

# Finance and Resources Committee

10.00am, Thursday, 17 March 2016

## Transformation Programme: Progress Update

Item number  
Report number  
Executive/routine  
Wards

### Executive summary

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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. This report provides details of the revised leadership and governance structure for the programme. It also provides progress updates across the major workstreams and notes the most up to date position with VERA/VR and the delivery of organisational reviews. The report includes the most recent management information dashboards.

### Links

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Coalition pledges  
Council outcomes  
Single Outcome Agreement

## Transformation Programme: Progress Update

### Recommendations

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- 1.1 Note the revised leadership and governance structure for the Transformation Programme, as detailed in Appendix 1;
- 1.2 Agree the procurement of a contractor for a 6 month interim period to act as Programme Lead, pending recruitment to the Tier 3 Transformation Senior Manager post;
- 1.3 Note the programme vision and objectives, as set out in paragraphs 3.6 – 3.14;
- 1.4 Note the progress made to date with key workstreams, including localities development, Health & Social Care and Customer;
- 1.5 Note there is a separate, detailed Asset Management Strategy update attached as Part B of this agenda item;
- 1.6 Note the progress achieved to date with the implementation of organisational reviews;
- 1.7 Note the position with staff leaving the Council under Voluntary Early Release Arrangements (VERA) and Voluntary Redundancy (VR); and
- 1.8 Note the management information dashboards attached at Appendix 2.

### Background

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- 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 following:
  - Revised management and governance arrangements for the programme;
  - Progress to date with key workstreams;
  - Update on the implementation of organisational reviews;
  - Update on the numbers of staff leaving the organisation under VERA or VR;

- Management information dashboards for the month to 15 February, revised to reflect the new programme management structure.

## Main report

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### Transformation Programme Leadership and Governance Structure

- 3.1 Appendix 1 sets out the revised arrangements for the management and governance of the programme going forward, as agreed by the Chief Executive.
- 3.2 Following the departure of Jim McIntyre, Programme Director and Jim Hunter, SRO for the Citizens and Localities Services workstream, and the confirmation of Kirsty-Louise Campbell (SRO for the Business & Support Services workstream) into her new role as Interim Head of Strategy and Insight, the opportunity has been taken to review these arrangements to ensure close alignment between the programme and “business as usual” as we move through the implementation phase.
- 3.3 The revised structure removes the distinction between the Citizens and Localities (CLS) workstream and the Business and Support Services (BSS) workstream, instead focusing on the projects which need to be delivered and aligning these more closely to the responsible directorate. The structure recognises the distinction between the more straightforward, “business as usual” transformation and the more complex transformation required in, for example, asset management, localities development and customer.
- 3.4 The senior leadership role for the programme is provided by the Head of Strategy and Insight, while the Chief Executive will act as overall SRO. The day to day management of the programme will be provided by the Programme Lead/Transformation Senior Manager, who will provide oversight of the programme and ensure consistency between projects. The roles of Organisational Development and Finance business partners are strengthened, while project management support continues to be provided by the programme team. The programme also retains a Programme Management Office (PMO) with ongoing responsibility for planning, monitoring and reporting.
- 3.5 The Transformation Senior Manager post remains vacant following the recent Tier 3 organisational review. This post plays a vital role in driving forward the programme and ensuring the realisation of benefits and as such, it will be subject to recruitment as soon as possible. This process, however, is likely to take some months to conclude and in the meantime Committee approval is sought to procure a contractor for a 6 month period, at an estimated cost of up to £100,000. This cost can be met from within the approved budget allocation for the Transformation Programme.

## Programme Vision

- 3.6 As the programme continues to work through an intense implementation period, with a large number of organisational reviews and an unprecedented level of transformation and change underway, it is important that we continue to ensure that the vision and aims of the programme are widely understood and adopted.
- 3.7 The Transformation Programme brings together a range of projects and initiatives which are aimed at building a lean and agile Council, centred on customers, services and communities.
- 3.8 The programme has developed a future operating model for the Council, which is based on the following principles:
- being **outcomes focussed** so that decisions about what the Council does are based on an assessment of what makes the best contribution to the Council's priority outcomes;
  - delivering services **locally** so that services are planned in, delivered in and accountable to the localities they serve and are better able to join up within the Council and with other public sector partners;
  - making **better use of digital services** so that customers have greater access, services are available at times that suit them and on devices that suit them; and
  - **consolidating** our services in the customer functions and the back office support functions so they are more efficient.
- 3.9 The model is fundamentally changing how we work. We are moving from having many geographic boundaries to four areas in which we will bring together our own and partner services (such as the Police) to make it easier to adapt these services to local demand.
- 3.10 We will refocus our effort towards achieving our priority outcomes by reducing internal business support costs, applying channel shift to reduce the costs of simple transactions and enabling our customers – and staff – to do more through self-service.
- 3.11 The shape of the future Council will change, with fewer management layers and more efficient processes, and a greater degree of service integration among both Council services but also with our partners, the third sector and our commercial suppliers.
- 3.12 We will continue to support the third sector but increasingly, tie the investment and support towards achieving our priority outcomes.
- 3.13 Finally, we will take a more commercial approach in considering how to best use our assets and generate income in the context of our overall strategic objectives and management of risk.

3.14 This is a difficult period of change and uncertainty, but it also offers significant opportunities to modernise and improve the services offered by the Council. It is therefore important that we continue to communicate the need for change and ensure there is widespread understanding of the vision, aims and objectives of the transformation programme.

#### Implementation of the Localities Model

3.15 Work is ongoing to implement the new localities model. Locality Managers have now been appointed and will play a key role in driving this work forward.

3.16 A Localities Transformation Plan was approved by the Corporate Leadership Team (CLT) in October 2015, and sets out the following strategic objectives:

- empowering citizens and communities and improving partnership working;
- implementing a lean and agile locality operating model;
- delivering better outcomes and improving citizen experiences; and
- embedding values and developing culture.

3.17 Additionally, as work progresses a clear line of sight has been maintained with the Council Business Plan 2016-20. This identifies ten key outcomes and objectives related to the locality model and the associated measures of outcomes. These will be a key reference in developing and undertaking the required workstreams.

3.18 The next stage in the development of the localities model will involve refining the existing high level blueprint into a more cohesive and detailed implementation plan. This will be done over the coming weeks and will involve extensive consultation with key stakeholders, including the newly appointed locality managers and the locality management board.

#### Health and Social Care

3.19 Good progress is being made with proposals for the future state Health and Social Care. The Edinburgh Health and Social Care Partnership is developing an integrated structure in which the majority of services will be delivered and managed in localities.

