

FALKIRK COUNCIL

Subject: BUSINESS TRANSFORMATION
Meeting: EXECUTIVE
Date: 29 September 2015
Author: DIRECTOR OF CORPORATE AND HOUSING SERVICES

1. INTRODUCTION

- 1.1 The purpose of this report is to provide Members with a further update on progress with key projects captured within the Council's Business Transformation agenda.
- 1.2 As Members are aware, Business Transformation sits alongside the financial budgeting process and forms part of the Council's wider budget framework. The overarching aim of Business Transformation is to consider: the basis for, and mode and delivery of, Council services; the resources used to deliver those services; and opportunities and barriers to change and improvement. Fundamentally, it seeks to streamline and modernise processes and services.
- 1.3 As Members will recall from previous reports to Executive in February and June 2015, Business Transformation comprises a suite of separate, but complimentary, projects and initiatives. The following sections provide information on a number of key workstreams.

2. KEY BUSINESS TRANSFORMATION PROJECTS

- 2.1 Business Transformation initiatives are categorised under the following broad headings:
 - Workforce;
 - Assets; and
 - Working Practices.
- 2.2 In the Revenue Budget Framework 2016/17-2018/19 paper jointly presented to Executive in June 2015 by the Chief Finance Officer and (then) Director of Corporate and Neighbourhood Services, a series of three tables set out some of the key projects under each heading, along with the nature, rationale, and timing of the planned improvement.
- 2.3 To build on this, and to provide Members with information on progress, those tables have been carried forward into this report, but also now incorporate a short note on the current position. These are presented on the following pages.
- 2.4 Many of these are significant, ambitious, complex, and multi-year projects, designed to fundamentally change the way the Council goes about its business. Others are, on the face of it, less material, but are facilitative in that they unlock the potential for future change in other, related areas. Equally, some are designed to drive out improvement in a particular business area, while others are more corporate and cross-cutting. Common to all projects, however, is the aim of improving the way the Council delivers services to our customers and clients.

WORKFORCE:

<u>Project Name</u>	<u>What Are We Changing?</u>	<u>Why?</u>	<u>And When?</u>	<u>Current Position</u>
Support Services Transformation	We plan to establish a single managed structure for all staff involved in clerical / admin / support service activities.	To ensure streamlined and standardised processes, better development opportunities for staff, and improved continuity. The project aims to achieve savings of 10% (c40FTE and c£500k) across clerical / admin / support services by March 2018.	2018	Detailed information set out at Section 3 of this report.
Terms and Conditions	We are engaging with staff and Trade Unions around options for reviewing and changing terms and conditions.	As a means of fairly and consistently realising workforce related savings.	2016	Meetings are being held with Trades Unions to seek options on finding the required £1.5m
Vacancy Management	We have reviewed and updated our Recruitment and Selection Policy and our approach to filling vacant posts.	To reduce staff costs.	On-going	Guidance is now in place to ensure that all posts are reviewed consistently before they are filled, to ensure savings are achieved wherever possible. If approved for advert, posts are also considered for the purposes of redeployment prior to any recruitment process proceeding.

ASSETS:

<u>Project Name</u>	<u>What Are We Changing?</u>	<u>Why?</u>	<u>And When?</u>	<u>Current Position</u>
Built Estate	We are reviewing our built estate, with a view to rationalising based on usage, condition, suitability, and service delivery.	To ensure that we deliver our services from a modern, fit for purpose, and accessible suite of premises.	2017	Linked to Asset Management Plan, report to Asset Management Group in October 2015, and to CMT and Executive thereafter. This will clarify savings to be realised via rationalisation.
Facilities Services	We have commissioned a review of the functions and management structure of our Facilities Management service.	To ensure that the service is customer focussed and provides best value.	2015	Independent, external review complete. Implementation Plan to be presented to October 2015 BT Board. This will set out details of service improvements and financial savings.

