

# WIRRAL COUNCIL

## CABINET

03 FEBRUARY 2011

<b>SUBJECT:</b>	<b>STRATEGIC CHANGE PROGRAMME - UPDATE</b>
<b>WARD/S AFFECTED:</b>	<i>ALL</i>
<b>REPORT OF:</b>	<b>Director of Technical Services / Programme Director (Strategic Change)</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<i>COUNCILLOR JEFF GREEN</i>
<b>KEY DECISION?</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide an update to Cabinet on the Council's Strategic Change Programme.

### 2.0 RECOMMENDATION

2.1 Members note the progress and agree the content of the Strategic Change Programme.

### 3.0 REASON FOR RECOMMENDATION

3.1 Cabinet 9<sup>th</sup> December 2010 recommended that the Lead Officer for the Council's Strategic Change Programme bring an early report on progress of the SCP to Cabinet, which was agreed by Council on 13<sup>th</sup> December 2010.

3.2 The resolution also instructed the Lead Officer for the Council's Strategic Change Programme, the Leader and the Deputy Leader of the Council to brief all members of the Council on the content and progress of the Strategic Change Programme. The content of this report provides the context for this forthcoming seminar.

### 4.0 BACKGROUND AND KEY ISSUES

4.1 A review of the Strategic Change Programme was undertaken at the request of Cabinet on the 24 June 2010. That review was reported to cabinet on the 22 July 2010 and concluded that "programme delivery confidence was red" and "delivery of the programme appeared to be unachievable". Following this review, a number of recommendations were made including that a Strategic Change Programme Office be established under the control of the Director of Technical Services with the primary objective of determining a deliverable Strategic Change Programme.

- 4.2 The Strategic Change Programme Office (SCPO) was established under the Director of Technical Services / Programme Director (Strategic Change) and is based in Cheshire Lines. The primary focus of the SCPO has been to re-state the Strategic Change Programme in order to maximise the successful delivery of outcomes.
- 4.3 Cabinet resolved that a Strategic Change Programme Board (SCPB) be established comprising the Leader of the Council, the Deputy Leader of the Council, the Deputy Leader of the Conservative Group, the Deputy Leader of the Liberal Democrat Group, the Chief Executive, and the Lead Chief Officer for the Programme. The SCPB held its inaugural meeting in August 2010; it is the executive body responsible to Cabinet for deciding on and delivering the Strategic Change Programme.
- 4.4 Detailed planning and review of projects has been undertaken in conjunction with project managers and Chief Officers, which has culminated in a re-stated Strategic Change Programme. These savings were reported to cabinet on the 9 December 2010 and totalled £10.725 million for 2011/12. The profile of the savings is summarised as:
- £1.249 million from Strategic Change Projects (appendix A)
  - £2.630 million from Efficiency Projects / business as usual (appendix B)
  - £6.846 million from the Transformation of Adult Social Services (appendix C)
- 4.5 Given the low confidence in the delivery of the previous change programme, the Programme Director (Strategic Change) has taken a cautious approach to declaring efficiencies. In contrast to the previous change programme, this programme currently specifies budget savings for 2011/12 only. These savings have been reviewed and approved by the appropriate Chief Officer. The Director of Finance has agreed these savings are deliverable from within existing budgets. Analysis has been undertaken to ensure these savings are net of the recent EVR/VS exercise to avoid any “double counting”.
- 4.6 Where there is insufficient detail in specific projects or they require further work to ascertain the benefits, these projects have been included in the programme, but their benefits remain “to be determined” or have been set at zero for budgeting purposes. This will ensure that the programme does not include unrealistic targets, but also allows for cashable benefits from these projects to contribute to efficiencies in subsequent years of the programme (2012/13, 2013/14) or to bridge any deficits, should some projects experience slippage.
- 4.7 The Strategic Change Programme Board initially met every two weeks to ensure the process for re-stating the programme was robust and efficiency targets achievable. Now the programme has been revised, they currently meet every four weeks to closely monitor delivery, discuss project progress, issues and project variations.

