Finance and Resources Committee

10.00am, Thursday, 14 January 2016

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 report highlights recent progress made in relation to organisational reviews and sets out the planned programme of delivery going forward.

Links

Coalition pledges
Council outcomes
Single Outcome Agreement

Report

Transformation Programme: Progress Update

Recommendations

1.1   Note the progress made to date in implementing the future operating model through a series of organisational reviews;

1.2   Note and approve the revised programme plan attached at Appendix 1, which sets out the proposed phasing of organisational reviews over the coming months;

1.3   Note the transformation programme dashboards attached at 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.

2.3   This report highlights the recent progress made in implementing that future model through a series of organisational reviews and sets out the planned programme of delivery going forward.

Main report

Transformation Programme Delivery

3.1   In October 2015, a report to Finance and Resources Committee outlined updated savings targets and a draft accelerated implementation programme. Since then, good progress has been made with implementing the future operating model.

Executive and Senior Management Structure

3.2   Following the news that the Deputy Chief Executive and the Executive Director for City Strategy & Economy were to leave the Council to pursue other career opportunities, the opportunity was taken to further review the executive management structure to ensure that key areas of strategic importance were given the necessary focus.

3.3   On 10 December 2015, Council approved a new executive structure which will see the Communications, ICT and Strategy & Insight functions reporting directly to the Chief Executive, with a new role of Executive Director of Resources being created. These vacant Tier 1 posts will be recruited to in the normal way.

3.4   Tier 3 senior manager posts have been subject to consultation with affected staff and trade unions which formally closed in late December. The matching/assignment process for these roles is scheduled to take place in January with this tier of management operational shortly afterwards.

Functional Organisational Reviews

3.5   Tiers 4 and below will be implemented through a series of functional organisational reviews, aligned to Head of Service/Chief Officer areas of responsibility.

3.6   Proposals for Communications, HR and ICT have already been subject to consultation, which is due to close in early January. The matching and assignment of staff into roles in these services will take place in January. Proposals for the remainder of the functions within the Business and Support Services workstream will continue to be developed and brought forward on a phased basis, with Strategy, Business Intelligence and Performance , Transformation and Business Change and Executive Business Support Services due to go to consultation in January.

3.7   On 9 December 2015, the Corporate Leadership Team (CLT) considered draft Business Cases for the organisational review of 8 other functional areas. A number of these were approved for formal consultation, including all of those within Place. Other proposals required some additional work around the phasing of savings and the design principles of the structures and will be completed in the coming weeks.

3.8   Following CLT approval, there will be an intensive period of preparation before staff and union consultation begins on a phased basis from January. During this period, detailed job descriptions will be created and additional supporting material will be prepared – including a tailored communications and engagement plan, an accurate list of all staff in scope, a protocol for matching and assigning staff into posts and a full Equalities and Rights Impact Assessment.

3.9   The Transformation Programme Management Office has produced an updated programme implementation plan, which outlines the proposed phasing of each of these reviews, and this is attached as Appendix 1. While some of these timings may yet be subject to change, this is now the planned programme, which should provide some clarity to staff about the timescales for the review of their service.

3.10   A number of areas including Health and Social Care, Corporate Property and Customer Services and Business Support are running to a slightly later

timescale due to the level of complexity and these Business Cases will be reviewed by CLT between January and March 2016.

Delivery Challenges

3.11 Given the scale of the Council's financial challenge, and in recognition of the uncertainty currently facing staff, it is the intention to move to the future operating model as quickly as possible. It is recognised however, that some aspects of the programme are more complex and are likely to take longer to implement. Some of these are set out below.

3.12 The proposals for Health and Social Care are not yet sufficiently developed to allow full confidence that the required savings will be delivered in this area. Health and Social Care Integration makes this a difficult and complex area to review and further visibility of the plans for the future service will not be available until January 2016.

3.13 Following the decision of the Finance and Resources Committee to reject the outsourcing of the Asset Management service, detailed development of an alternative in-house service delivery model is underway. This is another complex area where careful development is required to ensure that the appropriate model is in place going forward. The scale of the challenge means that structures are currently being designed for Tiers 1-4, with the remainder to follow at a later date.

3.14 Significant savings are attached to the Customer Services area. This is a complex and large grouping, with around 1900 staff in scope. The Council's service to its customers needs to be completely re-configured and it will be essential to implement this area in managed phases, which will necessarily take a little longer.

3.15 The Schools and Lifelong Learning service has significant savings targets relating to the re-configuration of library and other services. Proposals in this area will be of political and public interest and will require further consultation and careful development.

3.16 Where possible the programme is being resourced by internal Council staff. Over the last 9 months, with limited external support, the core Programme Management team has been established. This team provide programme management across the transformational programme and project management support to Heads of Service to deliver the required savings. This applies, for example, to the use of Deloitte to support the Asset Management work and the partnership with EY in the Business & Support Service workstream. The Outline Business Case for the Transformation and Business Change Team has been approved by CLT and consultation will begin in January. The early establishment of this team will consolidate resources and improve the Council's internal change capability and reduce its reliance on external support in core business change activity.

Workstream Updates

Asset Management Strategy (AMS) Implementation Programme

3.17 Since the November Committee meeting there has been good progress in relation to property and asset management. Programme Management has been established and work is now underway to develop a blueprint for implementation. A separate paper is included elsewhere on the Agenda setting out detailed progress and outline timeline for delivery.

Citizens and Locality Services

3.18 The Citizens and Localities Project has provided project management and design support to Directors and Heads of Service to develop new organisational proposals for the services within the Communities and Families, Place and City Strategy and Economy directorates. These proposals were subject to scrutiny by the Council's Corporate Leadership Team (CLT) on the 9 and 16 December 2015 with some further changes required before final sign off. Proposals for the new Integrated Health and Social Care services will be considered separately by CLT in January 2016.

3.19 The project team will now focus on the detailed programming and implementation of these proposals, with initial phases of consultation scheduled to commence in January 2016.

3.20 The Locality Transformation Plan (LTP), which sets out the key components of the new locality operating model and the actions to deliver it, was presented to the Communities and Neighbourhoods Committee on 24 November 2015. A communication and engagement programme was rolled out to staff and elected members during November and December, with engagement sessions with city partners commencing in January 2016. The progress against key actions in the LTP includes the development of a locality based induction programme. This has been developed in collaboration with Community Planning partners, and will be piloted in early March 2016 ahead of full roll-out in April 2016.

3.21 Development of the four Locality Leadership Groups is also underway, with identified Council officers. Discussions with community planning partners will also identify and finalise their membership.

Business and Support Services

3.22 The Business and Support Services project has made significant progress in the past few weeks, with formal consultation nearing a close for Phase 1a services (Communications, HR and ICT), and the design of service models and structures, to achieve savings targets, now approved by CLT for Phase 1b (Strategy, Business Intelligence and Performance, Transformation and Business Change and Executive Business Support).

