

Finance and Resources Committee

10.00am, Thursday, 29 October 2015

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 revised savings targets and an outline plan for delivery.

Links

[Coalition pledges](#)
[Council outcomes](#)
[Single Outcome Agreement](#)

Transformation Programme: Progress Update

Recommendations

- 1.1 Note the revised savings targets as outlined in paragraphs 3.5 and 3.6;
- 1.2 Note that the achievement of the savings is dependent on the Council's ability to reduce its workforce and that there is a further report on this agenda which sets out the requirement for compulsory redundancy to be re-introduced as a last resort;
- 1.3 Note the outline accelerated programme set out in Appendix 1;
- 1.4 Note the final Tier 2 (Head of Service) structure as set out in Appendix 2;
- 1.5 Note the management information dashboards attached as Appendix 3.

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.
- 2.3 This report highlights revised savings targets within the Transformation Programme and an outline plan for delivery.

Main report

Transformation Savings Targets

- 3.1 The Council's financial challenge is significant. The Financial Strategy 2016 - 2020 as reported to the Finance and Resources Committee in June 2015 detailed a gap of £107 million between available resources and projected expenditure by 2019/20.
- 3.2 The budget framework update reported to Committee in September 2015 reaffirmed the requirement to identify at least £107m of recurring annual savings by 2019/20, but also factored in the expenditure pressures in Health & Social Care (£10 million) and in Property (£9.0 million). This resulted in an increase on

the budget gap to £126 million. In addition to this, a further £15 million provision was included to help offset the possibility of some of the proposed savings measures not being taken forward and / or make a contribution to potential pressures (e.g. additional demography pressures, local development plan, national minimum wage) not factored into the Council's overall spending requirement at this time. As such, the savings target is now £141 million over the next four years.

- 3.3 In June 2015, Council approved a report on the Transformation Programme which set out targets of 25% management savings and 2% frontline savings within the Citizens and Localities workstream and 11.5% savings within the Business and Support Services workstream.
- 3.4 In response to the revised overall savings target of £141 million however, it is now proposed that the savings targeted through the Transformation Programme are increased. This was outlined in the Revenue and Capital Budget Framework report which was considered by the Finance and Resources Committee on 24 September 2015.
- 3.5 For the Business and Support Services workstream, the target will increase to 26% by April 2017, which will release savings of £18.9 million.
- 3.6 For Citizens and Localities, the management savings target has been increased to 27% and the frontline target increased to 15%, releasing savings of £44.4 million by April 2017.
- 3.7 These increased targets mean that the likely overall reduction in jobs will be around 2000.
- 3.8 A Voluntary Early Release Arrangement (VERA) invitation was issued to the majority of Council staff on Monday 28 September with a closing date of 14 October. Early indications suggest that the level of interest which this has attracted means that it will not be possible to achieve the necessary workforce reductions through voluntary measures alone.
- 3.9 As such, there will still be a requirement for elected members to approve compulsory redundancy as a further option of last resort in the future and further detail is provided in a separate report on this agenda – Managing Workforce Change.

Accelerated Programme for Implementation

- 3.10 The original Better Outcomes through Leaner Delivery (BOLD) business cases which were reported to Council in January 2015 set out a five year programme for the delivery of savings. A progress report to the Finance and Resources Committee in August 2015 then outlined a draft accelerated programme which aimed to deliver the savings within a three year period, by the end of 2017/18.
- 3.11 However, given the scale of the financial challenge which the Council must address and in recognition of the uncertainty faced by staff during this difficult

time, it is now proposed that the programme is further accelerated and the Council moves to its new operating model as quickly as possible.

- 3.12 Appendix 1 therefore shows the outline programme plan to deliver the required staff savings by May 2016. This sets out the planned phased approach to organisational reviews.

Implementation Progress to Date

- 3.13 The Council's Organisational Review protocols are being used to implement the future operating model.
- 3.14 The Transformation Programme team is currently working with Directors and their management teams to design structures for their services which will deliver the revised savings targets. The finalised structure to Tier 2 (Head of Service) has now been agreed and is operational. This structure is set out in Appendix 2.
- 3.15 The structure for Tier 3 (Senior Manager) is being implemented as a single organisational review and is currently subject to consultation with affected staff and trade unions. Tier 3 is expected to be operational by late December. Further details of this structure will be shared for information once they have been finalised.
- 3.16 Beneath Tier 3, the future model will be implemented through a series of functional organisational reviews, aligned to Head of Service area. Heads of Service and Senior Managers will be responsible for driving organisational reviews within their area to deliver the required savings. The Transformation Team will provide support and challenge to managers throughout the process to ensure consistency and the effective realisation of savings within the required timescales.
- 3.17 The programme plan attached as Appendix 1 gives a high level indication of the target timescales for these reviews. All organisational review proposals will be approved by the Corporate Leadership Group prior to the commencement of formal trade union and staff consultation.
- 3.18 It is recognised that there may be some areas where it is not possible to introduce the new model in its entirety within this accelerated timescale. This applies particularly to the 15% frontline reductions within the CLS workstream, where there is a recognition that there may be a need to implement some proposals more slowly to avoid damage to essential services, or where implementation may take longer due to the need for additional consultation or further political approval.
- 3.19 Further details of all 15% savings proposals will be provided during the public engagement period.

Management Information Dashboards

- 3.20 Newly developed management information dashboards for the Transformation Programme, covering the month to 18 September 2015, are set out in Appendix

3 for information. These highlight progress to date, key risks and issues and planned activity.

3.21 As the programme moves into the implementation phase these dashboards will provide details on FTE and cost reductions. Additional information will also be included which will track the progress of the organisational reviews aligned to Head of Service areas.

