Governance, Risk and Best Value Committee

10.00am, Tuesday, 08 March 2022

Change Portfolio

Executive/routine	Executive
Wards	
Council Commitments	

1.   Recommendations

1.1   The Governance, Risk and Best Value Committee notes the status of the Council's Portfolio of significant projects. As with previous reports, a deep dive into a significant project has been included for Elected Members.

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Report

Change Portfolio

2.   Executive Summary

2.1   The Change Board is a monthly meeting of the Corporate Leadership Team (CLT) where the Council's portfolio of significant programmes and projects are considered. It reports every six-months to the Governance, Risk and Best Value (GRBV) Committee. In doing so, the Committee receives an overview of strategic delivery and the associated risks and issues managed by Change Board.

2.2   The appendices contain:

- the dashboard with the status of projects within the portfolio as at the end of February 2022 (Appendix 1);

- those projects which are currently assessed as red along with supplementary narrative on remedial actions (Appendix 1), and;

- the updated Portfolio scoring matrix with new Environmental Impact Criteria (Appendix 2).

3.   Background

3.1   CLT have continued to monitor monthly the overall shape and size of the portfolio and the associated risks and issues. This includes managing resource allocation and tracking project delivery through to close.

3.2   The Change and Delivery team within the newly formed Corporate Services Directorate manage the Change Portfolio and present it monthly. Work has been underway since the last GRBV report to ensure that the programmes and projects which make up the Change Portfolio align to the new senior management structure and the delivery of the Business Plan: Our Future City, Our Future Council.

3.3   To ensure the portfolio is kept up to date, senior management teams review their sub-portfolio on a quarterly basis looking at the programme and projects under their sponsorship and agree key risks, dependencies and decisions required in the following quarter.

4. Main report

Change Portfolio Progress Update

4.1 Currently, there are 41 projects or programmes split across the Directorate portfolios which report into the Change Portfolio. The Directorate portfolios are now as follows:

- Corporate Services, Richard Carr
- Education and Children's Services, Amanda Hatton
- Place, Paul Lawrence
- Strategic Development Investment Board, Paul Lawrence

4.2 Appendix 1 shows the current overview status of each of these projects. The dashboards which are submitted monthly cover project overview, key risks, assumptions, issues and dependencies and resourcing gaps.

4.3 Since reporting in September 2021, three projects or programmes have joined the Change Portfolio:

- Our Future Work Programme
- Council House Building Programme
- Liberton Primary School Project

4.4 They all have strong links and outcomes connected to the Council Business Plan and have been scored using the agreed matrix. This matrix has been updated since the Business Plan was approved, and the revised version can be seen in Appendix 2of this report.

4.5 Each month the red status projects and programmes are discussed by the Change Board, and mitigating actions are considered and agreed where relevant.

4.6 Appendix 1 details the three projects which have been reported as red this month along with mitigating actions. These are: North Bridge Refurbishment, Enterprise Resource Planning and the Depot Strategy.

Update to the Scoring Framework

4.7 The Change Portfolio structure was agreed at Committee on 20 February 2018. This included a framework for prioritisation to ensure the Change Board consisted of emerging projects and programmes which meet the strategic objectives of the Council.

4.8 With the approval of the new Business Plan in 2021 a review of the eight scoring criteria was undertaken and discussed at the Board. The eight criteria in the framework where as follows:

1. Strategic
2. Financial
3. Risk

4. Service Improvement

5. Community/ Environmental impacts

6. Political

7. Staff Impact/ Culture

8. Legislative

4.9   Due to the focus on sustainability in the Business Plan, it was agreed that this should be strengthened within the matrix (Appendix 2).

Deep Dive

4.10   A deep dive is presented every 6-months to GRBV which gives members an insight into how a project or programme work is being delivered. For this update, the Building Standards Improvement Project has been identified as an example of a successful project which has now closed.