3.23   **Phase 1a** - The team is working with HR to manage the ongoing consultation process for Communications, HR and ICT. Formal consultation for phase 1a is set to finish in early January. The estimated savings from these reviews is £1.6m across the three service areas. The implementation of these new structures is planned for early 2016 and will be supported by a detailed transition plan to ensure business continuity.

3.24   **Phase 1b** - includes Transformation and Business Change, Strategy, BI and Performance and Executive Business Support. The future proposals not only provide a more efficient delivery structure but transform the model for delivery in each area. The estimated savings for these services is £3m, and the following objectives will also be delivered:

- **Strategy, BI and Performance** – provision of the strategy, insight and information governance support needed to ensure that Council services are able to plan delivery around the needs of customers and focus resource where it is most needed.

- **Transformation and Business Change** – the creation of a consistent programme and change delivery framework across the Council which will assist in establishing and maintaining a culture of change and successful project delivery.

- **Executive Business Support** – a structure that provides flexibility, increased mobility and standardisation of roles and grades across the scope and bringing all committee business work under a single function. It will provide consistency for training and career development, sharing of standard common processes and improved resilience with cover for absences or pressures.

3.25   **Phase 2 and Customer -** engagement is already underway for the Phase 2 services in preparation for organisational review, developing the models and new structures for Commercial, Legal and Democratic Services in consultation with the relevant Heads of Service and managers.

3.26   Activity also continues to be focussed on the design of service models and structures across the new Customer division, working closely with the interim Head of Customer. The Executive Business Support review will commence as part of Phase 1b in the New Year, and a detailed schedule for other business support areas (including Customer Contact, Schools and Locality support and Transactions) is under development.

3.27   The project team is engaged with service leads across the Council to understand their service-specific support needs, in order to ensure continuity within the new lean and agile model. Where functions have been identified to move into the new central support model, implementation and engagement plans will be developed for staff within scope for organisational review. As the

model for Business and Support Services is implemented, work will continue with services to put in place suitable transition arrangements.

Channel Shift

3.28 Detailed design work with service areas, for the review and improvement of current live transactions for transfer to the new digital platform, is now nearing completion. Marketing activity continues to promote use of our existing online services to drive Channel Shift. Business analysis (with our new ICT partner) is moving forward the ambitious roll out of 153 new digital transaction types in 16/17, adopting best practice process improvements. Identification of the transactional pipeline past March 2017 has commenced.

Payments to Third Parties

3.29 The project savings target is £7.8m (10%) over 3 years. Savings of £2.2m have been delivered in 2015/16 and proposals for additional savings of £5.6m by 2017/18 are included in the Budget Framework 2016/20.

HR and Organisational Development

3.30 Formal consultation with employees and Trade Unions is complete for the new Tier 3 structure and is nearing completion for the structures for Communications, HR and ICT. Detailed planning has started to ensure that the HR team is ready for the next set of Organisational Reviews, once the business cases have been approved. A programme of sessions on 'Leading Through Change' has begun, giving guidance to managers on how to support their staff through change. These sessions will be running throughout the first quarter of 2016.

3.31 The first group of employees leaving through the VERA scheme were released on 31 December. Further sets of requests are currently being assessed for financial impact, with decisions expected in early January. Elected Members are being kept informed of progress on a weekly basis.

3.32 Employees are making good use of the Career Transition Service (CTS) with 37 1:1s requested and 136 requests for access to the Right Management portal. Feedback on the service has been very positive. The CTS has made links with organisations within Edinburgh currently undergoing recruitment drives and with a number of recruitment agencies. Resource planning is required to ensure that service levels can be maintained once the number of employees who are involved in an Organisational Review increases significantly in early 2016.

Finance

3.33 Additional savings proposals developed through the Council's transformation programme which have the potential to deliver net savings of £68.7m by 2019/20 were reported to the Finance and Resources Committee on 26 November and have been included in the public engagement proposals.

3.34 The Scottish Government published its budget on 16 December resulting in an overall reduction in funding for local authorities in Scotland. A full update on the

Local Government Finance Settlement, along with an overview of the principal risks inherent within the budget framework, will be provided to the Finance and Resources Committee meeting on 14 January 2016.

Management Information Dashboards

3.35   The Transformation Programme management information dashboards, covering the month to 10 December 2015, are set out in Appendix 2 for information. These highlight progress to date, key risks and issues and planned activity.

3.36   In response to an instruction from Finance and Resources Committee, the dashboard now includes an additional sheet which includes people related management information, including an update on expressions of interest in Voluntary Early Release Arrangements (VERA).

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 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.

3.38   The dashboards will continue to be reviewed and developed as further programme data becomes available to ensure that they provide a comprehensive and accurate picture of progress and risk.

Measures of success

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

4.2   Monthly management information dashboards have been developed which form the basis of bi-monthly reporting to Committee.

Financial impact

5.1   Additional savings proposals developed through the Council's transformation programme which have the potential to deliver net savings of £68.7m by 2019/20 were reported to the Finance and Resources Committee on 26 November and have been included in the public engagement proposals.

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

Andrew Kerr

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

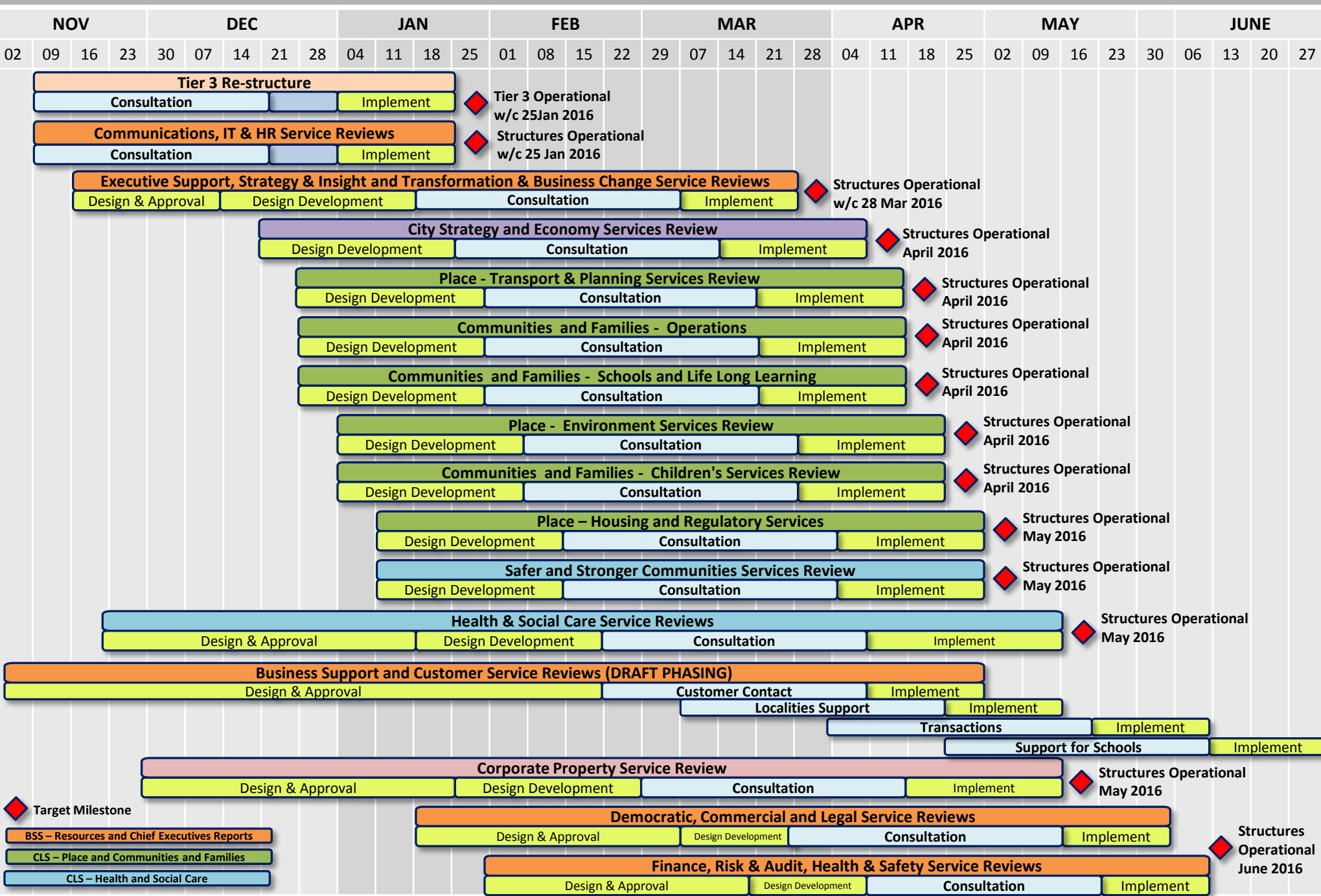|	
Coalition pledges	
Council outcomes	
Single Outcome Agreement	
Appendices	Appendix 1 – Transformation Programme Implementation Plan
	Appendix 2 – Transformation Programme dashboard