3.22 The main issues to note in relation to these dashboards are set out below.

Asset Management Strategy

3.23 The dashboards set out the position with the Asset Management Strategy at the time of writing. Since then, the Asset Management Strategy business case has been considered by Finance and Resources Committee.

3.24 The recommendations set out in the September report were agreed with the exception of 1.1.4. The Committee explicitly rejected the outsourcing of Council services envisaged within Plan A and reaffirmed the Capital Coalition's presumption against outsourcing. The Committee did however agree to the alternative proposal (Plan B) for the delivery of facilities management services.

3.25 Furthermore the Committee recognised the need for significant change to property and related services within the Council to establish an affordable and fit-for-purpose estate within the three core work-streams set out in the report.

3.26 Finally the Committee noted that a review of the wider property portfolio, including the position of EDI Group Limited ("EDI") is being recommended, and requested a report in November 2015 on how best to manage the delivery of Plan B utilising the potential benefits of such delivery through a Council subsidiary.

3.27 Work is now underway to implement the recommendations in the report and the work required in relation to exploring delivery through a Council subsidiary.

Business and Support Services

3.28 The project scope has been refined to produce an updated baseline for the project. This has built in further analysis of the current state assessment information. The scope will continue to be refined as each function is formally reviewed as part of the delivery plan.

3.29 Work has continued on the development of Tiers 2 and 3 structures for BSS which are now in the implementation stages and a series of organisational reviews will be brought forward to implement the remaining tiers.

3.30 Marketing activity has commenced to promote use of our existing on line services to drive Channel shift to a greater digital means of access (the most cost effective channel). Work is ongoing with our new ICT partner to the prepare for an ambitious roll out of 153 new digital transaction types in 16/17, this work will include adopting proven best practice process improvements across the

relevant services. Channel shift will be a key enabler of savings, particularly in the BSS project.

Citizens and Localities

- 3.31 A Locality Transformation Plan has been agreed by the CLS Project Board, which describes in detail the primary rationale, objectives and deliverables of the CLS Project. The Plan will also provide a platform for an extensive staff and partner engagement programme starting February 2016.
- 3.32 Arrangements for establishing the four Locality Leadership Teams are now well underway, with a small working group established to agree governance arrangements. A guidance document has also been produced to help define the roles and responsibilities of these teams. A critical product of these teams will be the development and publication of Locality Improvement Plans (required as a result of the Community Empowerment (Scotland) Act 2015). These will focus specifically on actions to address poverty and inequality and to better meet the needs of families and individuals with complex needs.
- 3.33 The CLS Project Team is working with HSC colleagues in the Council and NHS Lothian to assist in designing draft staffing structures and integrated team arrangements in line with the appointment of the interim heads of service / locality managers for the IJB (due to be in post by early October 2015). This work is aligned to a broader package of joint activities to meet legislative duties, required as a result of the Public Bodies Joint Working (Scotland) Act 2014, to implement an integrated HSC localities model.

Payments to Third Parties

- 3.34 Savings of £2.2 million have already been delivered in 2015/16. Most of the savings in 15/16 came from a combination of ongoing grant programmes and new grant arrangements. In delivering savings targets in 16/17 and 17/18, a combination of reductions in grants and contracts will be applied, however the majority of this will impact upon contract spend.
- 3.35 The project savings target remains 10% of Third Party spend over 3 years. However, the Corporate Leadership Group has recently agreed that the Self Directed Support (SDS) element of the scope is removed, as such payments are made to individuals (not third sector or private sector third parties) based on social work assessments, to meet identified personal care needs. SDS payments are estimated to be £30 million per annum. It is proposed that all matters relating to SDS (including any reductions) would be managed through either integrated Health and Social Care or integrated children's services projects.
- 3.36 The target savings are therefore £5.6 million by 2017/18.

Programme Risks

- 3.37 The dashboard highlights a number of key risks to the delivery of the programme. These include the requirement to adequately resource the implementation of the programme, the risks associated with service disruption due to accelerated timescales, risks surrounding alignment with the Health and Social Care Integration Programme and risks relating to the Managing Workforce Change Policy and in particular, the need to introduce the option of compulsory redundancy as a last resort. Further details of these risks, including current mitigations, are contained within the dashboards.

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 As reported to Committee on 24 September 2015, the Transformation Programme is targeting the development and delivery of cumulative savings of £73.4m as a critical element of the Council's 2016/2020 budget framework. The inclusion of any additional revenue investment within the budget framework is contingent upon the development, approval and subsequent delivery, of all savings within the budget framework, alongside management of all risks and pressures, particularly those of a demand-led nature.

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 Corporate Leadership Group.

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.
- 7.4 Proposals comprising the budget framework will be assessed for their corresponding potential equalities and human rights impacts. The combined and cumulative impact of the proposals across the transformation programme will be assessed and reported to Committee. The results of these assessments will then be referred to Council to ensure that members pay due regard to them in setting the Council's 2016/17 budget.

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

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Deputy Chief Executive

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Links

[Report to Council, 25 June 2015 - Council Transformation Programme Status Report](#)

[Report to Finance and Resources Committee, 27 August 2015 - Transformation Programme: Progress Update](#)

[Report to Finance and Resources Committee, 24 September 2015 - 2016/2020 Revenue and Capital Budget Framework](#)

[Report to Finance & Resources Committee, 24 September 2015 - Transformation Programme: Property and Asset Management Strategy](#)

