



AGENDA ITEM

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**BUSINESS
TRANSFORMATION
UPDATE**



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FALKIRK COUNCIL

Subject: **BUSINESS TRANSFORMATION UPDATE**
Meeting: **EXECUTIVE**
Date: **07 June 2016**
Author: **DIRECTOR OF CORPORATE AND HOUSING SERVICES**

1. INTRODUCTION

- 1.1 The purpose of this short report is to provide Members with an update on progress with projects being taken forward as part of the Council's Business Transformation agenda.
- 1.2 As Members are aware, the fundamental aim of Business Transformation is to streamline and modernise processes and services. It comprises a suite of projects and initiatives, some of which are complex, cross-cutting, and multi-year.
- 1.3 These sit alongside the financial budgeting process, and form a key element of the wider budget framework.

2. KEY BUSINESS TRANSFORMATION PROJECTS

- 2.1 The Business Transformation (BT) Board continues to be responsible for overseeing and monitoring progress. Taking on board comments made by Audit Scotland in their 2015 Audit of Best Value and Community Planning, the BT Board now comprises the Leader of the Council, Leader of the Opposition, the Chief Executive, Directors of the Council, and the Head of Social Work Adult Services. The Board considers update reports from the senior managers responsible for progressing individual workstreams, and these update reports form the basis of this paper.
- 2.2 As previously agreed, the minutes of the BT Board are submitted to the Member Budget Working Group.
- 2.3 The following sections provide a brief update on progress with key BT projects.

Support Services Transformation and Review (SSTAR)

- 2.4 The SSTAR project aims to significantly streamline and modernise clerical / admin / support activity and associated processes across all Services. The objectives of the project are to:
 - Create a single managed structure within Corporate and Housing Services for all staff involved in clerical / admin / support service activities; and
 - Achieve savings in clerical / admin / support service costs by March 2018:
 - Reduction in FTE – circa 40; and
 - Staffing Cost Savings – circa £500k.
- 2.5 Savings totalling £240k have been achieved to date, and the project is on target to meet the above savings targets.

- 2.6 Due to the complex and multi-Service nature of this project, a separate SSTAR Project Board has been established, accountable to the BT Board. The SSTAR Board meets on a bi-monthly basis and considers updates on developments with bringing employees into the SSTAR structure, as well as on systems and processes that are being streamlined and re-designed.
- 2.7 The SSTAR project is progressing in line with the agreed Project Initiation Document. A suite of processes for re-design has been identified, and these are being progressed drawing on business analysis work undertaken by the SSTAR Project Team (this includes process mapping, task analysis, and staff workshops).
- 2.8 Allied to that, Business Support Customer Service Standards, aimed at ensuring a level of consistency in the delivery of business support functions across all Services, were agreed by CMT in February 2016, and these will be further developed as the project moves on.
- 2.9 In a paper to the BT Board in March 2016 it was reported that an interim Business Support structure had been established, comprising:
- Headcount – 434;
 - FTE – 350; and
 - Budget - £6.5m.
- 2.10 In line with the agreed Project Initiation Document, the next steps will be to consider how the structure can be amended to make best use of resources and further realise the benefits associated with the on-going and planned programme of process re-design.

Mobile and Flexible Working

- 2.11 The implementation of mobile and flexible working is a key part of the Council's Technology Strategy, specifically aiming to harness technology to deliver smarter and better ways of working. The overarching objective of the project is to provide a secure technology solution which allows the Council to deliver services at a time, from a location, and using an approach, that best suits customer needs and that improves the capability of Services.
- 2.12 Within the context of a budget of £1.85m, the project aims to secure savings in excess of £200k per annum. Other savings and efficiencies will also accrue via, for example:
- greater opportunity to establish efficient and effective ways of working and process redesign;
 - information capture at source, minimising the need for re-work;
 - enhanced customer satisfaction as a result of quicker data capture and response times;
 - increased lifecycle for existing PCs; and
 - the opportunity to rationalise property assets.
- 2.13 The project, which started in 2015, has a 2-3 year timescale, and a project plan is in place setting out key milestones. Work on procurement of equipment, set-up, and configuration is now complete, and the wider roll out is being progressed via:
- pilot project within Building Maintenance Division;
 - roll out of tablet devices to elected Members; and
 - roll out of mobile and flexible working solution, on a phased basis, to staff based at Falkirk Municipal Buildings.

2.14 Next steps focus on the continued roll out of the solution to the remaining users within Municipal Buildings, and then across Development and Corporate and Housing Services.

Building Maintenance Division

2.15 This project is focused on working arrangements and practices within Building Maintenance Division, and builds on the findings of an independent review undertaken by the Association for Public Sector Excellence (APSE). The aim of the project is to implement a range of efficiencies and service improvements, through changes to current work systems and business processes.

2.16 The APSE review identified and recommended that a number of workstreams be considered to deliver financial and operational efficiencies. These included: depot provision; mobile working; the appointments process; working arrangements within cyclical maintenance; the voids process; and fleet size and structure.

2.17 An Improvement Group, supported by various specific working groups, has been established to progress improvement actions. Progress and improvement to date include:

- establishment of a Workflow Scheduling Team to handle reactive repair requests and deployment of tradesmen in a more co-ordinated and systematic manner. This team now:
 - schedules work for c50 tradesmen within the East and Central areas;
 - deals with all repair complaints and
 - schedules appointments with customers for non-emergency works.
- roll out of the mobile working solution to c50 staff, following a successful pilot;
- introduction of a protocol for home to work arrangements, to improve productivity and make more efficient use of vehicles;
- implementation of temporary to permanent workforce changes, resulting in a permanent and stable workforce;
- benchmarking of cyclical maintenance arrangements resulting in reduced rates through competitive tendering (eg, painterwork now costing c70% less than comparable BMD rates);
- The introduction of a number of changes to the cyclical maintenance programme including a trial of pre-surveying painter work; the introduction of new paint products which have a longer lifecycle and a programme to renew all soffits and fascia with PVC to buildings above 2 storeys. These changes will reduce maintenance costs going forward.
- voluntary severance offers resulting in savings in staff costs (35 accepted offers).