Appendix 1 - Transformation Programme Plan – Organisational Reviews from November to June 2016

NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
02 09 16 23	30 07 14 21 28	04 11 18 25	01 08 15 22	29 07 14 21 28	04 11 18 25	02 09 16 23 30	06 13 20 27

Tier 3 Re-structure
- Consultation
- Implement
- ◆ Tier 3 Operational w/c 25Jan 2016
- ◆ Structures Operational w/c 25 Jan 2016

Communications, IT & HR Service Reviews
- Consultation
- Implement

Executive Support, Strategy & Insight and Transformation & Business Change Service Reviews
- Design & Approval
- Design Development
- Consultation
- Implement
- ◆ Structures Operational w/c 28 Mar 2016

City Strategy and Economy Services Review
- Design Development
- Consultation
- Implement
- ◆ Structures Operational April 2016

Place - Transport & Planning Services Review
- Design Development
- Consultation
- Implement
- ◆ Structures Operational April 2016

Communities and Families - Operations
- Design Development
- Consultation
- Implement
- ◆ Structures Operational April 2016

Communities and Families - Schools and Life Long Learning
- Design Development
- Consultation
- Implement
- ◆ Structures Operational April 2016

Place - Environment Services Review
- Design Development
- Consultation
- Implement
- ◆ Structures Operational April 2016

Communities and Families - Children's Services Review
- Design Development
- Consultation
- Implement
- ◆ Structures Operational April 2016

Place – Housing and Regulatory Services
- Design Development
- Consultation
- Implement
- ◆ Structures Operational May 2016

Safer and Stronger Communities Services Review
- Design Development
- Consultation
- Implement
- ◆ Structures Operational May 2016

Health & Social Care Service Reviews
- Design & Approval
- Design Development
- Consultation
- Implement
- ◆ Structures Operational May 2016

Business Support and Customer Service Reviews (DRAFT PHASING)
- Design & Approval
- Customer Contact
- Implement
- Localities Support
- Implement
- Transactions
- Implement
- Support for Schools
- Implement

Corporate Property Service Review
- Design & Approval
- Design Development
- Consultation
- Implement
- ◆ Structures Operational May 2016

Democratic, Commercial and Legal Service Reviews
- Design & Approval
- Design Development
- Consultation
- Implement

Finance, Risk & Audit, Health & Safety Service Reviews
- Design & Approval
- Design Development
- Consultation
- Implement
- ◆ Structures Operational June 2016

Legend:
- ◆ Target Milestone
- BSS – Resources and Chief Executives Reports
- CLS – Place and Communities and Families
- CLS – Health and Social Care

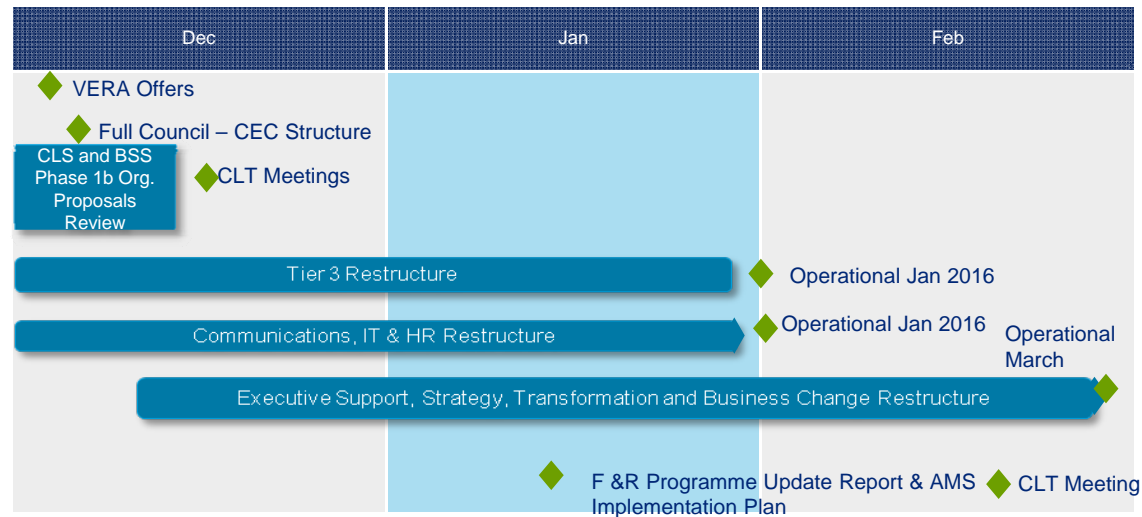# Transformation Programme Management Dashboard
Monthly progress update at 14 December 2015