Coalition pledges

Council outcomes

Single Outcome Agreement

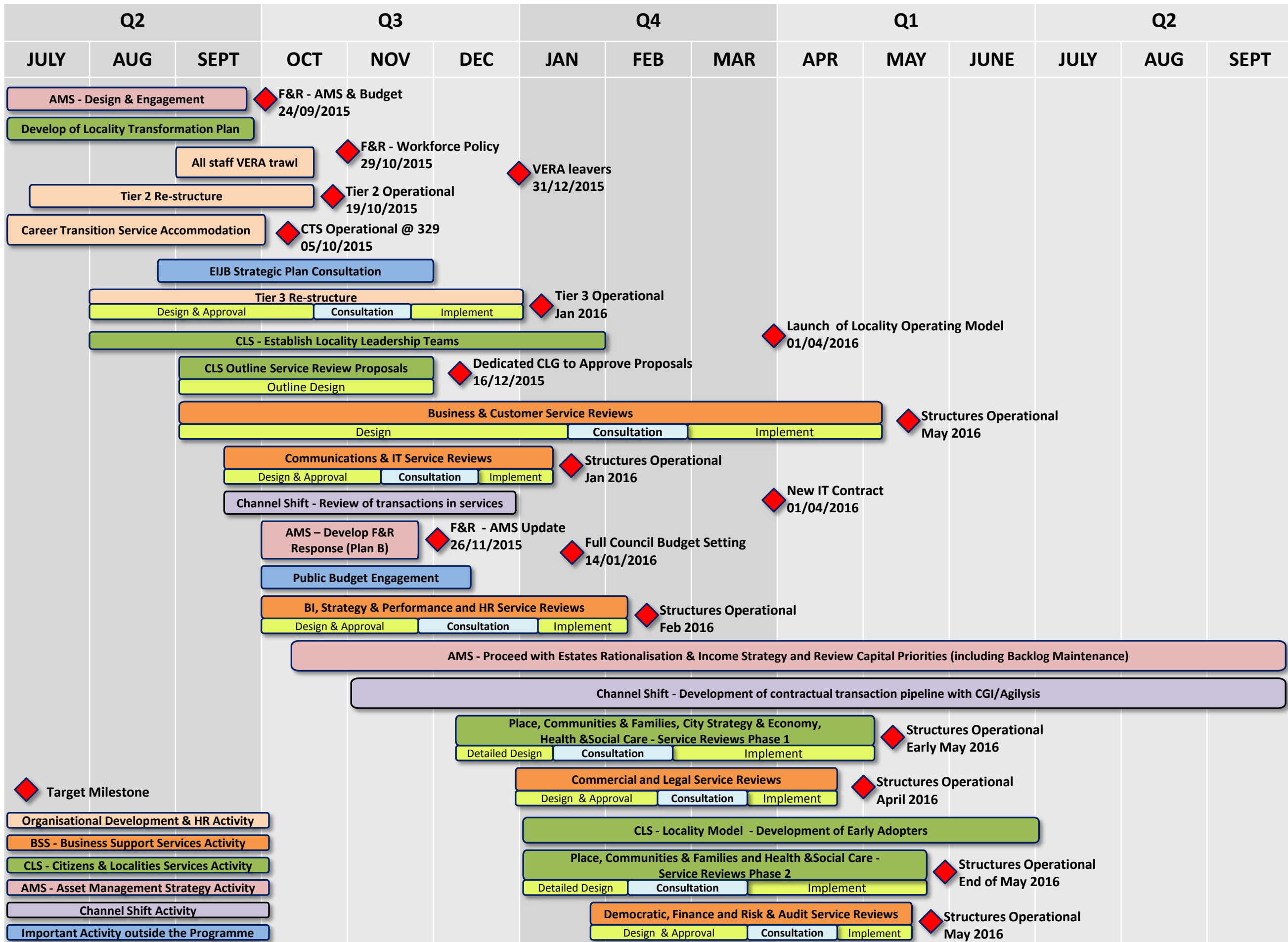
Appendices

Appendix 1 – Draft key programme activities

Appendix 2 – Tier 2 structure

Appendix 3 – Transformation Programme dashboard

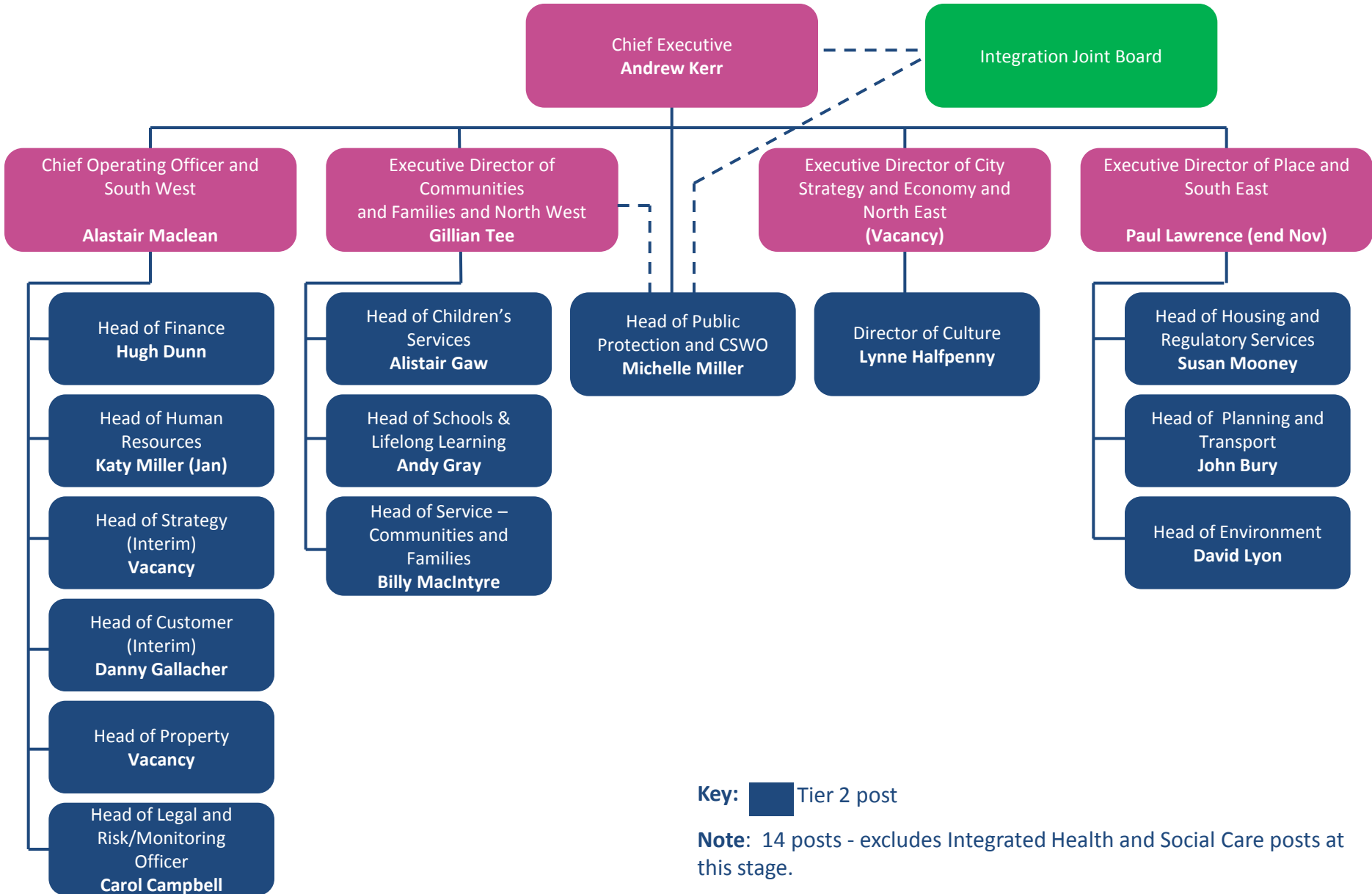
Appendix 1 - Key Activities & Target Milestones to May 2016