#### **4.8 SUMMARY OF PROJECTS INCLUDED**

- 4.8.1 As set out in paragraph 4.3 the projects are currently categorised into three delivery channels, Strategic Change Projects, Business as Usual projects and the DASS Transformation Programme.
- 4.8.2 Strategic Change Projects (appendix A) are those projects that are seeking to fundamentally change the way service is delivered or the council undertakes its business. These projects critically examine:
- Working practices to ensure they are efficient,
  - Skills, tools and support available to ensure staff can deliver in a joined up way,
  - Access channels to ensure people can access services in ways that suit
  - Service design to ensure it meets individual needs.

Such projects should result in a step change in improvement, cost, quality or any combination. In certain circumstances the change may be beyond a departmental team to deliver either because of the nature of the change or skills required.

- 4.8.3 Business as usual activities (appendix b) are primarily actions to reduce cost and therefore do not require the rigorous project management discipline applied to Strategic Change Projects. These activities will be managed through normal governance processes i.e. Cabinet decides, Executive Team implements and Overview and Scrutiny monitors. However, these activities are significant in terms of the efficiencies to be delivered or the risk to the organisation, that the Strategic Change Programme Board requires some oversight.
- 4.8.4 The DASS programme (appendix c) comprises both strategic change projects and business as usual activities which it is deemed beneficial to manage in a single portfolio.

#### **4.9 NEXT STEPS**

- 4.9.1 The Chief Officers are continually assessing resource requirements to ensure the relevant skill and capacity is applied to projects. This is particularly important in light of the recent EVR/VS exercise, which will result in the replacement of some project managers.
- 4.9.2 Projects are currently at different stages of delivery. Some projects are currently held at the project conception stage – an idea or proposal yet to be worked up in any detail. The Strategic Change Programme Office is working with project managers to develop these projects. Work is also ongoing to identify efficiencies and benefits matrices for 2012/13 & 2013/14.
- 4.9.3 Cabinet 9th December 2010 resolved that the recommendations from the Task Forces regarding potential areas for fees and charges are incorporated into the Strategic Change Programme. The Programme Director (Strategic Change) is working with Chief Officers to initiate this.
- 4.9.4 Cabinet 9th December 2010 resolved that a change seminar is arranged for the Programme Director (Strategic Change), the Leader and Deputy Leader of the

Council to brief all members of the Council on the content and progress of the Strategic Change Programme. This is being scheduled for March 2011.

- 4.9.5 The processes established in restating the change programme and monitoring its delivery allow for the expansion of the programme, enabling emerging ideas to be developed into new projects under the “project conception” stage. These ideas are received from several quarters including the staff suggestion scheme, response from staff to the Leader’s emails, the recent MBA projects and members of the public, the consultation exercise and task force recommendations as well as changes in legislation. The Programme Director (Strategic Change) is working with departments to ensure these ideas are incorporated into the programme.
- 4.9.6 A Change Management theme is being developed in collaboration with the Head of HR & Organisational Development to assist in the delivery of the change programme. Change Management is the process of making changes in a controlled way. It is concerned with ensuring change is sustainable and that people cannot go back to the way things were. This theme will enhance the authority’s readiness for change, addressing fundamentals such as the structure and culture of the organisation, as well as capacity building and training.
- 4.9.7 Work is ongoing to ensure the Strategic Change Programme will be embedded within the corporate plan. The SCP will be a key delivery mechanism for achieving the Council’s objectives. Projects within the SCP will be monitored within the corporate plan and will be clearly linked to appropriate objectives. The projects will be incorporated into the authority’s performance management framework and the corporate project management system will facilitate planning, control and delivery of the programme.

## **5.0 RELEVANT RISKS**

- 5.1 The main risk is the non-delivery of benefits, particularly financial, of the Strategic Change Programme. This is mitigated by careful monitoring by the Strategic Change Programme Board, supported by the Strategic Change Programme Office. Risks registers are maintained by project managers. Risks that project managers can no longer control are escalated as issues (via issues logs), through a prescribed process. The Strategic Change Programme Office maintains the risk register for the whole programme.
- 5.2 The Director of Finance undertakes the quality assurance function for the Strategic Change Programme, the results of which will be reported to the Programme Director (Strategic Change). Matters are subsequently referred to the Strategic Change Programme Board by exception or as appropriate by the Programme Director.