<u>Project Name</u>	<u>What Are We Changing?</u>	<u>Why?</u>	<u>And When?</u>	<u>Current Position</u>
Fleet Management	We have critically reviewed our vehicle replacement programme and are developing new ways of maintaining our fleet.	To ensure that our fleet of vehicles and plant is efficient, cost effective, and fit for purpose. Fleet rationalisation will help realise c£500k Capital and £742k Revenue savings.	2015	Fleet rationalisation assessment and review of workshop hours complete.
Social Work Information System	We have initiated a review of the functionality and suitability of our existing Social Work Information System.	To ensure that our critical Social Work system meets business needs in an efficient, cost effective, and integrated way.	2016	Business case prepared (including indicative costs and financial and other benefits), project team to be established, timeline / project plan / options appraisal being developed. A further report is to be considered by the BT Board in September 2015.
Transport Co-Ordination	We are establishing a centralised Transport Co-Ordination Team and are reviewing our approach to Social Work transport.	To streamline our approach to the provision of transport to service users.	2015	Centralisation of Education and Social Work transport within Central Transport Co-Ordination Unit underway. Report on progress, issues, completion timescales, and expected financial implications to be considered by BT Board in September 2015.

WORKING PRACTICES:

<u>Project Name</u>	<u>What Are We Changing?</u>	<u>Why?</u>	<u>And When?</u>	<u>Current Position</u>
Building Maintenance	We are reviewing our approach to property maintenance, covering depots, service provision, and working practices.	To deliver financial and operational efficiencies, and to deliver a better, more customer focussed, service.	2015	Independent, external review complete. Improvement Groups / Plan in place Pilot arrangements in place for increased appointments for jobs, roll out of mobile working and review of schedule of rates.

<u>Project Name</u>	<u>What Are We Changing?</u>	<u>Why?</u>	<u>And When?</u>	<u>Current Position</u>
Channel Shift	We are working to improve our website by integrating an on-line forms solution with back office systems.	To make it easier for customers to interact with the Council, and to streamline our administrative processes. The move to on-line forms will reduce call and face to face transactions, reducing demand on staff time and on re-work.	2015	Work to identify / procure Public Services Network compliant solution underway.
Daycare Provision	We have commissioned a review of our Social Work Daycare provision.	To ensure that that the right options are available to service users in light of the roll out of Self Directed Support. Savings of c£230k are anticipated.	2016	Review underway.
Future Frontline Service Delivery	Work is underway to review and improve the way we provide 'face to face' frontline services (eg One Stop Shops).	To enhance customers' experience of dealing with Falkirk Council. Savings of c£400k are available	2017	Work underway, being led by Better Supporting Customers workstream under direction from Welfare Reform Governance Group.
HR / Payroll Integration	We have integrated our HR and Payroll services and are working to streamline processes.	To release efficiencies (£70k / 3FTE) through joined up working.	2015	Integration complete, including joint helpdesk facility.
Information Management	We are reviewing and streamlining our strategic and operational approach to information governance, security, and management.	To improve how we store, use, and share the information we gather, releasing efficiency savings and enhancing data security.	2017	A Report is to be presented to the October 2015 BT Board, considering potential role of Senior Information Responsible Officer.
Library Support to Schools	We are reviewing how we provide library support to our Primary Schools.	To ensure that each school cluster has better control over the books available to pupils. Savings of c£225k (2016/17) are anticipated.	2016	Agreed in principle, with options for service re-design being considered.
Mobile and Flexible Working	We are rolling out an ICT solution to allow our staff to work in new and innovative ways.	To realise financial efficiencies, and to allow staff to work securely from any location and capture data at source. This dovetails with the Built Estate project above (Assets).	2017	Software solution, security servers, external support procured, plans established for wider roll out. Report setting out timeline, interdependencies, and financial savings to be considered by BT Board in September 2015.

