East Lothian
Council

REPORT TO: Policy and Performance Review Committee

MEETING DATE: 11 January 2017

BY: Depute Chief Executive (Partnership and Services for
                    Communities)

SUBJECT: Transformation Programme Update

1   PURPOSE

1.1   To provide the Committee with an update on the Council's
       Transformation Programme.

2   RECOMMENDATIONS

2.1   The Committee is asked to note the update.

3   BACKGROUND

3.1   The Council has set itself high ambitions – to move from improvement to
       excellence in order to achieve the Council Plan and Single Outcome
       Agreement at a time of reducing resources and increasing demand and
       cost pressures. The Council has already undergone significant changes
       which have helped to shape the Council to be leaner, more responsive,
       more agile, and more innovative to implement solutions that will support
       the communities of East Lothian.

3.2   Transformation has been underway for several years and has delivered
       major changes in the council structure, and how things are done,
       delivering budget savings in line with the Council's financial strategy.
       This has been both an organic process – a wide range of change activity
       has taken place from the bottom up – as well as part of a defined
       programme or series of projects, which have included:

       • Worksmart – flexible working, allowing staff to work from home
         and in a more agile way thereby reducing overhead costs and
         increasing efficiency and allowing accommodation rationalisation
         which resulted in significant release of space for either sale or
         alternative use

- Buysmart and Procurement Improvement generating savings in the cost of procuring some goods and services such as photocopying services
- Efficient Workforce Management including:
  - two phases of senior management re-structuring that reduced the number of senior managers in the Council by about one-third
  - service reviews which have contributed to a significant reduction in staffing costs whilst protecting services
  - a Voluntary Early Release Scheme that shed nearly 100 staff and generated savings of around £3m per annum
  - prudent vacancy monitoring and more creative use of resources
- Establishment of Area Partnerships with devolved budgets – delivering on the commitment to empower communities
- Health and Social Care Integration.

3.3 However, as the squeeze on public sector resources intensifies and pressure from the Scottish Government grows to speed up the delivery of public sector reform, the Council will have to be more focused on key priorities. The delivery of these priorities at a time of reducing finances and radical public sector reform will require renewed focus on change and transformation.

3.4 The Council's Financial Strategy 2016/17 to 2018/19 highlighted that the identification and deliverability of recurring savings remains critical to deliver a three year balanced budget, with the need to drive forward an enhanced programme of transformational change whilst at the same time delivering high quality service provision. The Financial Strategy 2015/16 to 2017/18 highlighted that the Council's transformational change programme should include a programme of service redesign where appropriate through Best Value Reviews and options appraisal, which will take into consideration the potential to work in partnership with East Lothian voluntary organisations, businesses and social enterprises.

3.5 In order to ensure that progress is made in the key elements of the drive for further improvement and Best Value, the Council has established a defined Transformation Programme. The Programme will include the on-going Council wide initiatives (detailed above in para 3.2) as well as major 'short-life' projects. The projects forming part of the Transformation Programme will have an agreed Business Case, project initiation document, timeline etc.

3.6 In order to support the delivery of the programme a Transformation Programme Team has been established. The Team, which is based within the Corporate Policy and Improvement service, comprises a Transformation Programme Manager, five (four full time equivalent) Project Managers and a Graduate Intern Research and Administrative Assistant. The Team has been funded for a two-year period through the Cost Reduction Fund.

3.7   The Transformation Programme Manager reports on progress with projects and the Programme to the Council's Executive Team – Chief Executive and two Depute Chief Executives – which provides strategic oversight and governance for the Programme. Each Project has, or will have, a Project Board chaired by a Head of Service that will oversee the project, monitor progress and provide governance for the project.

3.8   Key projects that have Council-wide impact and involve several services and form the core part of the Transformation Programme are listed below with a brief update on progress.

3.8.1   Review of Council accommodation requirements and new ways of working

This project has had two aspects to date. The biggest element of the project has been the development of options for the use of the former Court Building involving the co-location of police from the Haddington Police Station into a Collaborative Hub in John Muir House as reported to Cabinet (11 October 2016). Since the Cabinet report further work has been undertaken to firm up on options and costs for the preferred co-location option and a business case is being submitted for approval by Police Scotland in February 2017.

The second aspect of the accommodation and new ways of working project has been the development of agile and mobile working within the Planning Service which has allowed the service's office accommodation to be re-configured into an open plan office within John Muir House. This will generate greater efficiency within the service and has released some space for alternative accommodation uses within John Muir House.

3.8.2   Electronic Data Retrieval Management System (EDRMS)

The Council has been developing its use of electronic data retrieval and management (EDRMS) for several years. The current contract for the software that supports EDRMS was extended until June 2018 EDRMS supports more efficient workflow and 'paperless' operations as well as improved records and document management. The project is developing various options for further development and roll out of the system to services, including cross-departmental working and sharing of documentation and information.

3.8.3   Implementation of a Digital Strategy, the redevelopment of the Council's website and provision of on-line services

The main focus of this project to date has been preparing the specification to enable procurement of design and provision of a new Council website that will be fully responsive (allowing full access on mobiles and tablets as well as laptops and PCs) and support the development of on-line services and payments. The procurement of the new website will take place in early 2017 and it is hoped that the new website will be set up by late summer 2017.

The project is also considering option for developments in relation to the Council's booking system, on-line payments, the Customer Relationship Management (CRM) system and the greater use of the National Entitlement Card and Young Scot Card.

3.8.4 Exploiting opportunities for income generation

The main focus for this project has been consideration of options for reducing expenditure and raising income from energy such as exploiting renewable energy sources and developing a 'trading' arm. Some Scottish councils such as City of Edinburgh and Fife Council and English Councils such as Nottingham City Council have developed various initiatives which could act as models for East Lothian Council. These options will be considered in briefing sessions being held in mid-January and the Project Board will consider which of these should be explored in greater depth.

3.9 Other projects which are being scoped out but have not yet been formulated into specific projects, include the use of alternative service delivery models such as arms length external organisations, trading companies, social enterprises and strategic partnerships with other local authorities.

3.10 Progress on each project will be reported to Cabinet as decisions are required on policy matters of funding not included within Council budgets.

4 POLICY IMPLICATIONS

4.1 The Transformation Programme is crucial in supporting the achievement of transformational change required to deliver major changes in the council structure and how services are delivered as well as the delivering budget savings in line with the Council's financial strategy

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial – the cost of the Transformation Programme Team are being met from the Cost Reduction Fund. The Financial Strategy 2017/18 – 2019/20 and draft budgets to be considered by the Council budget setting meeting in February will include updates on the costs and savings allocated to the Transformation Programme and any projects that have progressed to the funding stage.

6.2 Personnel – a Transformation Programme team has been established to support the delivery of the Programme. The team will be supported as required by staff from council services involved in developing and implementing specific projects.

6.3 Other – none.

7 BACKGROUND PAPERS

7.1 East Lothian Council's Financial Strategy 2015-16 to 2017-18; East Lothian Council, 10 February 2015

7.2 East Lothian Council's Financial Strategy 2016/17 to 2018/19; East Lothian Council. 9 February 2016

7.3 Smarter Working for Better Outcomes: Opportunities for collaborative working with Police Scotland through co-location at John Muir House; Cabinet, 11 October 2016

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