2.18 Feedback from customers on changes to date has been positive, with 99% very satisfied with the general responsive repairs service delivered across the Workflow Scheduling Team area and 98% customer satisfaction in relation to painterwork.

2.19 The aim of the above measures is to improve the efficiency of BMD and reduce operating costs. As a Statutory Trading Organisation (STO), BMD must evidence financial viability and all operating expenditure and income is ring-fenced. As such, all costs and efficiencies arising from the BMD review are separate from the overall Council-wide General Fund budget position. Savings and efficiencies arising from the BMD review will ultimately feed-back to the Council's HRA, through reduced contract charges, delivering better value for tenants.

- 2.20 In line with the agreed Project Initiation Document, estimated savings of £1m have been identified and the project is on target to meet the above savings targets, due to a combination of Voluntary Severance and increased productivity.
- 2.21 The next steps will focus on work to implement the good practice arising from the changes set out above, across the BMD as a whole. This will be undertaken within the context of reduced depot provision and the need to maintain or improve current service provision.

Social Work Information System

- 2.22 The Council's Social Work Information System (SWIS) is a key corporate system, underpinning and supporting the work of both Children's and Social Work Adult Services. The BT Board initiated a review of the functionality and suitability of the existing system, with a view to determining whether the system meets the Council's business needs in an efficient, cost effective, and integrated way.
- 2.23 The BT Board has considered various reports on the viability and functionality of the existing system and, on the basis of those reports, has sought to identify the steps required to scope and commission a replacement system. This scoping work is well underway and has, to date, focussed on gathering market intelligence around, for example:
- what the market offers in terms of replacement systems;
 - what systems other Local Authorities use;
 - whether other Authorities have procured recently and what risks and opportunities they faced; and
 - whether Falkirk Council's requirements are fundamentally different from those of other Authorities.
- 2.24 Various actions have flowed from this intelligence gathering, most notably around consideration of:
- system specification;
 - the potential for working jointly with another Authority;
 - the procurement process, and the potential for using a national procurement route, eg via the existing Crown Commercial framework; and
 - project scoping, commissioning, delivery, and roll out timescales, and the need to minimise these while ensuring proper structure, governance, and control.
- 2.25 The replacement of the SWIS system is a significant, and potentially multi year project. On that basis, further reports will be considered by BT Board as a matter of priority, with a view to building a high level project plan (incorporating robust governance arrangements) to drive delivery of the project.

Improvement Groups and Service / Corporate Reviews

- 2.26 As well as the suite of corporate, or cross cutting, BT projects, some of which are referenced above, a number of 'Improvement Groups' have been established across all Services to consider new ways of working. These are short life working groups which involve managers and Trade Union / employee representatives. Each Group focuses on a particular functional area of service delivery with a view to making efficiencies while maintaining, or improving, effectiveness. They will also link to the areas considered by Services for Service Reviews.

2.27 Each Group has a defined membership, scope, and remit, with a focus on considering the ‘optimal’ model of service delivery. Groups are currently in place to consider arrangements in relation to:

- Front Line Service Delivery and One Stop Shops;
- Services to Tenants;
- Rent Collection and Rent Arrears;
- Community Learning and Development;
- Janitorial Services;
- School Libraries;
- Support for Learning Assistants;
- Children and Families Overtime;
- Social Work Adult Services (Homecare, MECS, and Housing with Care);
- Estates: Grounds Maintenance, Street Cleaning, and Community Safety; and
- Refuse Collection; and Roads.

2.28 Progress made by each Group is reported to BT Board on an on-going basis. As part of this, Groups are required to highlight any training, spend to save, or streamlining opportunities that could, potentially, be of wider benefit.

2.29 A programme of self-assessments and ‘Service Reviews’ was considered by the Performance Panel in May 2016, building on a Performance Management Workshop held in February. While not all self assessments are focussed on areas that have been identified as requiring improvement, they do provide a check that all relevant processes, procedures, and structures in place deliver robust, relevant, and effective services.

2.30 Service Reviews are more detailed, and do tend to focus on areas where it has been identified that there is a need for change or improvement. Reviews planned for 2016 include:

- Frontline Service Delivery;
- Rent Collection;
- Housing Management – Services to Tenants;
- Looked After Children;
- Care Provision Contracts; and
- Printworks

2.31 In addition to self-assessments and Service Reviews, a number of areas of corporate review were agreed by Council at the budget meeting in February:

- Built and School Estate;
- Income and Charging;
- Asset Management; and
- External Funding.

2.32 Members should note that progress with corporate and Service Reviews will be reported and monitored through the BT Board.

3. RECOMMENDATIONS

3.1 Members are invited to note:

- 3.1.1 progress made to date in relation to key Business Transformation projects and short life 'Improvement Groups'; and**
- 3.1.2 that progress with corporate and Service Reviews will be reported and monitored through the BT Board as these projects progress.**

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DIRECTOR OF CORPORATE AND HOUSING SERVICES

Date: 25 May 2016

Ref: AAB070616 – Business Transformation Update

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LIST OF BACKGROUND PAPERS

None