CLT reviewed the next tranche of Organisational Reviews for CLS and BSS on 9th December and 16th December. A revised Executive Structure has been approved by Council on 10th December. Management Focus on expediting the VERA invitation with 150 FTE approved to next stage to exit the organisation on the 31st December.
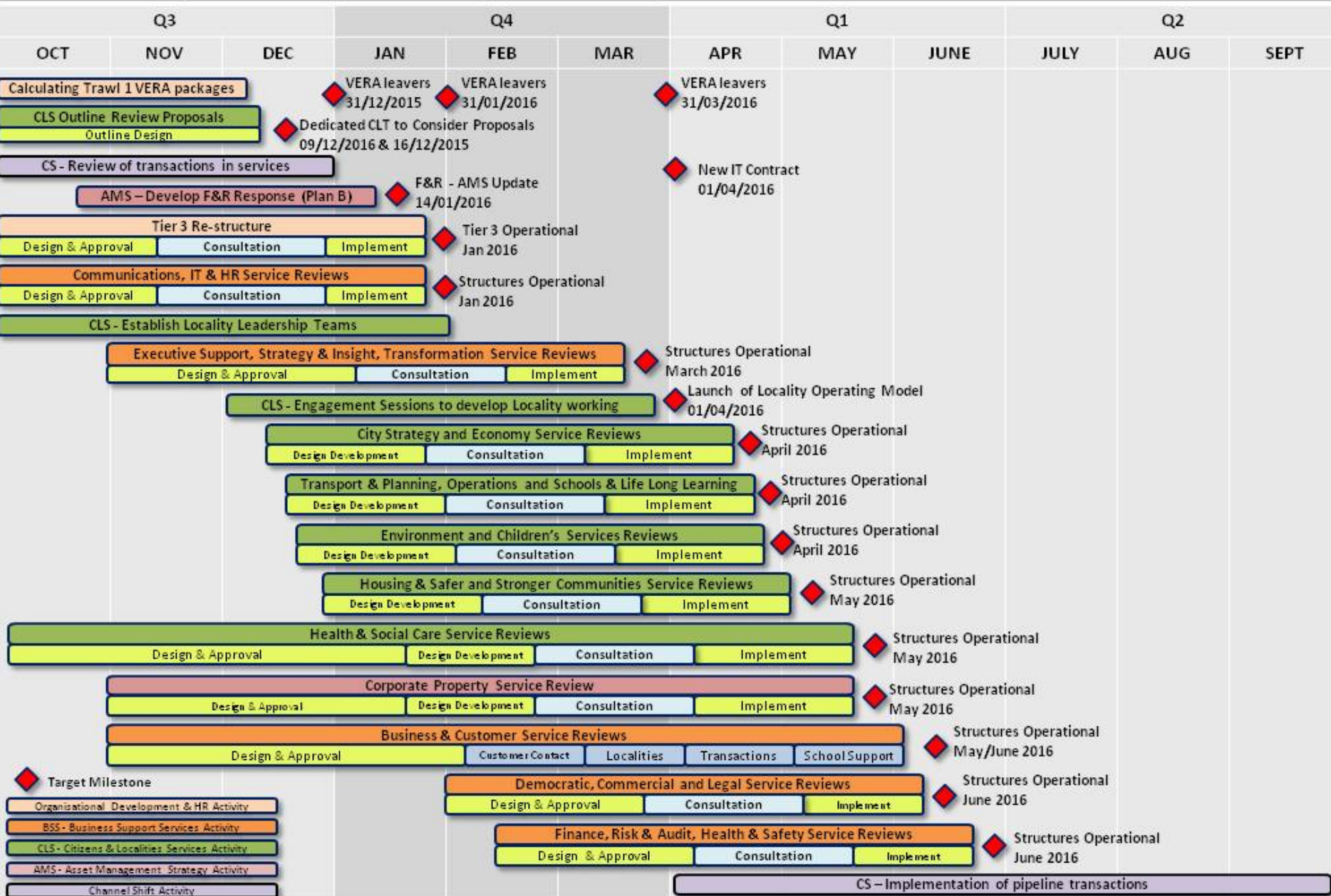
PROJECT	RAG	COMMENTS
Business Support Services	→	Executive Support, Strategy and Transformation and Business Change reviewed by CLT. It was agreed that savings would be re-profiled across the 3 Business Support reviews with acceleration into year 1.
Citizens & Localities Services	→	Following were approved for Consultation on 9th Dec Culture, Housing & Regulatory Services, Transport & Planning, Environment, Communities and Families Operations. Safer and Stronger Communities, Schools and Lifelong learning, Children's Services were approved for consultation on the 16th Dec.
Channel Shift	→	Plan now aligned with CLS organisation Review and in preparation for BSS Customer. Channel Shift Road shows across Neighbourhoods and Central Offices.
Asset Management Strategy	→	AMS programme set up and completion of a detailed implementation plan.
Payments to Third Parties	→	Grant applications for awards from April 2016 for all services has now closed. Decisions on awards will be made by relevant executive committees in due course.
OD & Workforce	→	Managing the second VERA Trawl. Supporting the development of the revised Executive Structure and the development of Tier 3 Job descriptions and person specs. Detailed planning for a number of Organisation Reviews which enter consultation phase in the new year.
Finance & Benefits	→	Following CLT on 9th December Finance will work with Heads of Service to re-profile savings over 2 years for all proposals with a view to accelerating savings to Year 1.
Comms	→	Comms Support for Managing Workforce Change revised proposals and producing manager's briefing packs.

KEY PROGRAMME DECISIONS & TIMESCALES

Dec	Jan	Feb

- ◆ VERA Offers
- ◆ Full Council – CEC Structure
- CLS and BSS Phase 1b Org. Proposals Review
- ◆ CLT Meetings
- Tier 3 Restructure — ◆ Operational Jan 2016
- Communications, IT & HR Restructure — ◆ Operational Jan 2016
- Executive Support, Strategy, Transformation and Business Change Restructure — Operational March
- ◆ F &R Programme Update Report & AMS Implementation Plan
- ◆ CLT Meeting

RISK	DESCRIPTION	RAG	MITIGATION
Service Failure	Acceleration of the Programme to realise savings more quickly causes disruption	RED	Forward planning of restructuring and realignment of staff with scoping of each service is underway. CLT reviewing robustness of Organisation Reviews proposals.
Managing Workforce policy	Implementing workforce policy does not meet the financial requirements	RED	Council Wide VERA invitation being progressed and Implications are being assessed. As per budget motion compulsory redundancy will not be progressed until the completion of the Service Reviews and a review of the financial situation. Progress reported on the Managing Workforce Change Dashboard.
Achievability of savings	All Proposals are subject to Elected Member approval.	RED	Transformation Proposals reported to F & R Committee and the budget process.
Engagement & Change Strategy	Managing change with staff and partner may not be successful due to complexity of programme and demanding financial targets.	RED	Regular TU Engagement

Leadership forum established to ensure Senior Leaders are fully engaged. |

Transformation Programme Plan - Key Activities & Target Milestones to September 2016