◆ Target Milestone

- Organisational Development & HR Activity
- BSS - Business Support Services Activity
- CLS - Citizens & Localities Services Activity
- AMS - Asset Management Strategy Activity
- Channel Shift Activity
- Important Activity outside the Programme

Appendix 2 - Tier 2 structure





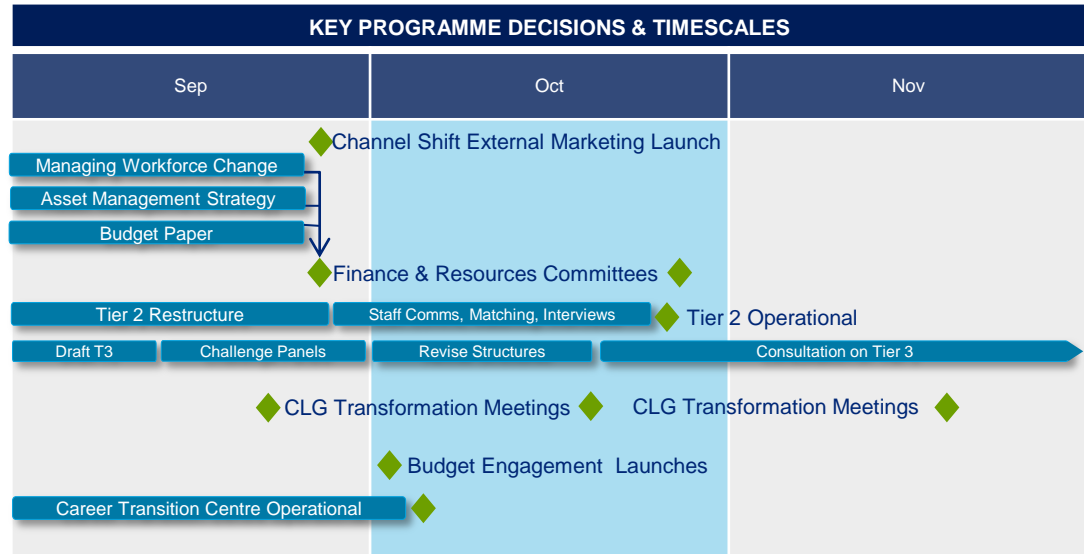
Transformation Programme Management Dashboard

Monthly progress update at 18 September 2015

OVERVIEW OF PROGRESS

Following Corporate Leadership Group (CLG) Away Days revised targets applied across Citizens & Localities Services (CLS) - 27% Management & 15% Service Delivery) and Business Support Services (BSS) 26%. Core programme focus has been supporting development of As Is / Future State organisation structures for CLG Challenge Sessions. Dashboard produced to report on programme progress. Asset Management Strategy (AMS), Managing Workforce Change Paper and Budget Paper presented to Finance & Resources Committee on 24 September 2015.

| PROJECT | RAG | COMMENTS |
|--------------------------------|-----|--|
| Business Support Services | | Information for Challenge Panel prepared incorporating draft Tier 2 and 3 structure which have been recently developed. Scope has been refined with CLS to enable a change request to be submitted to re-baseline the scope. |
| Citizens & Localities Services | | Initial approval for draft Locality Transformation Plan. Joint CLS/H&SC project team established to drive H&SC structure development & localities integration. Support to Directors and Challenge Panels to develop and scrutinise proposals for new senior management organisational structure. |
| Channel Shift | | Mini business case development/business analysis for the pipeline in progress Early engagement with CGI to inform future developments External and internal Channel Shift marketing launched. |
| Asset Management Strategy | | Business Case presented to Finance & Resources Committee on 24 September. Continuing political stakeholder engagement. |
| Payments to Third Parties | | Agree service area financial savings targets for contracts for 2016/17 and 2017/18 & identify major contract programme renewal dates. |
| Finance & Benefits | | Budget framework for 2016-2020 updated to recognise demand-led pressures in Health & Social Care and shortfalls against previously approved savings targets in Corporate Property. Support provided to Directors to assess the financial implications of proposed management structures. |