3.20 It is proposed that services within the localities will be provided through two different operating models. Locality hubs will provide crisis or short term interventions, including prevention of admissions and facilitating early discharges from hospital. Locality clusters (two geographic areas), meanwhile, will work with people whose needs are more complex and require longer term interventions.

3.21 In addition to the hub and clusters, each locality will have an integrated mental health and substance misuse team, recognising that adults who may benefit from these services require different kinds of responses.

- 3.22 It is also anticipated that there will be a central core team of Strategy, Planning and Quality Lead Officers, for the following functions:
- Older People,
  - Disability,
  - Mental Health and Substance Misuse, and
  - Primary Care and Public Health.
- 3.23 These specialist managers will provide strength to the structure by developing policy, managing strategy and service design, and overseeing quality, performance and safeguarding issues within the service area. It is proposed that they be assisted by a small central team of Planning and Commissioning Officers. This central team will be led by a Head of Planning, Strategy and Quality, who will also deputise for the Chief Officer (IJB).
- 3.24 Whilst there are a number of specifically designated health posts, for example the Chief Nurse, almost all of the new senior management posts will be open for either Council or NHS colleagues, subject to their current responsibilities and job status.
- 3.25 CLT considered the draft structure proposals on 10 February and initial high level presentation to CEC and NHS union officials followed on 11 February. Further work is now required to finalise an agreed integrated structure and shared protocols for matching and assignment of staff, ahead of the commencement of formal consultation.

### Customer

- 3.26 Good progress is being made with the re-design of the Council's customer and business support services.
- 3.27 These proposals will bring together a range of services from across the Council into a single, integrated, customer focused customer division. The service will provide a single view of the customer with tangible outcomes and will be committed to delivering the customer promise of "right first time" using a forward thinking approach.
- 3.28 There are substantial savings targets attached to the Customer division, with an overall reduction of 33% (£14.8 million).
- 3.29 The organisational reviews for the Customer division are being delivered on a phased basis as follows:
- Executive Management Business Support (underway)
  - Business Support Shared and Locality Services
  - Customer Contact

- Transactions
  - School Support
- 3.30 Proposed structures for Customer Contact and Business Support Shared and Locality were considered by the CLT on 29 February and further work is required to finalise these before the commencement of the organisational review and formal consultation period. This is scheduled to begin week commencing 14 March 2016. The remaining Customer division proposals will be considered by CLT in March and April with formal consultation following in April/May.

#### Asset Management Strategy

- 3.31 CLT recently approved the proposals for Tiers 3 and 4 of the new Property and Facilities Management structure and formal consultation for this review commenced on 25 February.
- 3.32 Work is also underway to design structures for the remaining tiers of Property and Facilities Management. A significant re-engineering of the service is required and as such, this is being designed in conjunction with technical experts. It is expected that the organisational review of Tiers 5 and below will be completed in summer 2016.
- 3.33 A separate, detailed progress report on the Asset Management Strategy is attached as Part B of this agenda item.

#### Transformation Programme Organisational Reviews

- 3.34 Good progress continues to be made with the preparation and implementation of the organisational reviews which will deliver a significant proportion of the transformation savings.
- 3.35 Organisational reviews for Tier 3, HR, Communications and ICT are now complete and the new structures are operational.
- 3.36 Organisational reviews are underway for the following services:
- Culture
  - Economy
  - Planning and Transport
  - Schools and Lifelong Learning (Early Years and Schools Management)
  - Children's Services (Management Structure)
  - Environment
  - Strategy and Insight
  - Transformation and Business Change

- Executive Business Support
  - Communities and Families Operations
  - Housing and Regulatory Services
  - Safer and Stronger Communities
- 3.37 Proposals for the organisational review of the remaining Council services are under development and the target timescales for delivery are shown within the programme dashboard at Appendix 2. It should be noted that the timescale for the review of Governance and Democratic Services has been revised to take place after the forthcoming elections.
- 3.38 The programme are considering lessons learned from the organisational reviews on an ongoing basis and revised guidance is being issued to ensure that managers and lead officers are equipped to support their staff through this difficult period.
- 3.39 It should be noted that work is underway to review the budget process to ensure a more collaborative end result. The midterm review in September 2016 will offer an opportunity for members to analyse, in detail, progress against savings targets agreed in the 2016/17 budget and the assumptions detailed in the 2016/17 budget frameworks agreed by Council on 21 January 2016. It is recognised that a significant proportion of required savings will be delivered through the transformation programme and the organisational reviews and as such, the programme will be involved in supporting members in implementing this revised budget process.

#### Voluntary Early Release Arrangement/ Voluntary Redundancy

- 3.40 Staff in 438 FTE posts have now left/are confirmed to leave the Council on VERA and VR, the increase reflecting that business as usual VERA/VR releases are now included in the monitoring. This equates to annualised savings of £15.9 million. The one off VERA/VR and pension strain cost for those cases is £18.7 million and the overall payback period is 14.1 months, which is in line with planning assumptions.
- 3.41 Further VERA/VR offer letters have recently been issued to 85.5 FTE and assuming that 70% accept, this would equate to annualised savings of a further £2.2 million per annum.

#### Transformation Programme Management Information Dashboards

- 3.42 The most recent transformation programme dashboards, covering the period to 15 February 2016, are attached as Appendix 2.
- 3.43 The format of these dashboards has been revised to reflect the new management and governance arrangements for the programme. Reporting is



therefore now aligned to directorates and to the major workstreams, rather than to CLS and BSS.

3.44 Committee are asked to note the content of these dashboards.

## Measures of success

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- 4.1 The business cases have identified significant financial and non-financial benefits associated with the Transformation Programme.
- 4.2 The PMO have developed a clear financial and non-financial benefits framework which forms the basis of bi-monthly dashboard reporting to Committee.

## Financial impact

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- 5.1 As approved by Council the Transformation Programme is targeting the development and delivery of cumulative savings of £77.0m as a critical element of the Council's approved budget framework.
- 5.2 VERA and VR are being used to maximise delivery of workforce savings through voluntary measures. Annualised cost savings of £15.9m have been achieved to date with associated voluntary severance costs and pension strain costs totalling £18.7m. The overall payback period of 14.1 months is in line with planning assumptions.
- 5.3 Additional costs incurred through the procurement of a contractor to act as Programme Lead, pending recruitment to the Tier 3 Transformation Senior Manager post, can be met from within the approved budget allocation for the Transformation Programme.

## Risk, policy, compliance and governance impact

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- 6.1 A risk register has been developed as part of the PMO and is reported monthly to the Corporate Leadership Team.

