WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW & SCRUTINY COMMITTEE

26 MARCH 2012

SUBJECT:	STRATEGIC CHANGE PROGRAMME
WARD/S AFFECTED:	*ALL*
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	*COUNCILLOR JEFF GREEN*
KEY DECISION?	YES

1.0   EXECUTIVE SUMMARY

1.1   The purpose of this report is to update the Strategic Change Programme (SCP) for 2011/12 and to recommend a schedule of projects for the next three years.

1.2   The report also provides an outline of the major projects that the Change Team will be addressing in 2012.

1.3   The SCP was amended and subsequently agreed by Cabinet on 21 February 2012. This report reflects the amended SCP.

2.0   RECOMMENDATION

2.1   That the revised Strategic Change Programme be noted.

3.0   REASON FOR RECOMMENDATION

3.1   The Strategic Change Programme has been reviewed and revised.

4.0   BACKGROUND AND KEY ISSUES

4.1   Council Excellence Overview and Scrutiny Committee received the last update on the SCP on 17 November 2011. The position as regards 2011/12 and 2012/13 was set out in this update. (Appendix 1)

4.2   Chief Officers have subsequently developed a revised SCP for 2012/15. (Appendix 2)

4.3 This report outlines the actions that propose budgetary savings within the revised SCP and some of the major projects where the Change Team will be assisting delivery.

4.4 **Finance**

(a) Procurement: The £1.2m is the estimated procurement savings as reported to Cabinet on 2 February 2012.

(b) Income: The £1m additional saving each year is based on income increasing year on year by 3% In addition, income reviews are to be undertaken by each Chief Officer to identify income opportunities through benchmarking and comparison with other local authorities. The SCP projections will be updated when the impact of this exercise is reported on by Chief Officers.

(c) Benefits Welfare Reform: The phased implementation of Universal Credit between 2013 and 2017 will have major implications for the Benefits Services provided by the Authority. The overall financial implications of these changes remains unclear but an estimate of an annual saving of £1m has been included. This is a major change project for the Authority which will be updated as information is received from the Department for Work and Pensions (DWP).

(d) Benefits Lean Review: The £1.2m is based on the results of the Lean Review undertaken jointly with the DWP and is the final element of a total saving of £2.4m.

(e) Printing Review: The £150,000 is based on adopting the printer strategy agreed by the Cabinet on 17 March 2011. This strategy centres on the removal of personal printers and their replacement with fewer centrally positioned high capacity printers under a single contract. This contract has been retendered and should realise £150,000 in 2012-13.

(f)   <u>ICT Strategic Review</u>: This project is targeted to save £1.7m over the period 2011-15. A saving of £1m was delivered in 2011-12 and the projected savings for the remainder of the project are £400,000 in 2012-13, £210,000 in 2013-14 and £90,000 in 2014-15.

(g)   <u>Libraries and One Stop Shops Merger</u>: The ongoing merger of the Libraries and One Stop Shops to create a unified service commenced in 2011. Savings in future years, following the delivery of savings of £1.7m in 2011-12, could be about £200,000 per year.

4.5   **Technical Services**

(a)   <u>Street Lighting</u>: The £100,000 is based on the "Dimming Policy" being extended beyond the original trial on 900 street lights as reported to Cabinet on 3 September 2011.

(b)   <u>Biffa Review:</u> This contract is to be reviewed prior to any agreement on the break clause in the contract which is effective from August 2013. It is not possible to estimate the savings at this stage.

4.6   **Adult Social Services**

(a)   <u>Prevention Services</u>: The £0.5m is based on a combination of two actions:

– A review of all voluntary, community and faith sector contracts which is seeking to re-commission this activity at a more efficient cost. The annual cost of existing contracts with the Voluntary Sector is £2.5m.

– The Promoting Older People's Independence Network (P.O.P.I.N.) consists of a team of ten advisors who work across Wirral and visit people aged 65 and over in their own homes. The cost of providing this service is £519,100 including recharges, £329,400 excluding recharges. The Department will consider this function alongside other similar areas of activity provided by the voluntary, community and faith sector with a view to making efficiency savings.

(b)   Commissioning: Alternative commissioning could save £1.6m as reported to Cabinet on 2 February 2012.

4.7   **Law, HR and Asset Management**

(a)   Disposal of Assets: The £100,000 is the anticipated savings for the schedule of disposals for 2012/13.

(b)   Office Rationalisation: The £260,000 is based on the now completed sale of Westminster House followed by Willowtree and the Old Court House.

(c)   Facilities Management: The £0.5m is based on reductions in overtime and repair budgets combined with a re-modelling of the service involving centralisation and a reduction in staff numbers.

(d)   Transforming Business Support: The £2.3m is based on actions to implement more effective and efficient methods of working including HR Selfserve and Procure to Pay processes.

(e)   Employees Terms and Conditions: The £2.3m is based the potential savings that could result from consultation and review of such aspects as car allowances, overtime, absences and travel allowances.