| RISK | DESCRIPTION | RAG | MITIGATION |
|----------------------------------|---|-----|---|
| Programme Resourcing | The accelerated programme plan will create an up-front resource requirement to deliver increased programme targets. | | Establish a 2 year resourcing plan via internal resources to deliver accelerated programme for CLG to approve and assess other recruitment strategies. |
| Asset Management | Agreement required by Committee on Asset Management approach. | | Further work to develop report on how best to manage delivery and effective implementation of Plan B. |
| Health & Social Care Integration | Currently insufficient integration between 2 programmes & lack of visibility of EIJB integration plans. | | Align programme plans and define interdependencies, financial modelling & governance structures across the two. |
| Service Failure | Accelerated savings & timeline could lead to service disruption or failure. | | Establish a comprehensive programme plan and develop customer journey mapping across the programme to flag inter-dependences. |
| Managing Workforce Policy | If policy not approved then could mean inability to deliver savings. If approved potential of industrial action & service disruption. | | Continued engagement with Elected Members and Trade Unions to explain the need for this policy and the processes which would be followed to make it fair and transparent across the organisation. |



Finance & Benefits Update

Monthly progress update (18/09)

Acronym Key:

BSS: Business Support Services

AMS: Asset Management Strategy

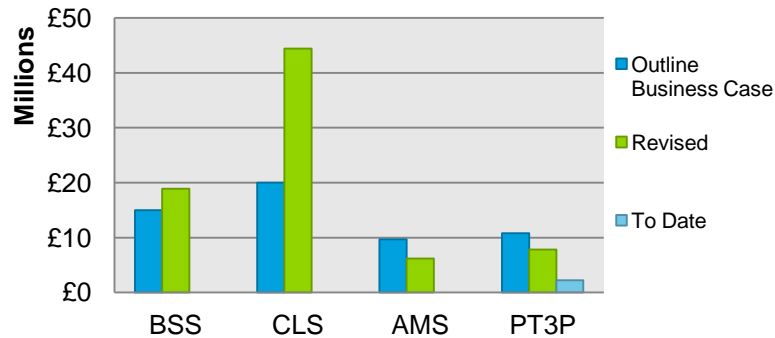
CLS: Citizen & Locality Services

PT3P: Payments to Third Parties

PMO: Programme Management Office

FTE: Full-time Equivalent

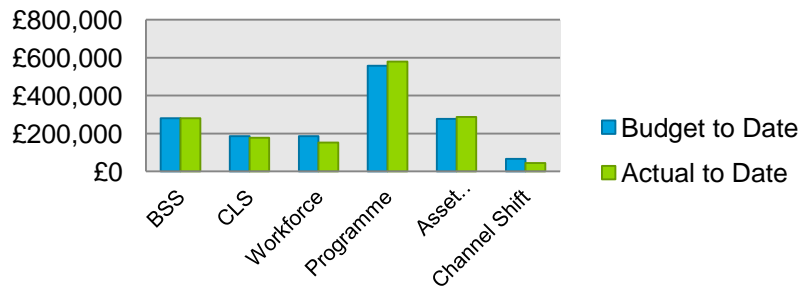
Total Programme Savings



Summary:

This graph shows original targeted savings in Outline Business Case; the revised targeted savings and current savings to date. (NB - Channel Shift targets merged with Business Support Services.)

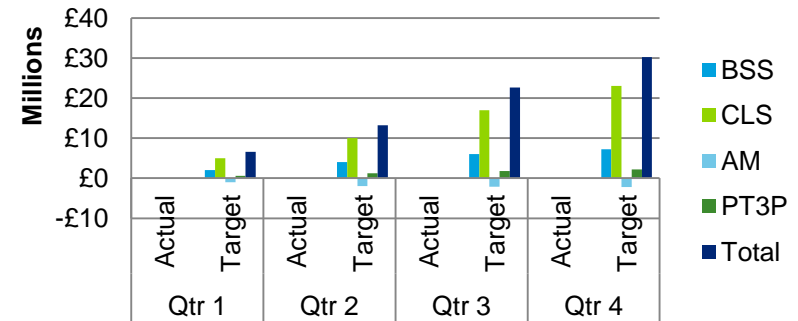
Programme Expenditure 2015 - 16



Summary:

This graph shows programme expenditure to date against budget to date.

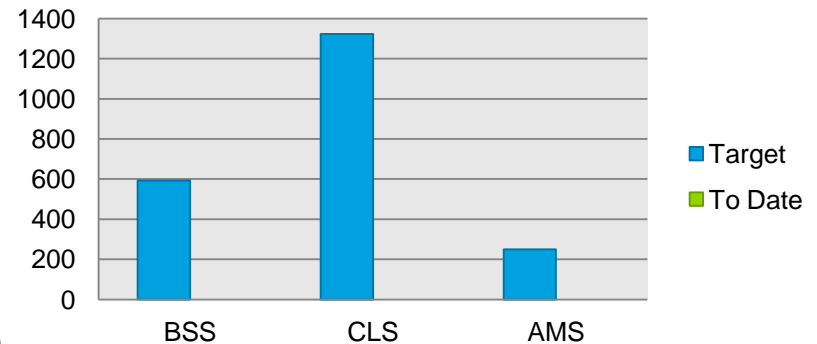
16/17 Quarterly Savings Targets vs Actual



Summary:

This graph shows quarterly savings targets for 2016/17 vs actual by project (cumulative). NB – quarterly targets will be refined by project implementation plans.

Approximate FTE Reduction



Summary:

This graph shows an average full-time equivalent (FTE) reduction based on programme savings to be delivered.