4.11   The Building Standards Improvement Project was initiated to deliver improvement actions to a tight timeframe. This followed an audit by the Scottish Government Building Standards Division (BSD) in November 2017, alongside recommendations from Internal Audit concerning the backlog of applications.

4.12   The newly formed project team developed an Improvement Plan which was signed off by Senior management in May 2018. This included new governance arrangements and a Board with senior representation from Legal and Risk, Internal Audit, HR, Finance, Communications and Customer Services and ICT. Resource to focus specifically on improvements to the service were identified sperate from the business as usual work and, key IT upgrades were made to the Uniform ICT system along with the purchasing of Surface Pro devices.

4.13   The project team agreed to deliver improvements through four themes: Leadership, Customer, Performance and Continuous Improvement.

Leadership

4.14   The following actions were undertaken to improve leadership:

- Holding *wicked issue* conversations, using real examples of behaviours that need to be addressed. This required the use of skills matrix to identify gaps; robust workforce profiles; staff stress surveys, staff wellbeing surveys, FED, and business case development training.

- Working with Service and Team Managers to develop the capability and confidence to lead teams and others

- Coaching and mentoring to support leaders

- Workforce profile/skills used to recruit apprentices

- Addressing staff satisfaction and wellbeing through regular surveys and staff forums

Performance

4.15 The following actions were undertaken to tackle backlogs:

- Daily monitoring of performance (visual on whiteboard)

- Clear accountability for team and individual workloads

- Flexible approach to allocation of workload across the service

- Research best practice

Continuous Improvement

4.16 The following actions were undertaken:

- Regular review of all Policies

- Updating procedures as changes were introduced

- Quality Assurance checks against new ways of working

- Root cause analysis if performance dips

- End to end review of processes

- Ongoing development of Technology to underpin new ways of working

Customer Improvements

4.17 The following actions were undertaken:

- Introduction of a Building Standards Newsletter

- Stakeholder Panel (Members from a wide sector of organisations across the City)

- Undertaking outbound calls for satisfaction

- Meetings with larger scale developers across the city

- Developed a new Customer Charter

- Ongoing review of Website

- Introduction of a Pre-Application Service for Major applications

4.18 Through the development of plans in each of these areas the Audit actions where evidenced and closed off, a letter was also received from the Minister for Local Government and Housing, Kevin Stewart confirming City of Edinburgh's alignment of verification with all other local authorities until April 2023. There has also continued to be constructive dialogue with Scottish Government and other Local Authorities keen to learn from Edinburgh's approach.

4.19 The streamlined approaches to service delivery with robust documentation has meant the service is back on track and pre-pandemic the service was exceeding its key performance targets. As at September 2021, there was a slight dip in key performance for 1st Reports (92% against 95% target) and Revised Plans (88% against 90% target) due to the heightened demand caused by Covid-19. As at

February 2022 the service has delivered improvement against targets with 1st Reports (94% against 95% target) and Revised Plans (92% against 90% target).

4.20 In order to continue to embed the change, there is ongoing staff involvement using performance tools, with twice weekly discussions taking place to drive continuous improvement across the service on key performance targets. The service has also supported three Apprentices as they head into their last year of study at Napier with one of them winning the Young Apprentice of the Year award.

4.21 The success of the approach undertaken in Building Standards included the development of a menu of improvement options for Service Areas to use. Examples include cultural behaviours, performance frameworks, customer service and engagement and robust approaches to end to end process reviews. These toolkits will be developed and used again in other improvement projects.

4.22 A number of key lessons learned where highlighted during the Change Board discussion with an acknowledgement that the whole project approach has been successful in driving culture change. The approach is currently being deployed again in developing improvements within the Planning service and considered more widely across the Council.

5. Next Steps

5.1 This report details a high-level summary of the Change Portfolio and details key discussions and actions in the last six months. The Board will continue to meet and discuss the projects and programmes within the portfolio over the next six months.

6. Financial impact

6.1 There are no specific financial impacts of this report, other than those contained in the detail of individual projects. The financial impacts of significant change are also be reported through the revenue and capital monitoring process.