CHANGE TEAM ACTIVITIES FOR 2012

4.8　　The Team will continue facilitating, guiding and supporting departmental staff and Chief Officers as they prepare for and deliver their projects. However in certain cases the Team will take direct control of the actions and lead the project teams. The reason for taking this direct lead is where the project has major implications for the whole Council but there is limited departmental capacity to determine and manage delivery of any changes.

4.9　　The Change Team currently comprises six staff including a seconded Chief Accountant and the plan for 2012 focuses upon two specific actions: an end to end review of Adult Social Services; and re-starting the stalled Transforming Business Support project. These two projects are described in more detail in the following sections.

ADULT SOCIAL SERVICES REVIEW

4.10　The proposal is to set up a team to examine and propose changes in a nine month timeframe that improves service delivery, efficiency and asset usage whilst identifying any significant budgetary savings that may arise. The aspects that would be examined by these actions would include the following topics:

- Removing any service that is no longer required,

- Improving effectiveness of service delivery and support processes,

- Improving productivity and restructuring accordingly,

- Rationalising office space,

- Reviewing contracts for goods and services.

4.11　The principles adopted in approaching this project would embrace those set out in the Transforming Business Support programme. If the approach proves a success, then this will start a rolling programme of departmental reviews.

4.12　It is envisaged that the Review Team will comprise work stream leaders for each of the aspects being reviewed and coordinated by a programme manager reporting to the Director of Adult Social Services. The joint initial planning will start in March. The first target is to set out the reporting arrangements, terms of reference, an action plan, outcomes, milestones dealing with the scope of work, team structures, staff secondments, work streams organisation and timescale. These details will form the framework for delivering the project and it is planned that the project delivery could start in May 2012 for completion in January 2013. The outcomes would be a series of proposals as regards improvements and efficiencies as they become apparent from the work streams.

TRANSFORMING BUSINESS SUPPORT (TBS)

4.13　The efforts to date have been limited to the implementation of HR Selfserve functionality. This project is running behind schedule and is on hold pending the release of HR staff from other tasks. The first phase requires completion so that car claims, expenses, annual leave and other absences can be managed online. This will reduce administrative processes and paper from HR and across departments. The Change Team will take direct control of this project but this relies on those HR staff that are key to its delivery being released from other duties and located in the project office.

4.14　However TBS extends beyond HR Selfserve: The Change Team will be managing the following actions as part of the TBS programme. These activities impact on all departments and will be addressed sequentially by the Change Team with appropriate support from departments and IT Services. The target for 2012 will be to deal with the following:-

Phase 1 HR Selfserve

- Asset and facilities management,
- Procurement,
- Performance Indicators and Corporate Planning System,
- Personnel files,
- Simplified and standardised HR Processes.

The details of the full range of TBS actions currently identified are summarised as follows:-

(a) Asset and facilities management: This covers the £0.5m savings to be derived from:-

- The centralisation of the asset management teams and replacement of the current multi sets of Tribal software and other databases with a fit for purpose asset management system. This will enable the planned efficiencies to be realised. A suitable off the shelf system would cost around £50,000 and a business case shows it would recover its costs in the short term.

- Complete the implementation of the FM project with the predicted savings.

(b) Procurement: This would require a specific team and IT Services support for invoice scanning if that route is chosen. However, the areas of immediate concern are:-

- to make the system meet the needs and expectations of users so that the current low level of use increases to 100% with consequences for those who do not adopt the corporate approach.

- to centralise invoice processing in a manner which improves control, and speed of processing, and reduces costs.

(c)   Performance Indicators and Corporate Planning System: This centres on replacing PIMS using the Concerto Project Management System.   This would enable a corporate solution to replace the multitude of separate files and enables efficient planning and reporting processes.

(d)   Personnel files: A corporate electronic system for handling all personnel data rather than having a paper based system or one where papers are scanned then archived.

(e)   Simplified and standardised HR Processes: HR and similar processes are validated as to their affect on efficiency such that only those that are fundamental to the service or welfare of employees are enacted.   The suspended HR Selfserve offers an opportunity to validate each process. Flexi time and its recording is one aspect that HR Selfserve ignores and yet may improve efficiencies.

(f)   Office systems: Internal communications, WEB online forms, document management, case management work flows, mail, couriers, e-signatures, paper based archives, electronic archives and scanning: This focuses on:-

- The removal of paper based processes and storage leading to improved efficiencies, ease of flexible working and use of office space.   The drivers include preventing the misuse of the paper archive, controlling its growth and supporting office re-location and rationalisation.

- Improved communications using email to all employees with a corresponding removal of paper being circulated.

- Appropriate levels of electronic processing and centralised processing of both inward and outward mail. This would embrace outward mail production and use of templated WEB online forms by staff.   The drivers are efficiency and improved services.

(g)   Petty cash and P-Cards: A viable area of investigation with evidence held by the Change Team indicating that efficiencies and improvements are possible.

(h)   Internal Help Desk: Centralised functions to cover HR, ICT, Asset Management and other internal services. The drivers are the potential for improvements and efficiencies.