## **6.0 OTHER OPTIONS CONSIDERED**

- 6.1 The Council has found the delivery of sustainable change challenging. In re-stating the change programme, the use of consultants has been considered. However the authority has previously embarked on a partnership arrangement with an external provider to deliver change and this was not as successful as originally envisaged. This previous experience and the current financial challenges have led to this option being discounted at this stage. SCPB have also considered a portfolio approach to managing the projects i.e. grouping the projects into themes for delivery. It was believed that this approach would add a layer of complexity during these early stages and this was also discounted. As the programme matures, these options may be further reviewed.

## **7.0 CONSULTATION**

- 7.1 The council worked closely with partner organisations and stakeholders during the “Wirral’s Future - Be Part of it” consultation process which has influenced the content of this programme.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 8.1 Opportunities to involve voluntary, community and faith organisations will be considered within individual projects as agreed in the Cabinet resolution of 9<sup>th</sup> December 2010.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 9.1 The resource requirements of the Strategic Change Programme are currently being met through existing staff resources. Individual projects may impact on staffing, assets and IT; any issues will be raised at Departmental Management Teams. If these are not resolved they will be escalated to the Executive Team for resolution and subsequently to SCPB.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 Not applicable

## **11.0 EQUALITIES IMPLICATIONS**

- 11.1 The SCP recognises the need to ensure that particular groups and communities are not disadvantaged by any changes in service delivery. Projects pay due regard to the local authority’s obligations under the Equalities Act 2010 and ensure that the impact of any changes on particular groups and communities is assessed and mitigating activity put in place where necessary.
- 11.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? An EIA is not required for the programme as a whole; however, where appropriate EIAs have been undertaken for individual projects.

(b) If 'yes', has one been completed? Not applicable.

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 Not applicable

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 Not applicable

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## APPENDICES

### Appendix a: strategic change projects

Ref	Project	Project Manager	TARGET SAVINGS £M		Summary of project
				2011/12	
9	Revenues & Benefits	Malcolm Flanagan	0	This project is scheduled to deliver £2.4m by 2014/15. Savings for 2011/12 are counted within the EVR/VS exercise.	The Benefits Service is to work with the DWP's 'Local Authority Performance Division's (LAPD) 'Performance <i>Development Team (PDT)</i> assisting in the review of processes to help introduce further improvements in the administration of HB/CTB.
10	CAS: Streetscene	Malcolm Flanagan	0	The savings associated with this project are counted within the EVR/VS exercise.	Review and implement revised processes for handling StreetScene related services.
11	ICT Strategic Review	Geoff Patterson	0	This project is scheduled to deliver £1.2m by 2014/15. Savings for 2011/12 are counted within the EVR/VS exercise.	<p>Reorganisation of IT Services following strategic review to improve service and reduce costs.</p> <p>Investment in desktop technology in support of the Office Accommodation Review and to reduce costs.</p> <p>Investment in server technology in support of the Office Accommodation Review and to reduce costs.</p> <p>Investment in telephony in support of the Office Accommodation Review and to reduce costs</p>
16	Looked After Children	Julia Hassall	0	This project aims to stabilise the budget in 2011/12 and deliver £2m savings by 2014/15.	Reduction of costs of provision for Looked After Children
17	CYPD Management Review	Andrew Roberts	0	The savings associated with this project are counted within the EVR/VS exercise.	Reduction of departmental staffing costs through efficiencies, structural change and service review.
19	Disposal of assets	Ian Brand	0.481		<p>To implement the recommendations of the Strategic Asset Review in respect of Community Asset Transfer.</p> <p>To rationalise the Council's operational buildings in response to changes in</p>