Business & Support Services (BSS)

Progress update 18 September 2015

| Previous Progress RAG | Current Progress RAG | Capability Maturity Rating |
|-----------------------|----------------------|----------------------------|
| | | PMO TBC |

Completed

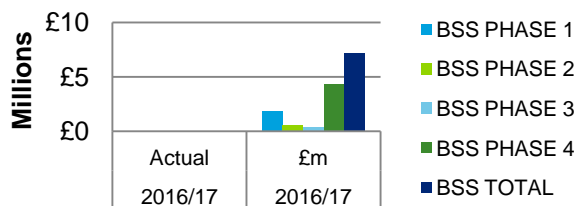
- Information for Challenge Panel has been prepared incorporating the draft tier 2/3 and structures which have been developed
- Scope has been refined with CLS to enable a change request to be submitted to re-baseline the scope. This will continue as part of the detailed design process
- Meetings are continuing with functional leads to commence the detailed design step and support the development of the functional organisation structures
- A revised target has been developed including previous Channel Shift targets.

Planned

- Hold additional meeting with functional leads
- Continue with Deep dive into function specific data to support the detailed design process focusing on Strategy, Communication, HR and ICT areas
- Confirm Strategy and Communication function scope with Directors to allow VERA process to commence in these areas
- Start to develop key implementation deliverables such as job descriptions for draft designs
- Further develop draft definition of the BS and CS design and sense check with functions
- Develop an engagement plan with comms for implementation

| PROJECT RISKS | MITIGATION | RAG |
|---|--|-----|
| Without sufficient engagement and change management, there is a risk that there is increased resistance to change within the organisation leading to a reduction in the delivery of benefits both financial and non-financial | A detailed change and communication plan is being developed incorporating representatives from each function to act with Change Champions. Stakeholder management will be proactively managed throughout the programme | |
| The union consultation or other key project dependency if the process takes longer than planned it could result in the project being delayed and savings not being delivered in the required timescale. | The BSS plan has been developed in line with the latest consultation/OD plan and opportunities to accelerate/increase the delivery of savings in specific areas are being identified | |
| Without adoption of Compulsory Redundancy as a last resort, programme savings cannot be achieved. | Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Engage widely. | |
| Accelerated delivery timescale could limit the amount of process improvement delivered. In the short term this could lead to a dip in services before the formal performance improvement phase for the service has been delivered | Detailed design of new operating model and transition states includes service requirements and implementation planning takes account of risk raised. A clear go/no go decision making process is put in place for all operational change | |

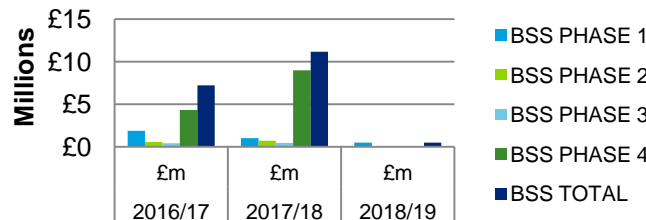
BSS Phased Savings vs Actual (2016/17)



BUSINESS & SUPPORT SERVICES

Actual savings against targeted savings by implementation phase (2016 / 17)

BSS Savings / Implementation Phase



BUSINESS & SUPPORT SERVICES

Targeted savings by implementation phase (three year implementation).

| | | September | October | November | December |
|---|---|-------------|-------------|----------|----------|
| 1 | Tier 2 Org Design approved | On track | | | |
| 2 | Tier 3 Org Design drafted | In progress | | | |
| 3 | Draft Tier 3 Org Design approved by Challenge Panel | | On track | | |
| 4 | Phase 1 Org Design drafted | | In progress | | |
| 5 | Phase 1 Org Design approved | | On track | | |
| 6 | Phase 2 Org Design drafted | | In progress | | |
| 7 | Phase 2 Org Design approved | | On track | | |
| 8 | New tier 3 structure operational | | In progress | On track | |

Project Dependencies

TBC

Citizens and Localities (CLS)

Progress update 18 September 2015

| Previous Progress RAG | Current Progress RAG | Capability Maturity Rating |
|-----------------------|----------------------|----------------------------|
| | | Developing – 14 May 2015 |

Completed

Locality Transformation Plan draft completed and approved by Executive Director for Communities and Families (as Locality Champion).

Establishment of joint project Citizens & Locality Services / Health & Social Care (H&SC) project team to drive H&SC structure development and localities integration.

Support to Executive Directors and Heads of Service / Senior Management Teams on development of senior management structures. Support also to challenge panels, including analysis of proposals

Planned

Agree functional baseline for Citizen & Locality Services scope

Progress organisational design work and development of organisational review for Phase 1 services, in conjunction with Directors and Heads of Service.

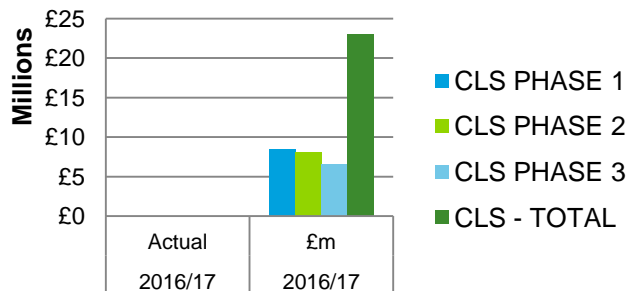
Initiate wider communication and stakeholder engagement on Locality Transformation Plan.