Finance & Benefits Update

Programme Expenditure 2015 - 16

Legend: Budget To Date, Actual to date, Revised Annual Budget, Annual Forecast
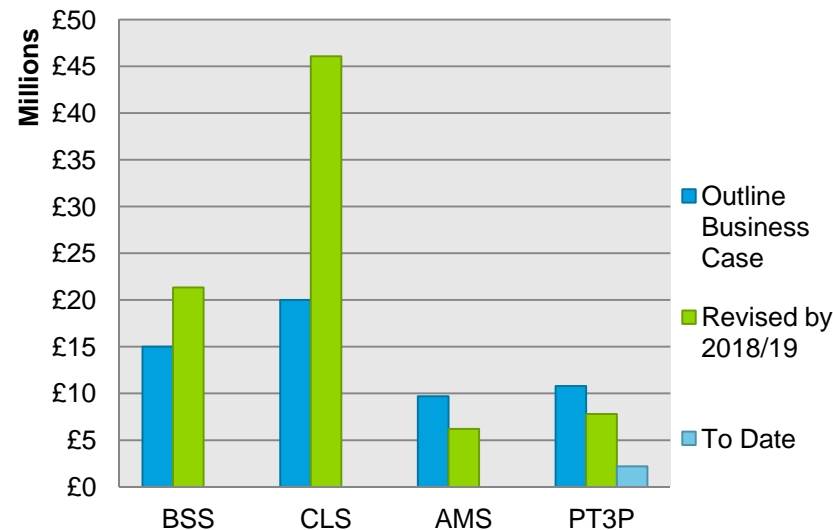
Total Programme Savings

Legend: Outline Business Case, Revised by 2018/19, To Date
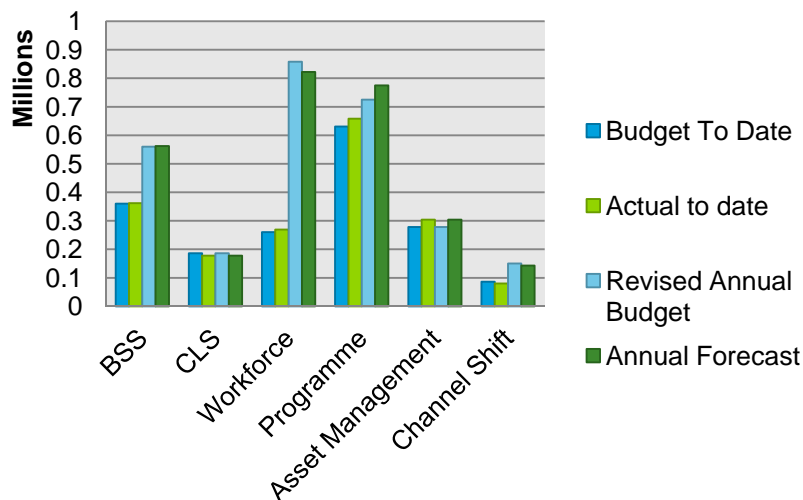
Summary:

This graph shows forecast programme expenditure for the year and actual spend against budget to date.

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.)

3

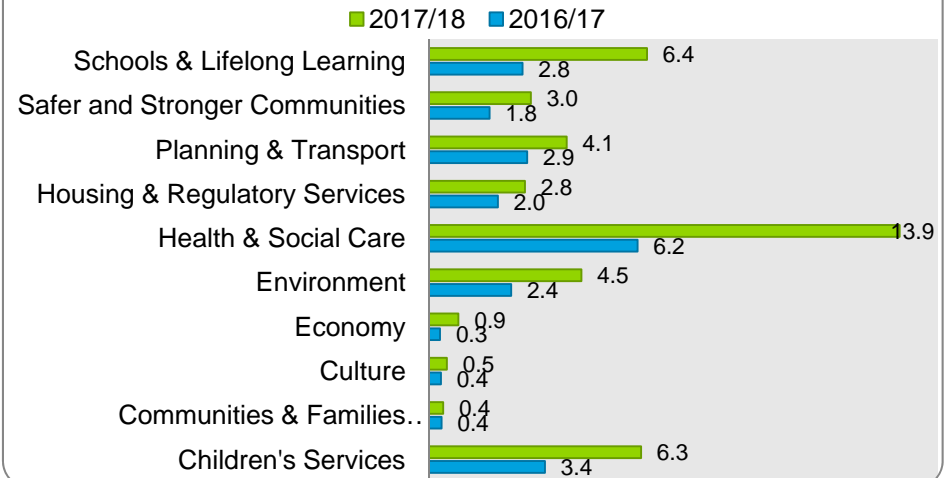# Organisational Review and Targeted Savings

Organisation Review	PMO Date Due	CLT Approval	Value in 2017/18	Implemented By	Comments
Comms, IT & Human Resources	28th October	4th November	£1.6m	Operational Jan 2016	Consultation Phase
Place	27th November	9th December	£11.4m	Operational April/May 2016	CLT Review
Communities and Families	27th November	9th December	£13.1m	Operational April 2016	CLT Review
Safer and Stronger Communities	27th November	9th December	£3.0m	Operational May 2016	CLT Review
City Strategy & Economy	27th November	19th December	£1.4m	Operational April 2016	CLT Review
Strategy & Insight/ Executive Support/ Transformation and Business Change	27th November	9th December	£3m	Operational March 2016	CLT Review
Health and Social Care	13th January	20th January	£13.9m		In Progress
Business Support and Customer Services	22nd February	29th February	£14.1m		In Progress
Legal, Commercial and Procurement and Democratic Services	22nd February	29th February	£1.5m		In Progress
Finance and Risk & Audit	16th March	23rd March	£1.1m		In Progress

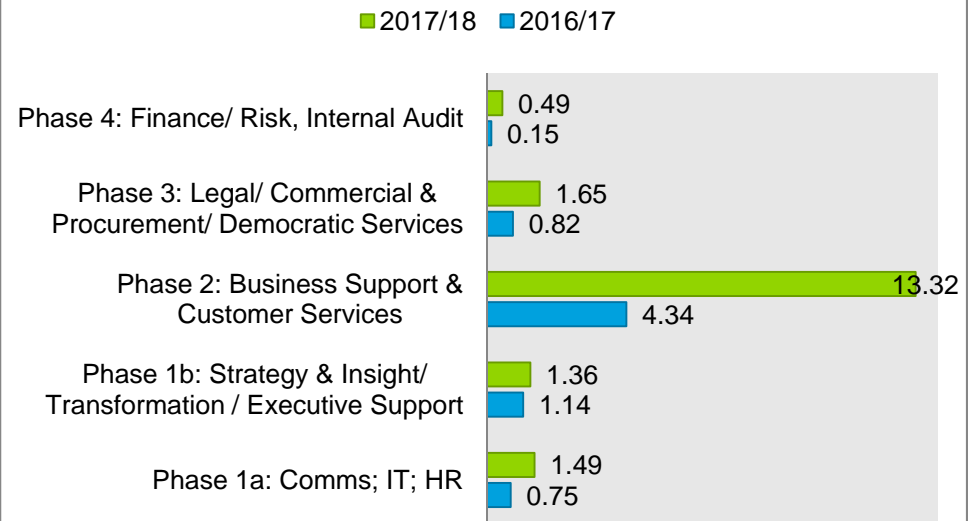# Organisational Review and Targeted Cumulative Savings