			TARGET SAVINGS £M		
					<p>service delivery.</p> <p>To recommend appropriate schemes of investment and improvement to retained assets.</p>
20	Office Rationalisation	Ian Brand	0.368		<p>Savings in annual revenue costs</p> <p>Optimise value for money and efficiency in the use of administrative accommodation</p> <p>Modernise working environments and deliver a greater degree of agility within the workforce</p>
24	PACSPE	Mark Smith	0.2	A further £1m savings are counted within the EVR/VS exercise.	A procurement exercise to transfer the service to a single provider to achieve significant efficiencies and improvement in service delivery.
58	Shared Services	David Green	TBD	Financial benefits are still to be determined.	This project is still at the project concept stage and is concerned with researching potential shared services opportunities that may exist with other partner agencies, local Authorities and partnerships.
60	General Restructure	Chris Hyams	TBD	Benefits net of the recent EVR/VS exercise will be determined once the project has progress beyond project concept to project approval stage.	This project is still at the project concept stage and is concerned with the reduction in management staffing costs through efficiencies, structural change and service reviews.
65	Facilities Management	Ian Brand	TBD	Financial benefits net of the recent EVR/VS exercise are to be finalised.	This project will deliver a centralised Facilities Management service across authority owned buildings, and achieve cost efficiencies through a new approach to service delivery.
66	Transforming Business Support	Chris Hyams	TBD	<p>Some financial benefits have been realised as part of the recent EVR/VD exercise.</p> <p>Additional financial benefits will contribute to future year's savings.</p>	<p>This project will deliver real transformation across the council. It will change systems, processes, workforce skills and culture by modernising our business processes driving efficiency, effectiveness, and value for money throughout the council.</p> <p>The project will establish new ways of working to deliver administrative processes which are predicated on standardisation, consolidation and automation across the organisation.</p> <p>This will be implemented using a phased approach with initial focus on:</p> <ul style="list-style-type: none"> <li>• Absence management</li> <li>• Expenses (including petty cash) &amp; Car mileage</li> </ul>

			TARGET SAVINGS £M		
					<ul style="list-style-type: none"> <li>Employee and Manager self service</li> </ul> <p>It is anticipated that the scope of the project will be broadened to include delivery of modules such as Timesheet submission, Recruitment, People Development and Learning and Occupational Health and Safety at a later date.</p>
67	Procurement: Electronic Payments	Ray Williams	0.2		This project is one of three integrated initiatives that will deliver savings and efficiencies to support front line services, achieve value for money from its procurement and payments activity at a critical point in terms of the Council's financial challenges.
68	Procurement: Category Management	Ray Williams	0	This project enables the efficiencies in project 67 to be realised.	The project will reorganise the Corporate Procure to Pay function from its existing two sections into a category based operation. This will improve service, improve compliance with procurement procedures and reduce back office administrative costs.
69	Procurement: Purchasing co-ordination & system control	Ray Williams	0	This project enables the efficiencies in project 67 to be realised.	The project will reorganise the purchasing coordinator function from its existing devolved part time activity across 6 departments, 40 individuals and broad salary grade range to a single unit managed within corporate procurement with 6 full time purchasing coordinators organised within a category management regime and standard salary grading.

## Appendix B: EFFICIENCY PROJECTS / BUSINESS AS USUAL

Ref	Project	Responsible Officer	TARGET SAVINGS £M		Summary of project
			2011/12		
1	Procurement	Ray Williams	2		This activity focuses upon specific contracts as they are due for renewal this year and over the next three years and sets savings targets from reduced unit cost. The project approach includes a monitoring system to show the effect of each contract as it is let, detail whether unit costs were reduced or increased, the budgetary impact and the service areas that are affected.
26	Street Lighting	Kevin Ellis	0.05		Installation of a Street Lighting Management System to monitor energy usage and enable lighting to be dimmed, resulting in efficiency savings.
27	Traffic Management	Mark Smith	0.15		A move from reactive to planned service delivery for traffic management through a service review based on "Lean" principles.
28	HAMS	Shaun Brady	0.1		This project relates to the procurement of an ICT system to manage Highway Assets.
31	Energy Efficiency	Ian Brand	0.08		This activity consists of three energy efficiency schemes at various sites to reduce operating costs, save energy and reduce CO <sub>2</sub> emissions.
39	Printing review	Geoff Patterson	0.25		Revisit current print strategy and develop 2 year plan to reduce costs by a minimum of £500k which would, among other initiatives, look to replace high cost local networked printers with larger, more cost effective Multi Functional Devices and by rationalising two main reprographics operations into a single point of operation at Birkenhead.
42	Balances & Reserves	Tom Sault	1.2	Cabinet (09/12/2010) agreed to return to General Fund Balances	Review of all current reserves and balances.
44	Contract Review	Ray Williams	0	Financial benefits are still to be determined.	In accordance with Minute No 64 of Cabinet dated 22 July 2010, a co-ordinated and full review of existing contracts is to be undertaken to identify and achieve any opportunities which are in the financial interests of the Council.
55	Review of employee pay costs.	Chris Hyams	TBD	Financial benefits are to be determined following the initial analysis and conclusion of the review.	Review of the current pay costs e.g. essential and casual car user allowances, as part of a wider exercise to reduce the current costs associated with employing people.  Identify the additional pay costs to salary that could change to realise savings in the costs of employing people.
56	Review of Capital Programme	Tom Sault	TBD	Financial benefits are still to be determined.	A review of the capital programme to validate each project and agree its continuing relevance and to ensure the relevance of the Capital programme to release capital commitments. Cabinet (09/12/2010) resolved any change to financial requirements be reflected in the budget projections.