## Equalities impact

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- 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

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- 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

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- 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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### Andrew Kerr

Chief Executive

Contact: Kirsty-Louise Campbell, Interim Head of Strategy & Insight

E-mail: [kirstylouise.campbell@edinburgh.gov.uk](mailto:kirstylouise.campbell@edinburgh.gov.uk) | Tel: 0131 529 3654

### Links

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[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 – Revised Transformation Programme Structure

Appendix 2 – Transformation Programme dashboards

**Sponsor – Andrew Kerr**

**Head of Strategy and Insight**  
Kirsty-Louise Campbell

**Programme Lead**  
TBC

**PMO**

**Programme Manager** Jessica Brown    **Finance Lead** John Connarty    **Programme Planning & MI** Simone Hislop/Emma Baker  
**Lead Business Change** TBC    **Lead Process Design** TBC    **OD Lead** Martin Young    **Communications Lead** Lesley McPherson

**Localities**

**SRO** Paul Lawrence    **Programme Manager** Derek McGowan (SW)    **Partnerships Lead** Nick Croft  
**Finance Lead** TBC    **OD Lead** TBC  
**Project Managers** Sylvia Latona (NW), Barry Leathem (SE), Tasha MacKenzie (NE)  
**Communications Leads** Jacqueline Allan (SW), Chris Wilson(NE), Joyce Nisbet (SE) Lesley McPherson (NW)

**Place & Economy**

**Communities and Families**

**Chief Executive's Department**

**Health & Social Care**

**Resources**

**Asset Management**

**Programme Director**  
Rob Leech

**Project Manager**  
Lee Hillyard

**Finance Lead**    **OD Lead**  
Rebecca Andrew    Kathy McLauchlan

**Communications Lead**  
Joyce Nisbet

**Customer & Business Support**

**Programme Director**  
Danny Gallacher

**Project Managers**  
Clare Mills, Isla Paterson, Emma McNab, Caroline McKellar, Gail Devaney, Ed Mitchell (EY), Susan Weerts(EY)

**Finance Lead**    **OD Lead**  
Iain Shaw    Claire Ross

**Communications Lead**  
Liz O'Rourke

**Sponsor – Andrew Kerr**

**Head of Strategy and Insight**  
Kirsty-Louise Campbell

**Programme Lead**  
TBC

PMO

**Programme Manager**, Finance, Programme Planning & MI, Business Change, Process Design, OD and Communications

Loc.

**SRO**, Programme Manager, Partnerships, Finance, OD, Project Managers and Communications

**Place & Economy**

**SRO** Paul Lawrence  
**PM** Derek McGowan  
**HR** Eleanor Kay  
**Fin** Rebecca Andrew  
**Comms** Chris Wilson

**Community and Families**

**SRO** Alistair Gaw  
**PM** Cheryl Buchanan, Nick Croft, Barry Leathem  
**HR** Mairi Grealis  
**Fin** Jane Brown  
**Comms** Joyce Nisbet

**Chief Executive's Department**

**SRO** Andrew Kerr  
**PM** Tania Tumblety, Edel McManus, Ed Mitchell (EY), Tasha MacKenzie  
**HR** Clair Ross  
**Fin** Iain Shaw  
**Comms** Liz O'Rourke

**Health & Social Care**

**SRO** Rob McCulloch-Graham  
**PM** Sylvia Latona  
**OD** Michelle Hughes  
**Fin** Karen Dallas  
**Comms** Ann Duff

**Resources**

**SRO** Hugh Dunn  
**OD** Claire Ross  
**PM** Tania Tumblety  
**Fin** Iain Shaw  
**Comms** Liz O'Rourke

**Asset Management**  
**Programme Director**, Project Manager, Finance and Communications

**Customer & Business Support**  
**Programme Director**, Project Managers, Finance and Communications



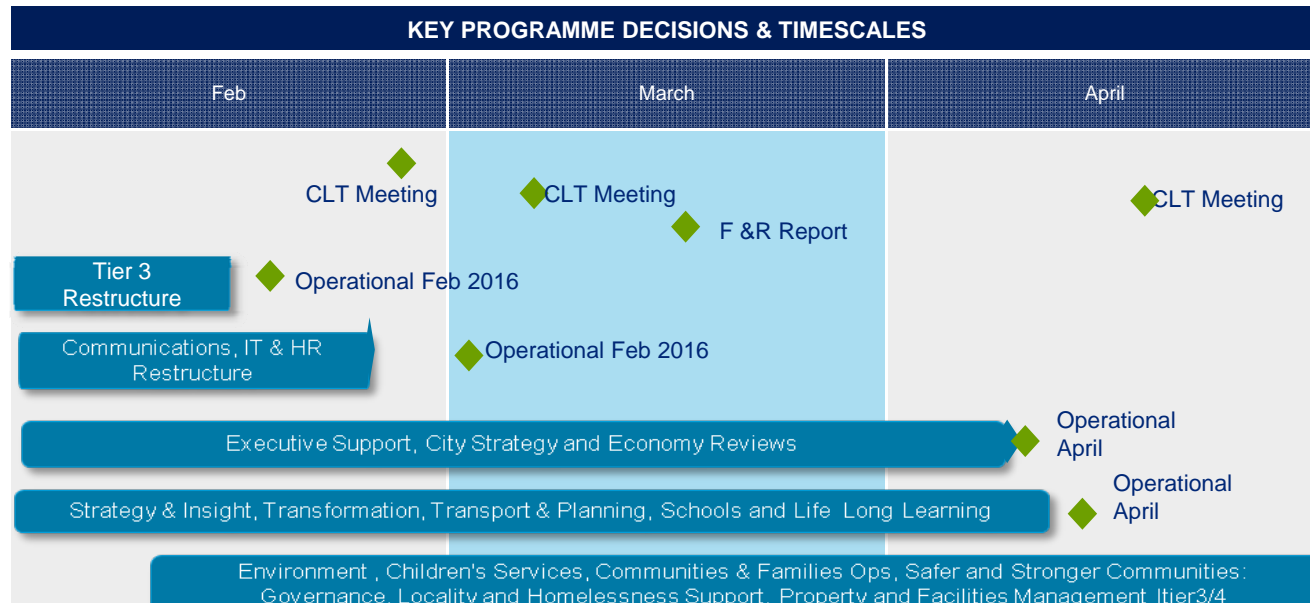
# Transformation Programme Management Dashboard