Citizens & Localities in £m	2016/17	2017/18	2018/19
Children's Services	3.4	6.3	6.7
Communities & Families Operational Support	0.4	0.4	0.4
Culture	0.4	0.5	0.5
Economy	0.3	0.9	0.9
Environment	2.4	4.5	4.9
Health & Social Care	6.2	13.9	13.9
Housing & Regulatory Services	2.0	2.8	2.8
Planning & Transport	2.9	4.1	4.1
Safer and Stronger Communities	1.8	3.0	3.5
Schools & Lifelong Learning	2.8	6.4	8.4
Total - Citizens & Localities	22.6	42.8	46.1

BSS in £m	2016/17	2017/18	2018/19
Business Support and Customer Services	5.1	14.1	14.1
Commercial and Procurement	0.2	0.6	0.6
Communications	0.5	0.5	0.5
Democratic Services	0.3	0.4	0.4
Executive Management Business Support	0.8	0.8	0.8
Finance	0.4	0.9	0.9
Human Resources	0.3	0.5	0.5
ICT	0.3	0.7	0.7
Legal	0.2	0.4	0.4
Risk & Audit	0.2	0.2	0.2
Strategy & Insight	1.4	1.9	1.9
Transformation and Business Change	0.0	0.3	0.3
Total BSS	9.6	21.3	21.3

Citizens & Localities (£m)

■ 2017/18   ■ 2016/17

	2017/18	2016/17
Schools & Lifelong Learning	6.4	2.8
Safer and Stronger Communities	3.0	1.8
Planning & Transport	4.1	2.9
Housing & Regulatory Services	2.8	2.0
Health & Social Care	13.9	6.2
Environment	4.5	2.4
Economy	0.9	0.3
Culture	0.5	0.4
Communities & Families…	0.4	0.4
Children's Services	6.3	3.4

Business & Support Services (£m)

■ 2017/18   ■ 2016/17

	2017/18	2016/17
Phase 4: Finance/ Risk, Internal Audit	0.49	0.15
Phase 3: Legal/ Commercial & Procurement/ Democratic Services	1.65	0.82
Phase 2: Business Support & Customer Services	13.32	4.34
Phase 1b: Strategy & Insight/ Transformation / Executive Support	1.36	1.14
Phase 1a: Comms; IT; HR	1.49	0.75

Workforce Dashboard – Transformation Programme Summary

This page provides indicators to monitor change through the Council Transformation Programme. A total of 1,476 FTE posts expressed an interest in VERA as at beginning of December 2015. Of these, 699 FTE posts have been moved to the next stage of the VERA process. These positions account an annualised pay including employers NI and Pension of £25.8 million and represent 4.6% of the current FTE staff across the Council. 59 people were recorded as having a redeployment status during October 2015. This represented a total staff cost of £2.1million. The number of people counted as 'surplus – not currently redeployed;' fell from 25 people in August to 16 people in October 2015.

VERA (as at 10 December 2015)

VERA outcomes to date	Positions	FTE
Moved to next stage for leave date of 31 Dec 2015	167	150.4
Moved to next stage for leave date of 31 Jan 2016	104	93.3
Moved to next stage for leave date of 31 Mar 2016	477	455.4
Sub Total – Moved to next stage	748	699.1
Under Consideration	142	105.6
Declined	761	671.1
Grand Total	1,651	1,475.8

Expressions of interest, FTE by Service Area

Staff moved to next stage of VERA
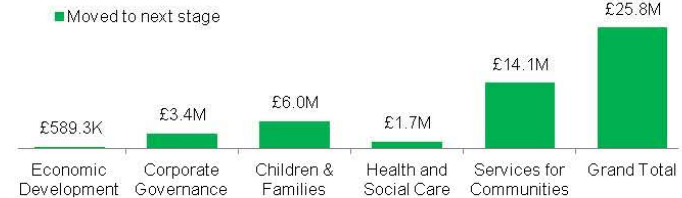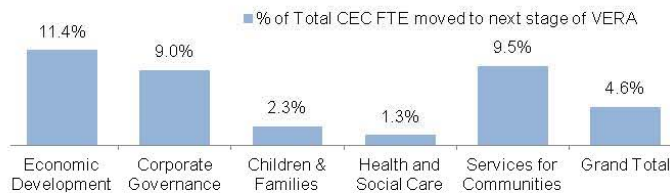
Career Transition Service

Figures to date (1 December 2015)	Positions	FTE	Pay Bill
Staff in the Career Transition Service structure	46	40.1	£1.3M

Redeployment (positions)

Number of Positions	Aug 2015	Sept 2015	Oct 2015
Surplus – not currently redeployed	25	17	16
Temporarily redeployed less than 6 months	1	2	4
Temporarily redeployed more than 6 months	31	39	39
Total	57	58	59

Annualised Salary	Aug 2015	Sept 2015	Oct 2015
Surplus – not currently redeployed	£811.2K	£479.8K	£428.5K
Temporarily redeployed less than 6 months	£27.1K	£50.6K	£108/5K
Temporarily redeployed more than 6 months	£1,2M	£1.6M	£1.6M
Total	£2.0M	£2.1M	£2.1M

Business & Support Services (BSS)
Progress update 14 December 2015

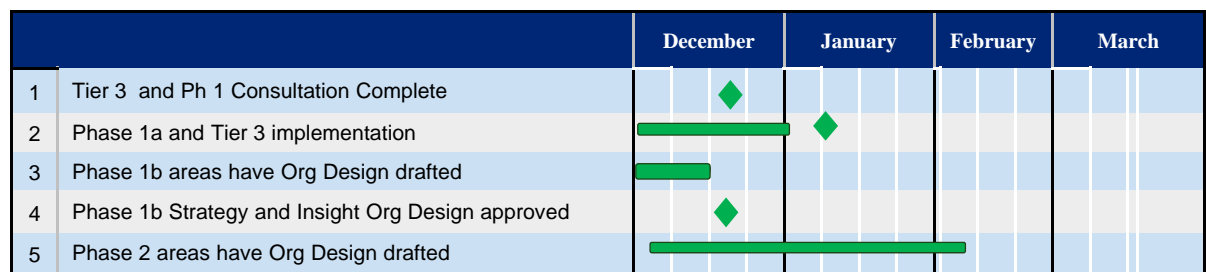| Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
(amber)	(amber)	

Completed

- The consultation period for Phase 1 areas (Communication HR and ICT) continues with the planned completion date of early January
- All documentation including scope and structures for tier 1B areas (Strategy, Transformation and Exec Bus. Support) have been reviewed and signed off by CLT delivering the estimated savings for Phase 1B.
- Phase 1B organisational Review wider documentation is being developed ready to enter consultation in January
- Meetings are continuing with functional leads for Phase 2/3 to deliver the detailed design and support the development of the functional organisation structures
- Scope for future phases is being finalised and the team is working closely with finance to confirm alignment with the budget
- Customer delivery plan is being finalised preliminary draft of structures and areas are being developed

Planned

- Following the reconciliation with the new iTrent data set confirming leavers/joiners and potential savings accrued a change request re-baselining the scope will be submitted
- Continue to identify the impact of Voluntary Early Release Arrangements (VERA) application on the delivery plan
- Work with HR and functional leads to complete the Consultation process for Phase 1 areas and complete the required preparation work to start Ph1B consultation
- Redistribute complete BSS scope to all HoS to continue scope clarification across the council
- Continue to work with the phase 2/3 areas leads to confirm scope and develop structures for review and challenge

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	(red)
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	(red)
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. Wide engagement around the process	(red)
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	(red)

		December	January	February	March
1	Tier 3 and Ph 1 Consultation Complete	◆			
2	Phase 1a and Tier 3 implementation	▬▬	◆		
3	Phase 1b areas have Org Design drafted	▬			
4	Phase 1b Strategy and Insight Org Design approved	◆			
5	Phase 2 areas have Org Design drafted	▬▬▬▬▬			

Project Dependencies

The Council's Business and Support Services will need to be responsive and flexible to the development of the Locality model, so will require close partnership working with CLS and the Localities teams.