57	Review of Fees & Charges	Tom Sault	TBD	Financial benefits are still to be determined.	To review the current charging system of all services the council provide.
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## Appendix C: DASS TRANSFORMATION PROGRAMME

Ref	Project	Project Manager	TARGET SAVINGS (£M)		Summary of project
			2011/12		
2	Assistive Technology	Angie Carter	0	Financial benefits are to be evaluated.	The Project aims to use new technology such as falls detectors, movement sensors, etc to reduce people's reliance on traditional support services (eg home care), which will lead to 'cashable savings', or avoid incidents that could lead to more expensive intervention and support (cost avoidance). The latter aims to offset the projected increase in demand and may become 'cashable' if it avoids the existing cohort of supported people being replaced by the next. The aim is to deliver assistive technology to 14,500 people by March 2013.
3	Market Management	Mike Fowler	5.37		Implement Outcomes based framework agreement for Personal Support at Home to replace Contracts for Home Care and Supported Living from 1st April 2011. The primary purpose is to promote personalisation and deliver efficiencies.
5	Learning Disabilities	Jayne Marshall	0	This project aims to stabilise the budget and manage growth within existing resources. This will result in reduced expenditure of approximately £4.8m.	The Project aims to re-shape services for people with a learning disability in Wirral in order to stabilise the budget which was £4m overspent in 2009-10. This does not constitute a reduction in the base budget for learning disability services, rather a reduction in spend in order to balance the budget. Furthermore demand is expected to rise by an average 29 people with complex needs per year over the next 10 years representing approximately £0.8m unavoidable growth per year. This re-shaped offer to people with a learning disability in Wirral will minimise the need to include this as growth in annual budget setting process.
6	Re-provision of in-house Care Services	Christine Beyga	1.476		This project will ensure respite and intermediate care currently provided at Mapleholme, Pensall, Poulton, Meadowcroft and Fearnleigh is re-provided by suitable voluntary, community, faith-based or independent sector organisations.
7	Transport	Christine Beyga	0	The savings associated with this project are counted within the EVR/VS exercise.	This project aims to develop and procure a joint contract for the provision of passenger transport, merge back office staff teams for DASS and CYP SEN Transport and reduce costs of current operation.
33	Personal budgets	Paula Neate	0	There are no savings directly associated with this project.	To implement personal budgets so that by April 2011 at least 30% of eligible service users/carers will have a personal budget.
34	Early Intervention	Maura Noone	0	Financial benefits are still to be determined.	This Project will develop services that prevent people from requiring social care, by providing good information, advice, low level practical support, healthy living support, appropriate housing options, re-ablement and crisis response services.

43	Third Sector Contracts	Maura Noone	TBD	Financial benefits are still to be determined.	This project is still at conception stage and will be managed as part of the Big Society agenda.
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## REFERENCE MATERIAL

Review of Strategic Change Programme, Cabinet, 22 July 2010

Wirral's Future - Be Part of It: Taskforce Options & Recommendations, Cabinet, 9 December 2010

Budget Projections 2011-15, Cabinet, 9 December 2010

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Cabinet	07 February 2008
	10 December 2008
	23 April 2009
	15 October 2009
	14 January 2010
	24 June 2010
	22 July 2010
Council Excellence Overview & Scrutiny	28 October 2010