Monthly progress update - February 2016

## OVERVIEW OF PROGRESS

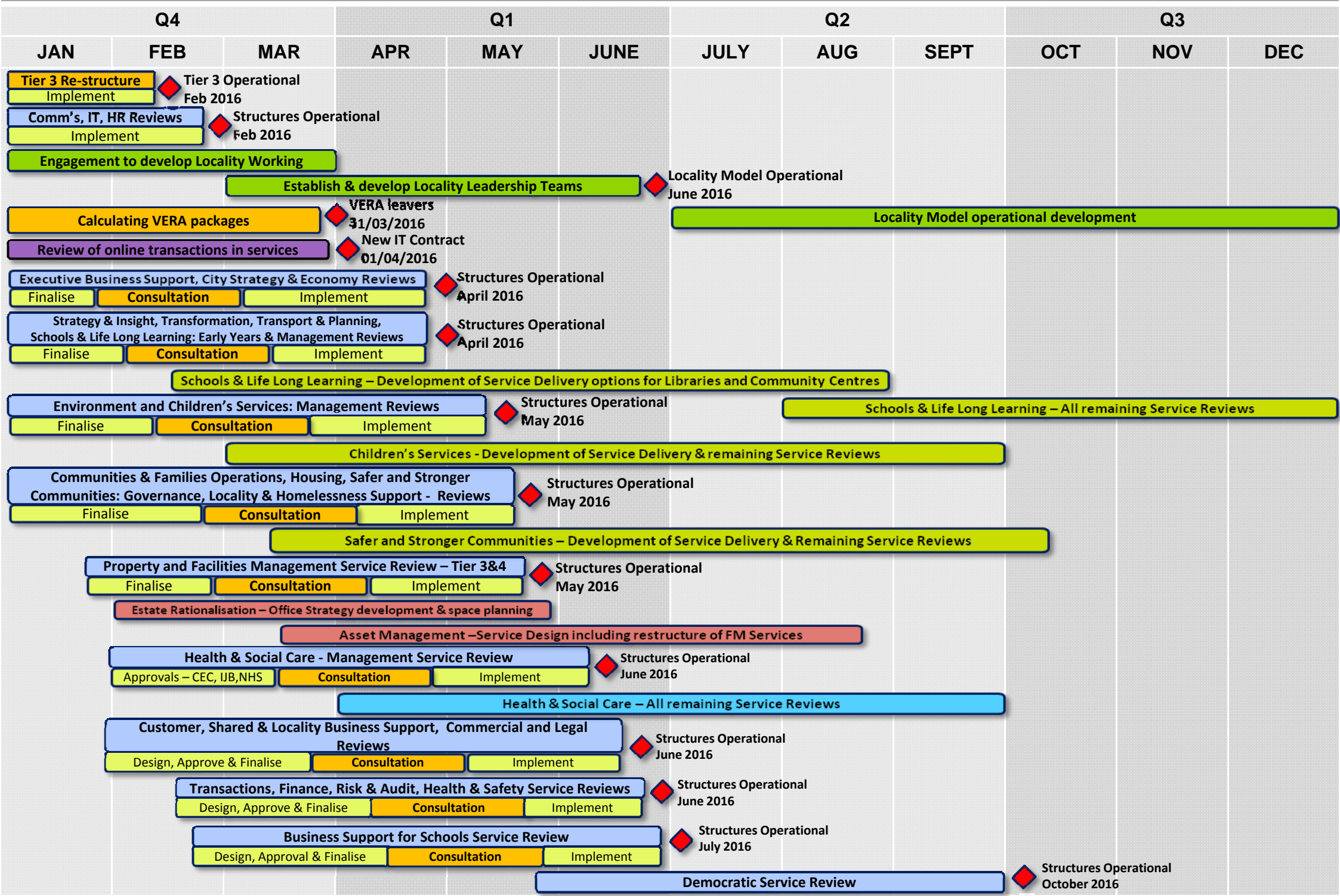
The Tier 3 Appointments have now been made. A number of Organisational Reviews are now in progress and full details can be found on Slide 4. VERA leavers exited the organisation in January and February, with a further tranche scheduled for March and beyond, achieving an annualised benefit of £15.9m per annum including pension and NI. Communication, IT and HR Reviews have now completed and the first VR exit data is now included in the reported figures. In addition this dashboard now contains data from the agreed Council budget.

PROJECT	RAG	COMMENTS
Customer & Business Support	→	Customer Blueprint reviewed by CLT, first proposals on customer contact and Locality Business Support on today's agenda.
Health & Social Care	→	Health and Social Care proposals reviewed by CLT now awaiting approval by NHS and IJB.
Asset Management	→	Commence Tier 3 and 4 formal consultation Commence preparation of Service Level Agreements(SLA's) Continue process design work across all work streams Continue preparation of investment strategy
Localities	→	Locality transformation plan approved by CLT. Locality managers in place. Detailed implementation plan under development.
Resources	→	HR Review now operational. Commercial and Procurement, Legal and Risk all scheduled for CLT approval on 29 <sup>th</sup> February
Chief Exec Dept	→	Communications and IT now operational. Strategy and Insight in review. Potential delay to Democratic Services review to accommodate Referendum in June.  First tranche of Safer and Stronger reviews in consultation. In addition the 2 <sup>nd</sup> phase includes a comprehensive review of Advice Services; develop and redesign CCTV services; and an Out of Hours review.
Place & Economy	→	Consultation now commenced in all functions
Communities & Families	→	Consultation now commenced in all functions



RISK	DESCRIPTION	RAG	MITIGATION
Service Failure	Acceleration of the Programme to realise savings more quickly causes disruption	→	Forward planning of restructuring and realignment of staff with scoping of each service is underway. CLT reviewing robustness of Organisational Review proposals.
Managing Workforce policy	Implementing workforce policy does not meet the financial requirements	→	As per budget motion compulsory redundancy will not be progressed until the completion of the Service Reviews and a review of the financial situation. To date there has been an encouraging level of interest in VERA. In addition there is a further VR opportunity for staff during the Organisational Review process.

