736,113	£8,231,628	£34,057,418
Strategic, policy, quality service development	£755,257	£3,880,592	£3,125,949	£2,861,472	£6,264,492	£16,887,761
Procurement	£153,740	£1,174,595	£1,474,541	£1,062,673	£2,906,872	£6,772,420
Managing people	£239,348	£2,702,395	£6,299,036	£8,347,066	£7,833,397	£25,421,242
Finance	£150,932	£4,319,836	£2,273,372	£1,050,814	£1,454,735	£9,249,690
ICT	£14,433	£1,159,561	£710,772	£389,103	£461,417	£2,735,286
Total	£4,033,061	£36,133,528	£91,945,930	£87,814,179	£96,085,488	£316,012,185

Key observations

- Savings could be made in key areas of General Administration, Customer Contact and Managing People. It appears across the Council that more streamlined management process, a Council wide approach to Customer Contact and more integrated systems and approach would improve efficiencies
- Further analysis into Workforce Planning and Scheduling, and Strategic, Policy, Quality Service Development to identify specific areas where improved processes, better data, integrated Council approach to collecting, recording and reporting data will improve Council performance, customer experience and make savings

KEY OBSERVATIONS - INDIVIDUAL JOB ROLE ANALYSIS

Across both BSS and CLS there are a high number of roles compared to people delivering the service. This would indicate potential inconsistency of roles and grades across directorates. The tables below show the number roles and staff within each cluster

BSS Sub Cluster	Role Count	People Count	Role to People Fraction
Business Support	154	1156	1/8
Commercial and Procurement	44	85	1/2
Committee Services	9	17	1/2
Customer Services	109	570	1/5
Digital and IT	59	78	3/4
Finance	18	76	1/4
Information Management	17	23	3/4
Internal Audit and Risk	6	13	1/2
Legal	7	29	1/4
Member Services	11	38	2/7
People and Organisation	42	79	1/2
Reputation and Communications	18	48	3/8
Strategy, BI and Performance	119	226	1/2
Transformation and Business Change	13	27	1/2

CLS Cluster	Role Count	People Count	Role to People Fraction
Community Safety	69	312	2/9
Learning	145	2706	3/56
Travel	106	371	2/7
Information Advice and Guidance	81	478	1/6
People in Need	272	4107	1/15
Economic Prosperity and Leisure	86	276	1/3
Housing Assets	102	518	1/5
Environment	84	902	4/43
Partnerships and Democracy	14	20	2/3

Key observations

- There are a high number of roles compared to the number of staff within those roles, particularly high examples include Digital and IT (59 roles to 78 people) and People and Organisation (42 roles to 79 people)
- Having such a large number of roles can reduce the flexibility within the workforce as transferable skills aren't easily identifiable and roles may be regarded as specialist reducing movement between functions
- Staff engagement has identified that responsibilities across roles are also inconsistent for example the responsibilities given to two individuals of the same grade may differ hugely, or there is a substantial grade difference for people doing similar roles
- Even though this ratio of roles to staff is high in both BSS and CLS areas, it is particularly prevalent in BSS

OPPORTUNITIES TO IMPROVE CURRENT WORKING PRACTICES

The data collected and the workshops with staff from across the Council highlighted the current working practices that could be improved and opportunities to make these improvements. Below are the key themes:

KEY COUNCIL WIDE OPPORTUNITY THEMES UNDERPINNED BY CULTURAL CHANGE

LEAN AND AGILE COUNCIL

More efficient and integrated systems and leaner more efficient processes focussing on outputs and outcomes across the Council

BUILDING ON INSIGHT

Improved data quality, analysis and sharing focussing on better data, improved analysis and useful management information

INTEGRATED COUNCIL

Reduce silos and duplication of work, improved job mobility which will increase flexible working and a Council working as one

Technology

System and support are duplicated across the council and in a number of cases could be enhanced to support more efficient delivery

Processes

The Council can deliver substantial efficiencies by simplifying, standardising and sharing business processes.

Data

Customer can be providing data multiple times and stored on multiple systems. Better use of the CRM System to allow Data Sharing and improved analysis

Fragmentation

Leads to duplication and poor overview of that activity, less opportunities for the Council to reduce processing cost and improve consistency of customer experience .

Staff Development

Limited opportunities for staff to move between directorates. restricts sharing good practice and ultimately limits career development for staff.

The areas identified above cross over both the Business and Support Services and Citizens and Localities project scopes and to properly deliver more efficient and resilient Council, the root causes need to be identified

APPLICATION OF THE REPORT AND DATA MOVING FORWARDS



Provides a foundation for moving into the future state design and implementation

Following the completion of the report it has now provided the council with a more accurate view of exactly what individuals are doing within their day to day roles. Prior to the current state assessment this was often unclear, from having a more precise understanding it will help ensure the most effective organisational design is implemented. The data gathered is being used as the base to inform the future Organisational Design, consolidation work and implementation of change.



Business cases development

Using the information from the current state assessment, there will be further development and update of the project business cases. In conjunction with the high level future organisation design it will allow the benefits identified to be refined to a greater degree of accuracy and additional opportunities incorporated.



Implementation of the opportunities identified

The specific opportunities identified within the data collection are being reviewed and where appropriate built into the transformation programme future designs. The transformation programme team will also work with the appropriate council operational teams to support the design and delivery of smaller incremental opportunities which can be delivered by individual council areas outside of the core programme.