Further develop proposed locality governance arrangements, including locality leadership team

PROJECT RISKS

| PROJECT RISKS | MITIGATION | RAG |
|---|---|-----|
| Failure to embed the desired cultural change to support the new target operating model results in project outcomes and benefits not being fully realised. | Senior Manager Leadership Programme underway. Localities transformation includes plans for co-location, programme of stakeholder engagement and development of learning and development programme to support new ways of working (including area based induction). | |
| Inadequate design and/or service readiness for implementation of new model. Financial efficiencies are delivered but does not improve service delivery, impacts negatively on statutory services; does not deliver an effective localities model and/or does not improve the customer experience. | Design of management structures led by Directors and Heads of Service. Development of localities model to underpin organisational design, including locality demand profiling and development of performance management framework. Comprehensive stakeholder engagement and customer journey mapping being developed as part of Locality Insight programme. | |
| Without adoption of Compulsory Redundancy as a last resort, programme savings cannot be achieved. | Ensure Voluntary Early Release Arrangement and Voluntary Redundancy offered to staff. Engage widely. | |
| Localities model and matrix management structures may not deliver efficiencies | Structures agreed which ensure future state is more cost effective. Further engagement with key stakeholders to develop and implement detailed arrangements. | |

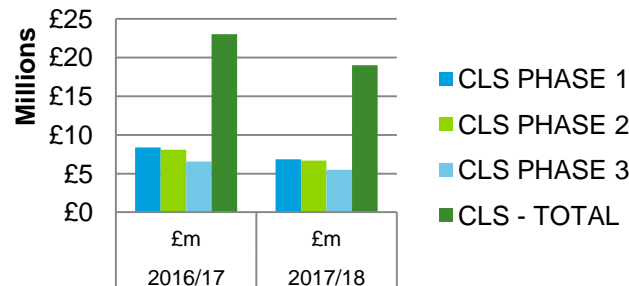
CLS Phased Savings vs Actual (2016/17)



CITIZENS & LOCALITIES

Actual savings against targeted savings by implementation phase (2016 / 17)

CLS Savings by Implementation Phase



CITIZENS & LOCALITIES

Targeted savings by implementation phase (two year implementation).

| | | September | October | November | December |
|---|---|-----------|---------|----------|----------|
| 1 | Service Review Phase 1 – Design and organisational review development | | | | |
| 2 | Service Review Phase 1 – Organisational Review approved | | | | ♦ |
| 3 | Service Review Phase 2 – Design and Organisational Review development | | | | |
| 4 | H&SC – appointment of Interim HoS/Locality Managers | | ♦ | | |
| 5 | Develop locality governance and establish Locality Leadership Teams | | | | |
| 6 | Develop citywide and locality needs assessment | | | | |

Project Dependencies

The final Citizen & Locality Services organisation structure will need to align to the Council future operating model. Mitigation through Senior Responsible Owner Meeting and CLS Board (Business Support Services attend)

Changes in C&LS staffing (including locations) will need to be confirmed (via the blueprint and organisational design) to allow asset management to feed this into their scope, planning and determine the asset requirements of the future state organisation. Property Rationalisation Team are working in partnership- with the CLS team

Channel Shift

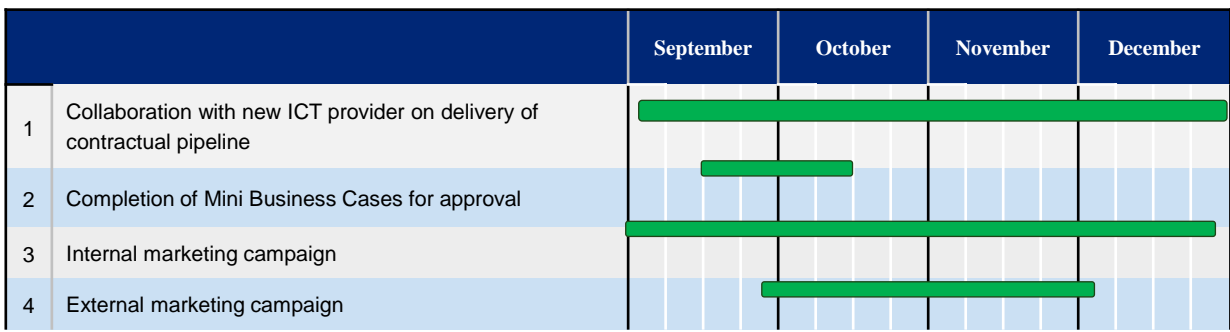
Progress update 18 September 2015

| Previous Progress RAG | Current Progress RAG | Capability Maturity Rating |
|-----------------------|----------------------|----------------------------|
| | | TBC |

- Mini business case development/business analysis for the pipeline in progress
- Early engagement with CGI to inform future developments
- External and internal Channel Shift marketing launched

- Planned**
- Further mini business case development/business analysis for the pipeline.
 - Completion of comprehensive report on data quality issues and solutions for Programme Board approval prior to submission to Council Leadership Group[
 - Council Wide Contact Strategy in development.
 - Targeted data analysis project .
 - Working with current supplier to close off live issues in preparation for the transition to the new ICT provider.
 - Internal and external Channel Shift marketing begins.

| PROJECT RISKS | MITIGATION | RAG |
|--|--|-----|
| Initial data based on a number of assumptions which requires verification. | More data becoming readily available through the regular use of CRM, and service areas such as Neighbourhoods using it more regularly. More data coming through other channels. | |
| Insufficient Project Management resource to implement the work required by all the different mini business cases. | Identify the resource within the business. | |
| Service area fails to fulfil their contribution to the online transaction resulting in a reduction in potential take up and reputational damage to the online transaction. | Work with service areas to refine processes and Service Level Agreements. Improve data collection methods. | |



| Project Dependencies | |
|---|----------------------------|
| Channel Shift principles must be understood across the organisation is required to assist with the project's engagement with service areas. | |
| Neighbourhood office to standardise their use of CRM. | |
| Key Milestones | |
| MyGov accounts | Online transactions |
| 43,738 | 2,500(p/w) |

Asset Management Strategy (AMS)

Progress update 18 September 2015

| Previous Progress RAG | Current Progress RAG | Capability Maturity Rating |
|-----------------------|----------------------|----------------------------|
| | | TBC |