# Transformation Programme Plan - Key Activities & Target Milestones to December 2016





# Organisational Reviews

25 February 2016

	VERA trawl	Cons starts	Cons ends	Match & Assign	Surplus Within Review	Vacancies to Redeployed	Vacancies Internal	Vacancies External	Savings	
									Target	Actual
Tier 3										
Reputation & Comms										
Digital & IT										
Human Resources										
Strategy & Insight										
Executive Support										
Transformation & Business Change										
City Strategy & Economy										
Communities & Families Operations										
Early Years & School Management										
Transport & Planning										
Children's Services										
Environment										
Housing & Regulatory Services										
Safer & Stronger Communities										
Health & Social Care Locality Working Review										
Customer Contact										
Corporate Property										
Business Support: Shared & Localities										
Legal Services										
Commercial & Procurement										
Transactions										
Finance										
Risk, Internal Audit & Resilience and Health & Safety										
Business Support: School Support										
Democratic Services										



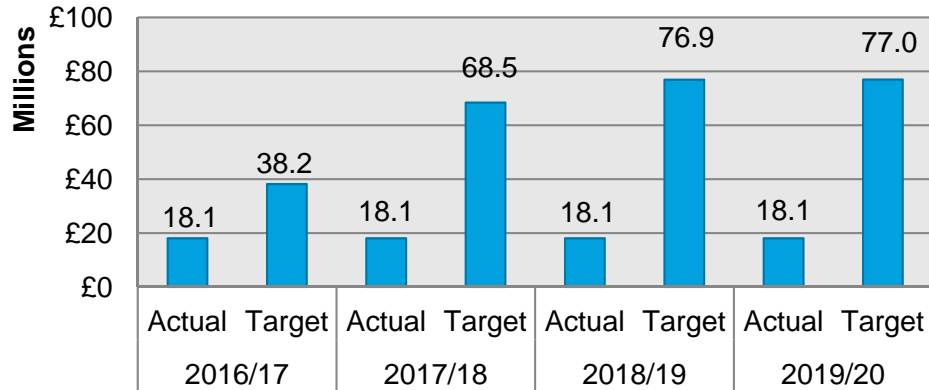


# Finance & Benefits Update

AMS: Asset Management Strategy  
PT3P: Payments to Third Parties

Acronym Key:

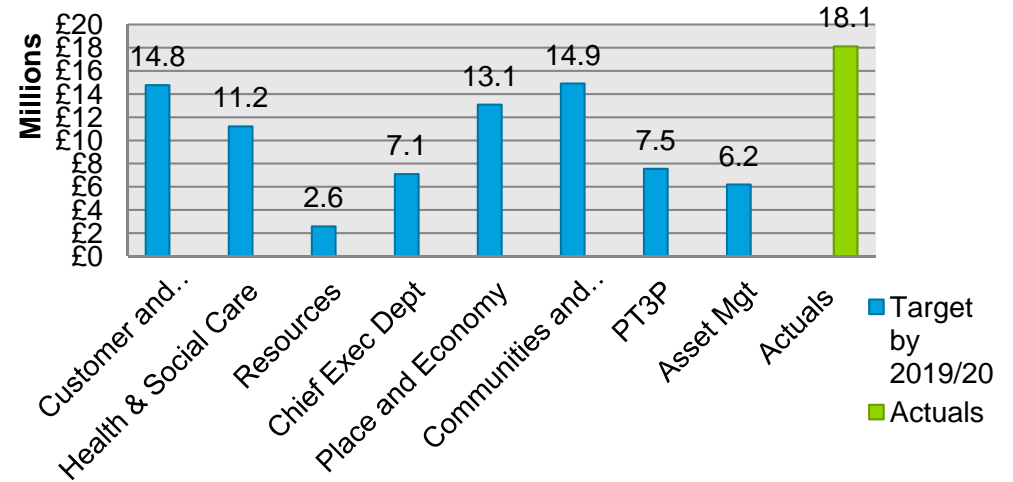
## Annual Savings Targets vs Actual



Summary:

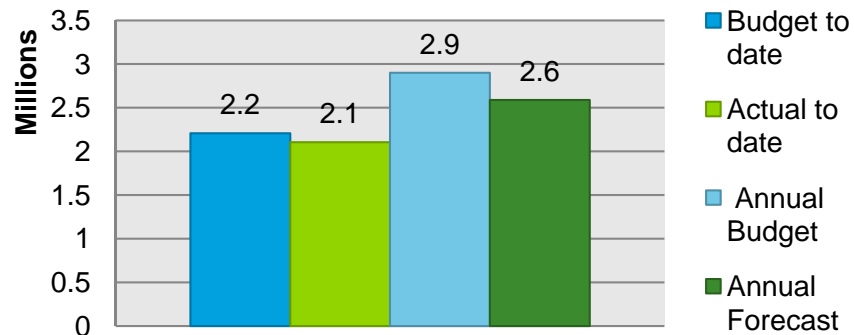
Actual Savings refer to £2.2m in PT3P and a further £15.9m from VERA/ VR confirmed exits (some of these may be accrue a partial year saving in 2016/17). NB the AMS projects is not projected to deliver a net saving until 2018/19.

## Total Programme Savings

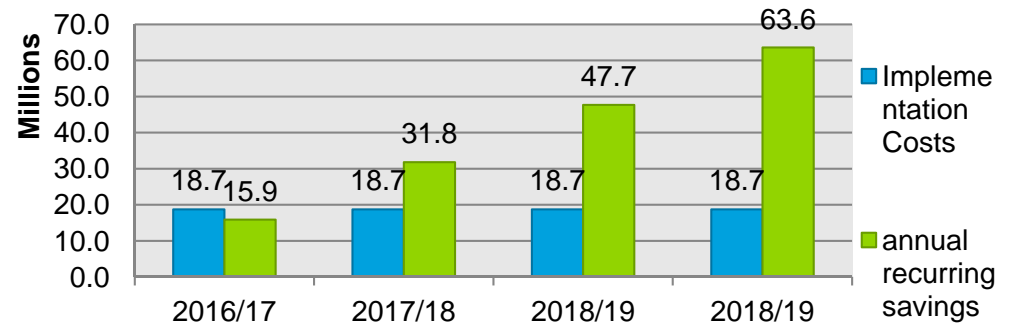


Actual Savings refer to £2.2m in PT3P and a further £15.9m from VERA/ VR confirmed exits to date. NB the AMS projects is not projected to deliver a net saving until 2018/19.

## Programme Expenditure 2015 - 16



## VERA COST BENEFIT ANALYSIS FOR LEAVERS TO DATE

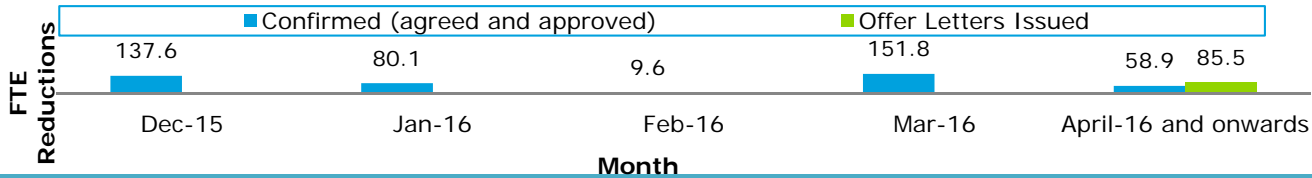


## Organisational review summary

Three organisational reviews are now complete and have delivered targeted savings of £1.757m. Twelve reviews are currently underway involving 3,346 people.