6.2 The purpose of the pack is to give a holistic overview of all the significant change activity in the Council, so we can direct resources accordingly.

7. Stakeholder/Community Impact

7.1 Consultation and engagement activities, either internally or externally, are carried out within individual projects and is addressed in separate reports to Council or committee.

8. Background reading/external references

8.1 Change Portfolio Report May 2021 - Amber Status Programmes and Projects

9.   Appendices
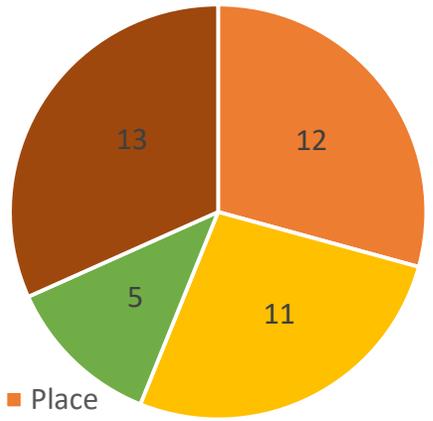
41/41 Projects

13/13
Strategic Development Investment Board

12/12
Place

11/11
Education and Children's Services

5/5
Corporate Services

Projects by DIRECTORATE

- Place — 12
- Education & Children's Services — 11
- Corporate Services — 5
- SDIB — 13

PROJECT RAG STATUS

	Red	Amber	Green	Blue	Grey
FEB-22	3	22	16		
JAN-22					
DEC-21	3	24	13		

0
-2
+3
0
-1

1 Project Closure Report:
➢ Your Pay and Benefits Phase 1

1 Project Closure Request:
➢ New St Crispin's SS

10 PIPELINE Projects to join the Portfolio over the next couple of months.
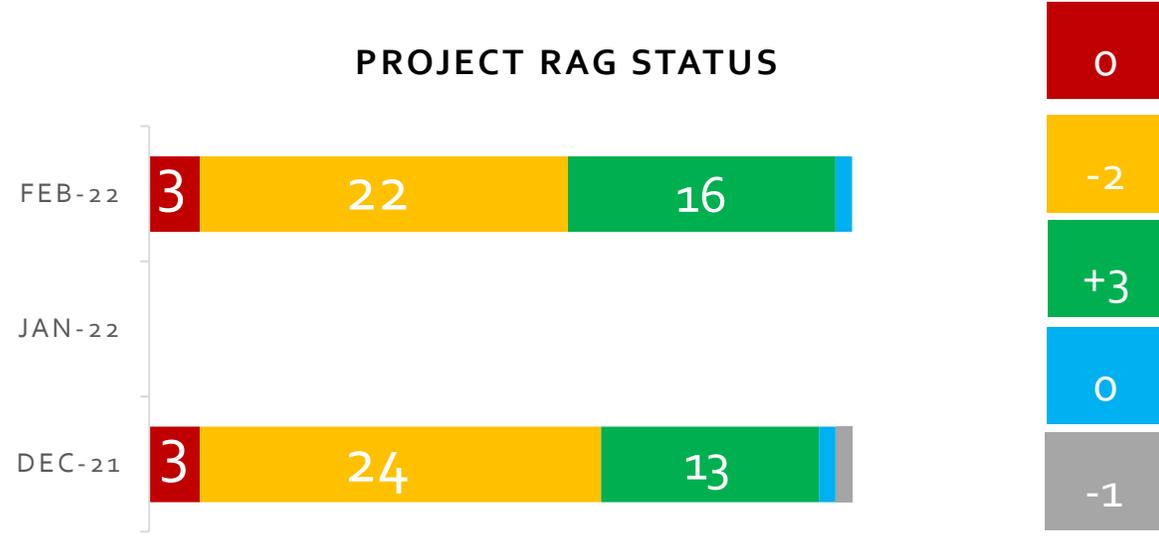
PROJECTS REPORTING RED_3	UPDATE
Depots Strategy	*Financial profile now at risk due to a delayed timeline affected by Covid-19 and Brexit.*
ERP	*A number of bug issues identified during User Acceptance Testing- Cycle 1 which required to be fixed before the project can move forward.*
North Bridge	*Still significant pressures on the programme however revised budget agreed during budget setting 2022/23.*