(i)   Standardised desktop: A longer term move towards standardised office spaces, seating, telephone, printing, IT facilities and storage. The potential benefits would be the facilitation of agile working contributing to office rationalisation.

(j)   Performance Management Processes: A corporate system for handling all performance management procedures and data rather than having a paper based system.

(k)   Business intelligence for managers and Business intelligence for service providers: The aspiration to provide all employees with the information they need to do their job in an accessible suitable form. This can mean budget holders with Selfserve financial reports through to a Helpdesk having improved software to manage calls.

5.0   RELEVANT RISKS

5.1   The main risk is the non-delivery of benefits, particularly financial, of the Strategic Change Programme.

5.2   Independent assurance on project delivery is provided by Internal Audit. Risk registers are maintained by project managers. Any risks which managers can no longer control are escalated as issues.

6.0   OTHER OPTIONS CONSIDERED

6.1   Not applicable

7.0 CONSULTATION

7.1 Consultation will be undertaken by Chief Officers for those projects for which it is required.

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.

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

9.1 The revised change programme (Appendix 2) indicates potential savings for 2012-13 of £7.8m, for 2013-14 of £4.4m and for 2014-15 of £4.3m.

9.2 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.

10.0 LEGAL IMPLICATIONS

10.1 Not applicable

11.0 EQUALITIES IMPLICATIONS

11.1 Not applicable

11.2 Equality Impact Assessment (EIA)

a. Is an EIA required?   No

b. If 'yes', has one been completed?   No

12.0 CARBON REDUCTION IMPLICATIONS

12.1 Not applicable

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Not applicable

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	23 April 2009
Cabinet	15 October 2009
Cabinet	14 January 2010
Cabinet	24 June 2010
Cabinet	22 July 2010
Council Excellence Overview & Scrutiny	28 October 2010
Council Excellence Overview & Scrutiny	31 January 2011
Cabinet	3 February 2011
Council Excellence Overview & Scrutiny	15 September 2011
Council Excellence Overview & Scrutiny	17 November 2011
Cabinet	21 February 2012

APPENDIX 1: Strategic Change Programme presented to Council Excellence Overview and Scrutiny Committee 17 November 2011.

Project	Project Manager	2011/12 £000		2012/13 £000
		SCP Savings Agreed	Current forecast 17/11/11	
Procurement	Ray Williams	2000	2000	2000
Market Management	Steve Rowley	5370	3740	847
Learning Disabilities	Jayne Marshall	0	0	0
Re-provision of in-house Care Services	Christine Beyga	1476	1476	0
Revenues & Benefits	Malcolm Flanagan	1200	1200	1200
ICT Strategic Review	Geoff Paterson	400	400	400
Looked After Children	Julia Hassall	0	0	70
Disposal of Assets	Ian Brand	481	212	0
Office Rationalisation	Ian Brand	368	110	259
Parks & Countryside Services	Mark Smith	200	200	0
Street Lighting	Kevin Ellis	50	50	100
Traffic Management	Mark Smith	150	150	0
Highways Asset Management	Shaun Brady	100	100	0
Energy Efficiency	Ian Brand	80	30	0
Printing review	Geoff Paterson	250	250	250
Contract Review	Ray Williams	500	500	0
Review of Employee Pay Costs	Chris Hyams	0	0	0
Facilities Management	Ian Brand	0	0	500
Transforming Business Support	Chris Hyams	0	0	0
Procurement: Electronic Payments	Ray Williams	200	200	0
Total		12825	10618	5556

Action	Responsible Officer	Potential Revenue Savings £000			
		2012/13	2013/14	2014/15	Total
FINANCE					
Procurement	Ray Williams	1200	-	-	**1200**
Income - 3% increase	Tom Sault	1000	1000	1000	**3000**
Benefits Welfare Reform	Malcolm Flanagan	-	1000	1000	**2000**
Benefits Lean Review	Malcolm Flanagan	1200	-	-	**1200**
Libraries and OSS Merger	Malcolm Flanagan	200	200	200	**600**
Printing Review	Geoff Paterson	150	-	-	**150**
ICT Strategic Review	Geoff Paterson	400	210	90	**700**
TECHNICAL SERVICES					
Street Lighting	Kevin Ellis	100	-	-	**100**
Biffa Review	David Green	-	-	-	**-**
ADULT SOCIAL SERVICES					
Prevention Services	Graham Hodkinson	500	-	-	**500**
Departmental Review	Graham Hodkinson	-	-	-	**-**
Commissioning	Steve Rowley	1600	-	-	**1600**
LAW, HR AND ASSET MANAGEMENT					
Disposal of Assets	Ian Brand	100	-	-	**100**
Office Rationalisation	Ian Brand	260	-	-	**260**
Facilities Management	Ian Brand	500	-	-	**500**
Transforming Business Support	Chris Hyams	300	1000	1000	**2300**
Employees' Terms and Conditions	Chris Hyams	300	1000	1000	**2300**
Totals		**7810**	**4410**	**4290**	**16 510**