The Communications, HR and ICT reviews are now complete. Each review has met the approved savings targets.

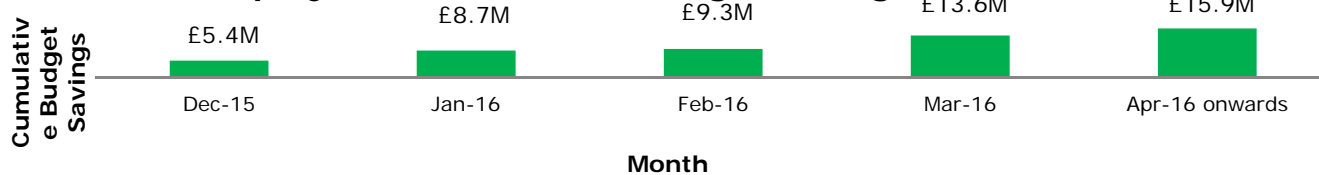
### VERA/VR leaver reductions (FTE)



Staff accounting for a total of 438.0 FTE have left/are confirmed to leave the Council under VERA and VR arrangements.

VERA offer letters have been issued to a further 85.5 FTE and assuming that 70% accept, this would equate to further savings of £2.2m p.a.

### Current and projected cumulative budget savings



The overall organisational review savings target is £64m. The confirmed 438.0 FTE reductions from VERA and VR will achieve recurring savings of £15.9M.

The one off VR/VERA and pension strain cost for those cases is £18.7m and the overall payback period is 14.1 months, which is in line with planning assumptions.

### Reasons for declining VERA

Reason	Number
Person has skills critical to the organisation / the post cannot be deleted as it is essential for service delivery / the post is difficult to recruit to	985
The post is in a school.	38
Other, eg. reduction managed through deletion of vacancies.	62
<b>Total</b>	<b>1085</b>

90% of VERA declines are due to the post or applicant skills being critical to service delivery.

### Employee support / Career Transition Service

	Nov 2015	Dec 2015	Jan 2016	Feb 2016
No. People in Review	194	194	456	3,346
No. of 1:1s in Month	38	30	12	41
No. who have accessed out placement provider	136	38	25	90

131 of the 3,346 people under review in February have accessed support from the Career Transition Service / out placement provider.

Customer feedback indicates high levels of satisfaction with the Career Transition Service.

366 managers have attended the Leading for Change training course and 39 staff have attended interview skills training.

### Redeployed – number of people and cost

	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Jan 2016	Feb 2016
Number of positions	57	58	59	54	50	64
Salary cost	£2.0M	£2.1M	£2.1M	£1.9M	£1.6M	£2.8M
Surplus – not currently redeployed	25	17	16	10	8	21
Temporarily redeployed less than 6 months	1	2	4	4	2	1
Temporarily redeployed more than 6 months	31	39	39	40	40	42

64 people are now recorded as being surplus. This represents a total staff cost of £2.8 million.

This represents an increase of 1 person since the last dashboard.

# Customer & Business Support

Progress update 15 February 2016

Previous Progress RAG

Current Progress RAG

Capability Maturity Rating

## Completed

- Exec Bus Support are in organisational review. The reviews should be completed by 21 March 2016.
- Customer Contact, Business Support Shared & Locality Services being finalised and Meetings are continuing with functional leads for the documentation for the phase 2 challenge panels being finalised.
- The scope change request is being finalised to realign savings to changes in scope.
- The Customer scope has been reviewed by all area HoS/leads. The comments are being consolidated and the scope finalised.
- Development of new business process guide to inform the implementation of new structures going forward
- Face to face customer service design draft completed to highlight use of technology and operational changes

## Planned

- Finalise the Customer Contact and Business Support Shared & Locality services documentation for consultation
- Finalise Phase Exec Business Support implementation plans in line with the consultation process
- Confirm customer scope list changes and communicate with staff where individual roles sit within the review plan

## 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

The project Change Lead is currently drafting a project/programme-wide implementation plan for discussion with HoS. Comms plans have been developed for each org review. Stakeholder management will be proactively managed throughout project activities.

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.

Matching and Assignment protocol now agreed.

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

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.. Engagement plans are being developed and future performance improvement plans are being prioritised and built into business cases

		February	March	April
1	Tier 3 implementation			
2	Exec Business Support			
3	Prepare Customer Proposals			

## 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 other workstreams

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

# Health and Social Care

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

## Completed

- Senior and middle management structure proposals for **Integrated Health and Social Care services** reviewed by CLT on 10 February 2016.
- Four **locality development sessions** held, one in each locality, between 26 January and 9 February 2016. Attended by over 500 staff and partner representatives.

## Planned

- Progress structure proposal and documentation, in conjunction with relevant NHS colleagues, with a view to initiating consultation on the management structures for **Integrated Health and Social Care services** in mid to late March 2016.
- Analyse feedback from initial **locality development sessions** and develop detailed plans for locality development and further stakeholder engagement.

## Project Risks

Project Risks	Mitigation	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource in place; - Dedicated project resource to support Tier 2 and Tier 3 managers prepare for and deliver review processes; - 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, with validation of proposals by Finance; -Locality Management Board being established, chaired by Executive Director of Place. - Locality Leadership Team structure being put in place; -Locality and stakeholder engagement programme aimed at 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	February	March	April
<i>Develop integrated staffing structure in conjunction with NHS</i>			
<i>Target for commencement of consultation</i>		◆	

Key: On track In progress Attention

## Project Dependencies

New service structures must align to supporting functions 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.

# Asset Management Strategy (AMS)

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

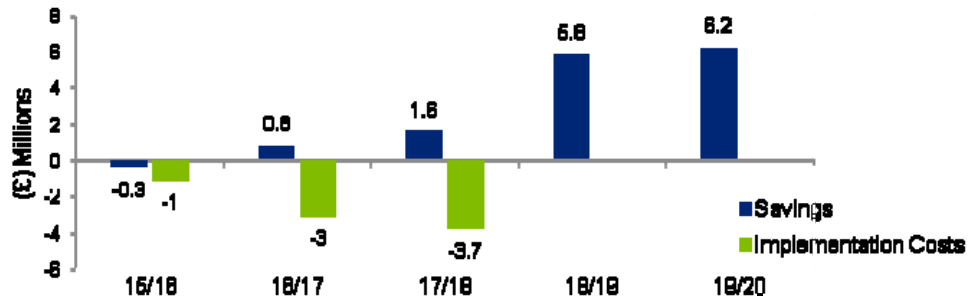
## Completed

- AMS new organisation blueprint completed.
- Programme Management Office set up and completion of Programme Initiation Document (PID)
- Commencement of new organisational design
- Transition workstream established to oversee transfers of people, budgets and move from SfC to Corporate Resources – links established with customer
- Invitation to tender issued for FM technical consultant
- F&R Report January
- Challenge Panel and CLT presentation
- Completion of contract with Deloitte for next phase of programme support to July 2016.