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Corporate Services
5/5

	Dec./Jan.	Feb.	Theme
Customer Digital Enablement – Phase 2	🟧	🟧	TRM
ERP	🟥	🟥	TRM
Business Intelligence	🟧	🟧	TRM
Digital Service Partnership Savings	🟩	🟩	ES
Our Future Work	🟩	🟩	TRM

Education and Children's Services
11/11

	Dec./Jan	Feb.	Theme
Early Year Programme	🟧	🟧	CC
LAAC File Review	🟧	🟧	MAN
Empowered Learning	🟩	🟩	T/C
New St Crispin's SS	🟧	🟩	CC
New Broomhills PS	🟩	🟩	CC
New Victoria PS	🟩	🟩	CC
New South Edinburgh PS	🟧	🟧	CC
New Craigmillar High School	🟧	🟧	CC
Replacement Currie High School	🟩	🟩	CC
Bangholm Sports Centre, Trinity Academy	🟧	🟧	CC
Liberton Primary School	⬛	NEW	CC

Place
12/12

	Dec./Jan	Feb.	Theme
Communal Bin Review	🟧	🟧	TRM
Housing Service Improvement Project	🟧	🟧	SIP
Depots Strategy	🟥	🟥	TRM
Edinburgh Leisure	🟧	🟧	SIP
Street Lighting (EESLP)	🟩	🟩	CC
North Bridge Refurbishment	🟥	🟥	MAN
Travel Demand & Logistics	🟧	🟧	ES
Cultural Services Review	🟧	🟧	ES
Fleet Services	🟧	🟧	ES
Planning Service Review	🟧	🟧	SIP
Homelessness Programme	🟧	🟧	TRM
SE Scot City Regional Deal	🟩	🟩	CC

Strategic Development Investment Board
13/13

	Dec./Jan	Feb.	Theme
National Housing Trust	🟩	🟩	CC
10,000 Affordable Homes	🟧	🟧	CC
Council Housebuilding Programme	🟩	🟩	CC
Edinburgh BioQuarter	🟩	🟩	CC
Fountainbridge Redevelopment	🟧	🟧	CC
Meadowbank Redevelopment	🟧	🟧	CC
Granton Waterfront Regeneration	🟧	🟧	CC
Edinburgh St James GAM	🟧	🟧	CC
EICC Hotel and Hotel School	🟧	🟧	CC
Asset Condition	🟧	🟧	MAN
Tram to Newhaven	🟩	🟩	CC
20 Minute Neighbourhood	🟩	🟩	T/C
West Edinburgh	🟩	🟩	CC

TRM - Transformation/Change
ES - Efficiencies Savings
MAN- Mandatory/Risk
CC - Council Commitments
SIP - Service Improvement Project

Portfolio Update: Projects Reporting RED - February 2022

The following projects are reporting a RED status. Actions to mitigate or eliminate the impact are proposed below.