Timescales and approvals for VERA applications from staff within the scope of BSS will have a significant impact on future savings targets and project delivery plans.

7   Key: On track   In progress   Attention

Citizens and Localities (CLS)
Progress update 14 December 2015

Completed

- Project management coordination and support to deliver eight **organisational review proposals** the majority of which were approved for formal consultation by the Corporate Leadership Team on 16 December 2015. One remaining proposal is expected to be signed off in early January 2016.

- **Locality Transformation Plan** presented to the Communities and Neighbourhoods Committee on 24 November 2015. Communications and engagement programme initiated thereafter, with political group briefings and an elected member drop-in session on 7 December 2015.

Planned

- Develop and initiate **implementation plans** for delivery of organisational reviews and other FTE reductions.
- Coordinate and support development of organisational review proposal for **Integrated Health and Social Care** services ahead of CLT challenge session on 20 January 2016.
- Design **locality engagement sessions** ahead of engagement programme roll-out on 26 January 2016.
- Develop initial draft of **locality based induction** for engagement with partners.

PROJECT RISKS	MITIGATION	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource appointed - Securing long term support from CLS project team for Tiers 2 and 3 managers - Phasing of review implementation	
New operating model, including locality working and matrix management arrangements, does not deliver efficiencies and/or enhance customer experience	- Organisational design responsibility sits with HoS; -Finance validation of structure proposals; -Locality Insight/profiles to support local priorities and resource allocation; -Stakeholder engagement programme, including staff and partners.	
Failure to embed desired cultural change to support the new target operating model leading to benefits not being fully realised	- Senior Manager Leadership Programme; - Localities Transformation Plan actions on co-location, area based induction, learning and development programme etc to support new operating model.	

	Action	December	January	February	March
1	CLT approve service review proposals	◆			
2	Council approve budget proposals		◆		
3	Commence first phase of review consultation		▬▬▬▬▬	▬▬▬▬▬	
4	Locality engagement sessions roll-out			▬▬▬▬▬	▬▬▬▬▬

Project Dependencies

Business Support Services (BSS) –new service structures must align to BSS model to deliver new operating model, including locality working.

Asset Management Strategy (AMS) – relocation of some staff groups/teams to reflect new service structures, reduced staffing numbers and locality resourcing. Long term enabler to co-location of multi-disciplinary and multi-agency teams.

8

Key: **On track** | **In progress** | **Attention**

Asset Management Strategy (AMS)
Progress update 14 December 2015

| Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

Completed

- AMS programme set up
- Programme Management Office set up and development of Programme Initiation Document (PID)
- Completion of new organisation service blueprint
- Completion of detailed implementation plan
- Commencement of organisational design work
- Transition workstream established to oversee transfers of people, budgets and move from SfC to Corporate Resources – links established with BSS
- Discussions with potential technical consultants for FM workstream
- Preparation of F&R (January) Report
- Agreement of next phase scope and resource with Deloitte

Planned

- Approve PID at Corporate Property Board
- Presentation of blueprint to CLT
- Continue with organisation design and confirm timescale for consultations
- Agree and progress procurement route for appointment of technical consultant
- Confirm detailed timeline for transition milestones
- Commence preparation of new summary Service Level Agreements (SLA's)
- Completion of asset condition benchmarking exercise
- Commence level 2 process design work across all workstreams
- Commence preparation of investment strategy
- Commence design of new governance and decision arrangements for estates rationalisation workstream

Asset Management Savings Per Year
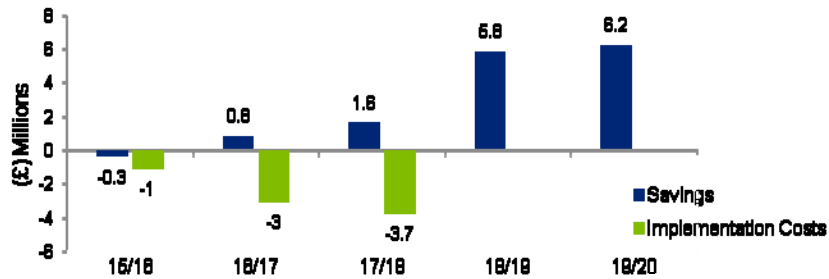
Financial Year	15/16	16/17	17/18	18/19	19/20
Savings	-0.3	0.8	1.6	5.8	6.2
Implementation Costs	-1	-3	-3.7		
Net Saving	-1.3	-2.2	-2.1	5.8	6.2
Cumulative Saving	-1.3	-3.5	-5.6	0.2	6.4

PROJECT RISKS	MITIGATION	RAG
Financial savings are insufficient to meet budgets	The new organisation faces challenges around the delivery of a comparable level of service to the users of the estate within a reduced cost envelope and budgetary pressures may force cuts in front line services	
Insufficient transformation programme resources including investment in skills, retraining and recruitment of new management staff	The current workforce will not have the skills and training needed to deliver the transformation programme and, following implementation, the defined level of service as expected by estate users, leading to a poor level of customer satisfaction and potential increased costs from failure to execute tasks in an efficient manner	
The implementation of CAFM is delayed	The lack of management information can delay or prevent key management decisions from taking place within each of the AMS workstreams and therefore lead to delays in achieving savings	
Governance and senior sponsorship	Changes in personnel at a senior level (SRO, Programme Director, Programme Manager) affects strategic direction, decision making and the momentum of the implementation programme	
Stakeholders do not approve changes (e.g. new SLA's)	If changes are unapproved, savings within the programme will not be achieved leading to increased pressures on budgets and potentially front line services	

		December	January	February	March
1	Tiers 2-6 org design & JD's				
2	Procure technical consultant				
3	Prepare summary SLA's				
4	Confirm transition milestones				
5	CLT presentation				
6	Further response to F&R				
7	Workstream activities				

Project Dependencies

Key dependencies on BSS, CLS and OD workstreams in terms of staff/budget transfers and impact on the operational estate.