## Planned

- Commence Tier 3 and 4 formal consultation
- Technical consultant to commence work
- Confirm detailed timeline for transition milestones
- Commence preparation of Service Level Agreements (SLA's) and engagement with service areas
- Continue process design work across all work streams
- Continue preparation of investment strategy
- Commence design of new governance and decision arrangements for estates rationalisation workstream
- Commence review of in-flight survey programme for operational assets.

## 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

		February	March	April
1	Tiers 2-6 org design & JD's	[Yellow bar]		
2	Procure technical consultant	[Yellow bar]		
3	Prepare summary SLA's		[Yellow bar]	
4	Confirm transition milestones		[Yellow bar]	
5	CLT presentation		[Green diamond]	
6	Further response to F&R	[Yellow bar]		[Green diamond]
7	Workstream activities	[Green bar]		

Key: On track In progress Attention

PROJECT RISKS	MITIGATION	RAG
<b>AVAILABILITY OF MANAGEMENT INFORMATION</b> Due to a lack of available Management Information there is a risk that we are unable to quantify actual savings achieved against identifiable costs per the ledger which may result in an unreliable finance baseline.	Corporate Finance Senior Manager as part of the AMS PMO team resource. External support working with Finance to validate figures and implement new budget codes. Eventual implementation of new CAFM system will improve management of Management Information.	
<b>STAKEHOLDER SUPPORT</b> Risk of failing to secure wider stakeholder support for property transformation proposals resulting in a delay or failure to deliver the anticipated savings.	Ensure the programme has support from Senior Sponsors, within the Council and utilise this support to achieve political buy in to the initiatives and recommendations.	
<b>IMPACT FROM WIDER TRANSFORMATION PROGRAMME</b> The outcomes from the wider Transformation Programme work streams could have a significant impact on property initiatives, particularly around Estate Rationalisation and Investment Portfolio, i.e. Commercial Excellence Initiative, Edinburgh Leisure, PPP	Strong communication between PMO's. Tracking of dependencies and benefits.	
<b>IMPLEMENTATION TIMESCALE</b> Implementation programme in Business Case is challenging and could impact savings delivery. Heavy reliance on service areas and localities to develop demand strategies	Robust implementation plan and programme. Competent and skilled Implementation Team. Skilled smart client function. Reviews of Programme with PMO. Strong tie in with localities	
<b>BUDGET CONSTRAINTS</b> Lack of commitment or resource available for required backlog and capital/revenue forward budgets restricts the ability to address asset condition and compliance risks. Failure to meet the needs and expectations of our building users.	Undertake benchmarking exercise to establish estimated backlog to and strategy to consider forward budget requirements to bring estate up to an acceptable level.	

## Project Dependencies

- Key dependencies on other work streams in terms of staff/budget transfers and impact on the operational estate.
- Estates rationalisation dependent on localities model implementation to schedule

# Localities

Progress update 15 February 2016

## Completed

- Locality Managers now appointed
- A Locality Management Workshop was held on 18 February 2016 with a cross section of stakeholder. A summary of the key agreed areas to be developed are outlined below:
  - Create a 'Day One' Plan setting out available resources and transition arrangements.
  - Create a 12 month timetable setting out milestones towards full locality management implementation. This will be subject to ongoing review by the Board.
  - Identify where staff and community planning partners can better share assets, co-locate and integrate service delivery.
  - Improve locality insight data through ongoing work led by Strategy and Insight, and to undertake focus groups in localities to strengthen this information.
  - Develop a more detailed communication plan
  - Undertake more detailed work with Customer division to identify resources to support delivery of the locality operating model.

## Planned

Hold the first meeting a Council Locality Management Board (LMB) has been established. This comprises the Executive Director of Place as the Chair, all four Locality Managers and their respective Heads of Service line managers, and other senior officers involved in transformation and community planning work.

Previous Progress RAG

Current Progress RAG

Capability Maturity Rating

## Plan

	<b>Launch</b> Apr - Jun 2016	<b>Transition state</b> Jul - Sep 2016	<b>Steady state</b> Oct - Dec 2016	<b>Future State</b> Jan 2017 - Mar 2018
<b>Strategic Objectives</b>				
<b>Empower citizens and communities and improve partnership working</b>	Establish partnership Locality Leadership Teams	Deliver intensive programme of locality engagement with community sector on locality operating model and locality transformation	Enhance and confirm the role of neighbourhood partnerships, community councils, parent & pupil councils + TRAs	Develop and implement improved approaches in relation to: <ul style="list-style-type: none"> <li>- community asset transfer</li> <li>- participatory budgeting</li> <li>- community engagement standards</li> <li>- community participation requests</li> <li>- co-production</li> <li>- social enterprise</li> </ul>
<b>Implement a lean and agile locality operating model</b>	Initiate consultation on new organisational design, including locality based services and integrated health structures  Establish Locality Management Board	Implement new organisational structures, and agree resource allocation within new operational teams across localities	Progress priority service integration projects and implement priority locality operational practices	Develop and implement improved approaches in relation to: <ul style="list-style-type: none"> <li>- information sharing</li> <li>- prevention</li> <li>- self directed support</li> <li>- daily grip meetings</li> </ul>
<b>Deliver better outcomes and improved citizen experiences</b>	Complete Locality Insight Profiles and Citywide Needs Assessment	Initiate the review of Neighbourhood Partnership Local Community Plans implement	Agree Locality Improvement Plans linked to new Local Community Plans	Develop and implement programme to improve approaches to: <ul style="list-style-type: none"> <li>- community and family resilience</li> <li>- public health</li> <li>- tackling poverty and inequality</li> <li>- place making</li> </ul>
<b>Embedded values and develop culture</b>	Pilot locality orientation programme	Implement locality orientation programme  Agree new Locality Learning and Development Plan, including locality leadership development	Roll-out of locality leadership programme	Embed system of monitoring and evaluating cultural change

# Resources

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

## Completed

- The review for HR is now complete and the new service is now operational. The actual savings are being reviewed and assessed against previous estimates and financial adjustments.
- Meetings are continuing with functional leads for Commercial and Procurement / Legal and Risk with the documentation for challenge panels being finalised. Presentation to CLT on 29<sup>th</sup> February.
- Finance to be reviewed by CLT in March.