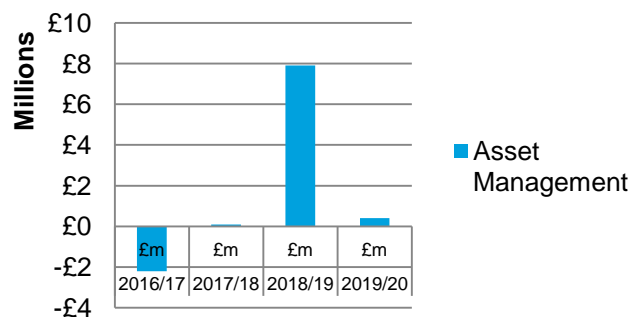
Completed

- Coalition workshop and political consultations
- Plan B outline
- Revised report to Finance & Resources Committee on 24/09/15
- Communications plan for Asset Management Strategy Report

Planned

- Project Initiation Document for Phase 2 – Asset Management Strategy Programme Implementation
- Use of 2nd stage procurement contract for 3rd party delivery of Implementation Phase
- Communications plan for Finance & Resources decision options

Asset Management Savings Per Year



ASSET MANAGEMENT STRATEGY

SAVINGS PER YEAR WILL DEPEND ON APPROVED OPTION BY F&R COMMITTEE 24 SEPTEMBER 2015.

| PROJECT RISKS | MITIGATION | RAG |
|--|---|-----|
| 1- Savings not met if Finance & Resources chose Plan B instead of recommended Plan A. | -Recommendations for Plan A validated. Plan B Implications clear. -Data Room information on Business Case and savings delivery. -Coalition lobbying on finances and redundancy numbers | |
| 2- Increase in savings deficit in first 4 years (2015-2019), to fund implementation costs for Plan B, In-house FM. | -Information to coalition group and Finance & Resources committee on unidentified budget required for Plan B; number of redundancies required agreed; agreement to required flexibility in HR policies to deliver; Trade Union support as an alternative to Plan A. | |
| 3-Reducing estate via closing core services buildings not supported politically. | -Estimation of number of properties to close but services to be re-located to be subject of consultations with coalition and all party groups; and new departmental heads of service. -Reduction of estate to align with improved IT programme. | |
| 4-Increase in rents not achieved because no funding for grant growth. | -Full costing validation of rent increases in 18 month target. | |
| 5- No strategic control over capital receipts if new governance not adhered to, including EDI | -New governance arrangement established, including political consultation. | |

| | | September | October | November | December |
|---|---------------------------------------|-----------|---------|----------|----------|
| 1 | F&R Report | | | | |
| 2 | Phase 2 Implementation Team Formation | | | | |
| 3 | FM Review - Plan A or B | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |

Project Dependencies

Major dependency on outcome of Finance and Resources Committee on 24 September to determine which option will be progressed.

Key: On track In progress Attention

Payments to Third Parties (PT3P)

Progress update 18 September 2015

| Previous Progress RAG | Current Progress RAG | Capability Maturity Rating |
|-----------------------|----------------------|----------------------------|
| | | TBC |

Completed

With some exceptions services have completed coproduction activity for new grant programmes and grant application processes have commenced for 2016/17 and beyond.

Service budget proposals for achieving contract savings have been collected.

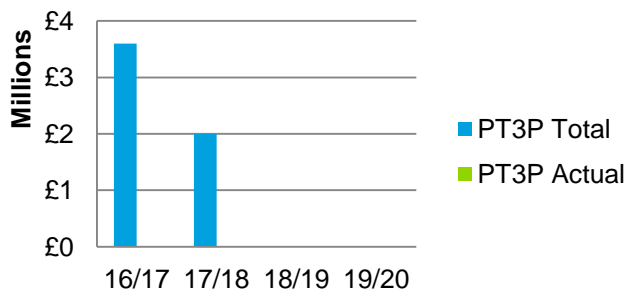
Commissioning and Coproduction seminar resulted in recognition of need for more integrated working procurement and commissioning staff

Planned

The third cooperative capital seminar is scheduled for early November and will be a chance to consolidate and spread good practice on coop

A process for engagement with the third sector about budget proposals is in the early stages of planning.

PT3P Target Savings vs Actual



PAYMENTS TO THIRD PARTIES

£2.2m savings delivered in 2015/16 . A further target of £5.6m to be achieved by 17/18.

| PROJECT RISKS | MITIGATION | RAG |
|---------------|------------|-----|
|---------------|------------|-----|

| | | |
|---|--|--|
| Service duplication and scale of year-on-year reductions in funding may impact service provision to vulnerable citizens resulting in inefficiencies and greater demand on Council services. | Regular monitoring by project team. Equality Impact Assessment of major grant and contract reductions. Ongoing dialogue with third sector regarding unintended consequences. | |
|---|--|--|

| | | |
|--|--|--|
| Varied approaches to coproduction of new grant and contract programmes across Executive Committees may result in variable quality of new grant and contract programmes and participant complaints about the process. | Briefings for Elected Members on coproduction best practice. Training and guidance for Council officers on coproduction. Establishment of cross-service project team and coproduction working group with third sector. | |
|--|--|--|

| | | September | October | November | December |
|---|--|-----------|---------|----------|----------|
| 1 | Gather information on service plans for savings | ▶▶ | | | |
| 2 | Leader's Briefing on Commissioning and Coproduction | ▶ | | | |
| 3 | New grant programme briefings for third parties and application process commence | ▶▶ | | | |
| 4 | Steering Group Coproduction Group meetings | | ▶ | ▶ | |
| 5 | Cooperative Capital - Annual Seminar | | | ▶ | |
| 6 | Engagement on Budget Proposals | | | ▶ | ▶ |

| Project Dependencies |
|----------------------|
| TBC |