Project	Date First reported Red	SRO	Description	Mitigating Actions
Depots Strategy	December/ January 2022	Gareth Barwell	There has been slippage across the whole programme (timeline and cost) over the last six months due to a combination of factors, including delays in lead-in times, procurement, planning and tender returns. This has been aggravated by Brexit, Covid-19 and labour supply and materials issues which are affecting all capital projects. Costs associated with project delivery continue at Red this month as a result of these external factors. There is high potential impact to tender prices and project delivery timeframe. The £210k savings target has been met by Place Directorate in 2021/ 22, however, this is not on a sustainable footing.	The strategy is in the final phase of closing Cowan's Close with staff relocated to other buildings and the site released to HRA for development in 2022. The Depots Strategy is currently refining feasibility and design costs associated with the relocation of the City Archives, the refurbishment of Craigmillar Depot and tender costs associated with Bankhead Depot remodelling. These three projects combined will contribute to the closure of Murrayburn and Russell Road Depots in 2023/25. The Depots financial model may require to be recalibrated during this period based on where we are at this point in time and making sure financial assumptions are as robust as possible. This may include some re-scoping of the project with alternative options depending on the budget position.
ERP	November 2021	Nicola Harvey	There have been a number of bug issues identified during User Acceptance Testing- Cycle 1, as well as outstanding configuration and System Integration Testing elements which need a fix.	Mitigation of the risk relating to build and configuration of the system is underway. However there are still a number of outstanding bugs to be resolved before formal exit from User Acceptance Testing- Cycle 2. A further round of testing scheduled for May 2022 to mitigate risk further has been proposed. Work is underway to mitigate risk in relation to server performance of the Oracle R12 system and Frontier (Horizon) upgrades. There is no overall service impact of the delays at this stage, the importance of getting this system right is the priority.
North Bridge Refurbishment	April 2021	Gareth Barwell	Project remains at Red due to the risk of continued timeline slippage however the budget position has been reviewed and is in place for the current costings.	The overall funding position of the Sustainable Capital Budget Strategy 2022-32 which was reported to and approved at the Finance and Resources Committee on 7 October 2021 shows that the programme is now funded over the 10-year period based on an additional North Bridge Refurbishment pressure of £25.760m. This was validated as part of the Council Budget Setting process on 25/2/22. If the pressure exceeds this, then further re-profiling of priorities, reduction in scope of projects or additional revenue savings to fund the borrowing costs to deliver the Capital Budget Strategy will be required by the service ahead of future budget setting to comply with the terms of the Prudential Code.

APPENDIX 1 - PRIORITISATION AND CATEGORISATION FRAMEWORK

	Agreed Weighting	Low - 1	Medium - 2	High - 3
Strategic	1.0	Does not align to the Council's Strategy Framework	Supports/ enables Council Strategy Framework Business Plan/ Coaltion Pledges, City Vision/ City Deal	Integral component Council Strategy Framework Business Plan/ Coaltion Pledges, City Vision/ City Deal
Financial	1.0	Financial impact revenue/ capital <£1m	Financial impact revenue/ capital £1-5m	Financial impact revenue/ capital £5m + Generates significant savings/income
Risk	1.0	Low probability of the risk materialising which has an impact on the Council's Objectives	Possible that the risk may materialise which has at least a significant impact on the Council's objectives	Greater than 50% that the risk will materialise with at least a significant impact to the Council's objectives
Transformational	1.0	Incremental change to the current service offering	Provides opportunity for a changed service offering such as deploying new software, however the changes does not fundamentally alter the service offering	Provides opportunities to deliver at least one service in a new or significantly different manner
Environmental Impact	1.0	Will have a negligible effect on greenhouse gas emissions and negligible influence beyond the project's control boundary	Leads to an increase/decrease in greenhouse gas emissions (operational and embodied – if relevant)	Leads to an increase/decrease in operational and embodied greenhouse gas emissions in the project's control boundary and potentially beyond through indirect impact/influence
Political	0.7	Negligible/ Minor political implications	Project will require ongoing Committee Scrutiny	Highly sensitive, likely to be subject to Committee debate and scrutiny. Potential for Trade Union interest / Service reductions
Community/ Staff Impact/Culture	0.7	Negligible/ Minor staff implications Minor impact community or stakeholder group	Major staff implications in at least one Service Area Moderate impact on a community/locality	Highly sensitive, likely to be subject to Committee debate and scrutiny. Potential for Trade Union interest / Service reductions
Legislative	1.0	Marginal change to existing regulatory/ legislative framework	New Mandatory Regulatory/ Compliance Project which has an incremental change. Unlikely to carry reputational impact	New Mandatory Regulatory/ Compliance Project with potential of reputational impact