## Planned

- Finalise the 2 organisational review documentation for consultation for Commercial and Procurement / Legal and Risk
- Work with Finance to confirm scope and develop structures for review and challenge

## PROJECT RISKS

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	The project Change Lead is currently drafting a project/programme-wide implementation plan for discussion with HoS. Comms plans have been developed for each org review. Stakeholder management will be proactively managed throughout project activities.	Yellow
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 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	Yellow
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	Yellow
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.. Engagement plans are being developed and future performance improvement plans are being prioritised and built into business cases	Red

		January	February	March
1	Phase HR and Tier 3 implementation			
2	Phase 2 areas have Org Design drafted			

## Project Dependencies

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

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

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

## Completed

- The reviews of Communication ICT are complete and the new services are operational. The actual savings are being reviewed and assessed against previous estimates and financial adjustments.
- Strategy and Transformation have commenced organisational review. The reviews should be completed by 21 March 2016.
- The scope change request is being finalised to realign savings to changes in scope.
- First tranche of Safer and Stronger reviews in consultation

## Planned

- Finalise Strategy and Transformation implementation plans are in line with the consultation process
- Safer and Stronger 2nd phase includes a comprehensive review of Advice Services; develop and redesign CCTV services; and an Out of Hours review.

## PROJECT RISKS

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	The project Change Lead is currently drafting a project/programme-wide implementation plan for discussion with HoS. Comms plans have been developed for each org review. Stakeholder management will be proactively managed throughout project activities.	Yellow
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 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	Yellow
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	Yellow
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.. Engagement plans are being developed and future performance improvement plans are being prioritised and built into business cases	Red

		February	March	April
1	Phase 1a and Tier 3 implementation			
4	Phase Strategy and Insight Reviews commence			
5	Safer and Stronger Reviews commenced			

## Project Dependencies

The Council's Support Services will need to be responsive and flexible to the development of the Locality model, so will require close partnership working with other workstream

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



# Place & Economy

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

## Completed

- Developed consultation packs and commenced consultation on **organisational reviews** for City Strategy and Economy, Transport and Planning and Environment.
- Four **locality development sessions** held , one in each locality, between 26 January and 9 February 2016. Attended by over 500 staff and partner representatives.

## Planned

- Prepare consultation pack and commence consultation on remaining **organisational review** (Housing and Regulatory Services) scheduled w/c 22 February 2016.
- Analyse feedback from initial **locality development sessions** and develop detailed plans for locality development and further stakeholder engagement.

## Project Risks

Project Risks	Mitigation	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource in place; - Dedicated project resource to support Tier 2 and Tier 3 managers prepare for and deliver review processes; - 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, with validation of proposals by Finance; -Locality Management Board being established, chaired by Executive Director of Place. - Locality Leadership Team structure being put in place; -Locality and stakeholder engagement programme aimed at 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	February	March	April
<b>1 Organisational review consultation:</b>			
1 <i>City Strategy &amp; Economy</i>			
2 <i>Transport &amp; Planning; Environment</i>			
3 <i>Housing and Regulatory Services</i>			

## Project Dependencies

New service structures must align to the support 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.

Key: On track In progress Attention

# Communities & Families

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

## Completed

- Developed consultation packs and commenced consultation on **organisational reviews** for Early Years and Schools (management), Children’s Services (management).
- Four **locality development sessions** held , one in each locality, between 26 January and 9 February 2016. Attended by over 500 staff and partner representatives.

## Planned

- Prepare consultation pack and commence consultation on remaining Communities and Families operations
- Analyse feedback from initial **locality development sessions** and develop detailed plans for locality development and further stakeholder engagement.

## Project Risks

Project Risks	Mitigation	
Insufficient management and HR capacity to deliver organisational reviews and manage change in the required timescales	- Additional HR resource in place; - Dedicated project resource to support Tier 2 and Tier 3 managers prepare for and deliver review processes; - 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, with validation of proposals by Finance; -Locality Management Board being established, chaired by Executive Director of Place. - Locality Leadership Team structure being put in place; -Locality and stakeholder engagement programme aimed at 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	February	March	April
<b>1 Organisational review consultation:</b>			
1b Schools & Lifelong Learning			
1c Children’s Services;			
1d Communities Operation			

## Project Dependencies

New service structures must align to support 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.

Key: On track In progress Attention

# Payments to Third Parties (PT3P)

Progress update 15 February 2016

Previous Progress RAG	Current Progress RAG	Capability Maturity Rating

## Completed

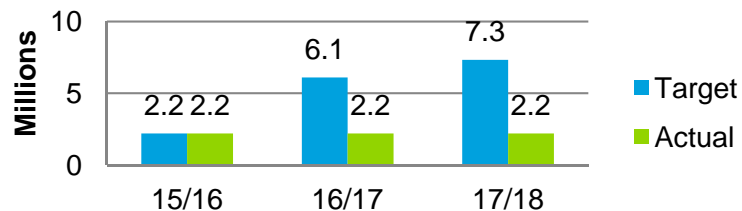
Proposed total savings to a value of the work-stream's 10% target have been identified within the Council Budget Framework 2016/20 and delivery will be monitored as part of the transition of combined grant and contract oversight to the Commercial and Procurement Service. Two grant programmes remain to be approved for 2016/17.

## Planned

As instructed by the Council Budget Motion in March 2016 the Chief Executive will submit a report on the benefit, outcomes and future governance of payments to third parties – in line with committee approvals of January 2015 this will outline the transfer of grant oversight to the Commercial and Procurement Service. Further report on coproduction and procurement will come forward in spring 2016 and on a refreshed procurement strategy in the summer/autumn period.

The savings target reflect the agreed budget position . £2.2m was approved and delivered in 2015/16

## PT3P Target Savings vs Actual



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. Lessons learned analysis and related feedback taken into account for future programmes. Continued application of Compact principles and values alongside council commitments on coproduction should continue to be applied in developing new investment programmes	

	January	February	March	April	May
1 Chief Executive Report to the F&R Cttee			▶		
2 Report to F&R Cttee on Coproduction and Procurement					▶
3 Executive Committee Grant Awards					
Education Children and Families					
Communities and Neighbourhoods		▶			
Culture and Sport			▶		
Economy				▶	
Health, Social Care and Housing					▶
Planning			▶		
Transport and Environment	▶				

Key: On track In progress Attention

## Project Dependencies

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