Key: On track | In progress | Attention

Payments to Third Parties (PT3P)
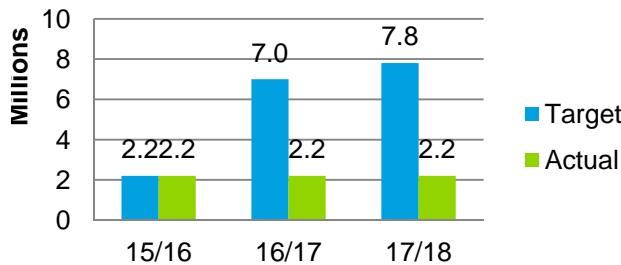
Progress update 14 December 2015

Completed

A budget consultation event specifically for third sector organisations took place at the end of November and provided an update to the sector on the Council's financial position and plans, ways to input to the budget consultation and the opportunities arising from the Council Transformation programme. communities.

Planned

A workshop is being planned for late January to clarify issues around coproduction, commissioning, procurement and grants. This will involve the third sector and relevant sections of the Council.
Most Executive Committees have yet to consider grant awards for the period commencing April 2016.

PT3P Target Savings vs Actual

(Bar chart showing Target vs Actual, Millions)

- 15/16: Target 2.2, Actual 2.2
- 16/17: Target 7.0, Actual 2.2
- 17/18: Target 7.8, Actual 2.2

Legend: ■ Target ■ Actual

The project savings target is £7.8m (10%) over 3 years. £2.2m has been approved and delivered in 2015/16. Proposals for the additional savings of £5.6m are included in the budget framework for 2016-2020

PROJECT RISKS	MITIGATION	RAG
Scale of year-on-year reductions in funding may impact on 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.	(Red)
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 for Council officers on coproduction. Establishment of cross-service project team and coproduction working group with third sector.	(Amber)

		December	January	February	March
1	Investing in Community Outcomes Workshop		►		
2	Executive Committee Grant Awards				
	Education Children and Families	►			
	Communities and Neighbourhoods	← November		►	
	Culture and Sport				►
	Economy		►		
	Health, Social Care and Housing		►		
	Planning			►	
	Transport and Environment		►		

Project Dependencies

Dependencies with Citizens and Localities Services organisational reviews and Commercial Excellence programme.

Key: On track | In progress | Attention

Channel Shift

Progress update 14 December 2015

Completed

- Business analysis for the transactional pipeline in progress.
- Detailed design workshops for phase 1 transactions complete
- Marketing results reported to CLT
- Customer Service workshops with BSS team and services
- Retraining of CRM users in progress with the first session complete (emphasis on data quality)

Planned

- Mini business case development/business analysis for the transactional and Contact Centre pipeline.
- Sign off of detailed design for phase 1 transactions
- Council Wide Contact Strategy in development.
- Further engagement with service areas to detail any business process changes required
- Programming of phase 2 transactions
- Engagement with CLS and BSS to align any changes in Organisational Reviews

PROJECT RISKS	MITIGATION	RAG
Business process change is critical to the success and efficiency of the automated end to end transactions. If not embedded this will cause a disconnect between the automated and internal process.	Engagement and commitment from senior management and services throughout the process. Linkages with both BSS and CLS service design. The principle of "one process one owner" enforced.	
Insufficient Project Management resource to implement the work required by all the different mini business cases.	Identify the resource within the business.	
Service fulfilment failure resulting in a reduction in potential take up and reputational damage to the online transaction and an increase in avoidable customer contact.	Work with service areas to refine processes and Service Level Agreements. Improve data collection methods.	

		December	January	February	March
1	Contact/Channel strategy to be developed				
2	Collaboration with new ICT provider on delivery of contractual pipeline				
3	Completion of transaction reviews for transfer into C Centre				
4	Internal marketing campaign				
5	External marketing campaign				

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
51,918	2,500(p/w)

11 Key: On track | In progress | Attention

OD & Workforce Strategy (OD)
Progress update 14 December 2015

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating
(yellow)	(yellow)	

Completed

JDs, indicative grades, person specs all developed for Tier 3, ICT, Comms and HR.
Trawl 1 VERA decisions finalised and contractually binding letters issued.
Learning sets completed.
360 launched.

Planned

Tier 3, ICT, Comms and HR formal consultation due to close 11/12
Support for Organisational Reviews.
Planning for 6-7/1 CLT away days (Leadership).
Leading Change sessions.
Financial assessment of remaining VERA requests.
Leadership Group 'transformation leadership' meeting on 17/12.

PROJECT RISKS	MITIGATION	RAG
Because Trade Unions are philosophically opposed to compulsory redundancy, union members will be balloted on strike action, which, if approved, could lead to severe service disruption and poor industrial relations.	Ongoing engagement with TU partners.	(red)
The desire to have all 28 Organisational Reviews completed by May 2015 means OD and Trade Union resource to support the reviews is challenging, which will impact on timescales and achievement of savings	Additional HR Resource in place. Regular review of Organisational Review plans and resource availability. Consider additional facility time.	(amber)

Service Review Tracker

Chart legend:
- Service Reviews Planned
- Service Reviews in Consultation
- Service Reviews in progress
- Service Reviews Completed

X-axis: Q3, Q4 (2015/16), Q1, Q2 (2016/17)
Y-axis: 0 to 25
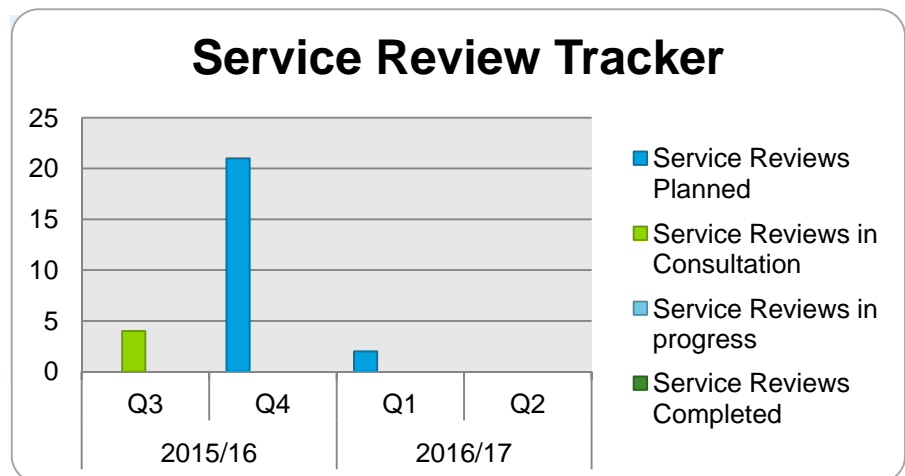
	December	January	February	March
Organisational Review				
Processing VERA requests				
VERA review panel sign off (Trawl 2)				
Transformation Insight Wave 3 survey				
Leading Change sessions				
Workforce Controls report to F&R				
Interim Strategic Workforce Plan to Audit Scotland				

Project Dependencies

Completion and approval of business cases and related tasks will determine timing and quality of Organisational Reviews.

Key: On track | In progress | Attention