<u>Project Name</u>	<u>What Are We Changing?</u>	<u>Why?</u>	<u>And When?</u>	<u>Current Position</u>
Ordering and Invoice Processing	We have developed our finance systems to allow electronic ordering and centralised invoice processing.	To streamline administrative processes and release time saving and financial efficiencies within Services. This project links with the Support Services Transformation Project (Workforce).	2015	All Services trained on eSeries ordering, good progress with centralising invoice processing.
Pensions Admin System	We are replacing our Pensions administration system.	To allow employee and pensioner self service (reducing staff admin time) and better system integration.	2015	System replacement project progressing.
Social Work Services Eligibility Criteria	We are reviewing the eligibility criteria for Social Work services.	To ensure that care packages are in line with service user needs. Re-profiling of criteria for adult social care will focus on provision for people whose needs are critical / substantial. Savings of c£400k in 2015/16 and £500k in 2016/17 are anticipated.	On-going	Report to be submitted to September 2015 BT Board.
Intensive Family Support Services	Phase 1 review has resulted in change to age and scope of service provision. Phase 2 to look at integrating IFSS with Education Family Support Services Unit.	Phase 2 review aims to provide a more joined up and streamlined service. Savings of c£300k are anticipated.	TBC	A report setting out the benefits of the Phase 1 review, and costs, benefits, and timescales of the Phase 2 review, is to be presented to the BT Board in September 2015.
Supply Teacher Booking and Allocation	We have moved to a centralised model for booking and allocating supply teachers.	To free up staff time at schools by reducing bureaucracy and streamlining process.	2015	Centralised approach now in place for Primary teachers, Early Years Officers, and Support For Learning Assistants (1,769 P1 enrolments centrally processed for all schools in March 2015).
Waste Collection / Strategy	The frequency of our residual waste collection has changed to 3 weekly.	To reduce the council's landfill tax burden and help meet environmental targets. Savings of c£290k (2015/16) anticipated.	2015	Complete and operating.

- 2.5 The recent targeted Best Value review by Audit Scotland, on behalf of the Accounts Commission, made a number of observations in relation to the Council's Business Transformation programme. These will require to be considered by Officers and Members and, rather than make comment in this report, a separate report and implementation plan in response to the points arising from that review will be presented to Members in October 2015.

3. SSTAR BUSINESS TRANSFORMATION PROJECT

- 3.1 In January 2015, Corporate Management Team agreed to progress with the Support Services Transformation and Review (SSTAR) Business Transformation project, which aims to significantly streamline and modernise clerical / admin / support activity and associated processes. Members have been kept updated on the project as part of the updates provided to Members as set out in para 1.3 above.

- 3.2 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 staff costs by March 2018:
 - Reduction in FTE – circa 40; and
 - Staffing Cost Savings - circa £500k.

- 3.3 This will be achieved by:

- creating a single-managed Transactional and Support structure for all staff involved in clerical / admin / support activity;
- ensuring that all clerical / admin / support service tasks are undertaken within this single-managed structure;
- reducing staff numbers through natural turnover and ensuring no / limited backfill of vacancies (the aim is that there will be no compulsory redundancies as a result of this proposal);
- Re-engineering clerical / admin / support service processes in order to:
 - streamline processes;
 - standardise processes;
 - minimise manual / paper processes;
 - maximise the use of IT and automated processes in line with IT development / strategy;
 - avoid duplication;
 - promote consistency of application; and
 - reduce workload and, therefore, reduce the required staffing levels.

- 3.4 The project encompasses all clerical, administrative, support service and routine transactional processes undertaken in all Services, the associated IT systems, and the staff who undertake these activities. Other activities and associated staff and systems will come within scope as they are identified and recognised as clerical, administrative, support service and / or routine transactional activities.

- 3.5 In order to create the single-managed Transactional and Support structure, staff and associated staffing budgets require to be transferred to the Transactional and Support team within Corporate and Housing Services, on a phased basis between June 2015 and January 2016, as follows:

Service	Headcount	Budget
Development	60	£1.1m
Children's	403	£5.8m
Total	463	£6.9m

- 3.6 In line with Financial Regulation 5.2, virements of more than £350,000 between Council revenue budgets must be approved by the Executive.

4. RECOMMENDATIONS

4.1 Members are invited to:

- 4.1.1 note progress against each of the key Business Transformation projects set out in the Tables at Section 2;
- 4.1.2 note that the governance arrangements around Business Transformation will be considered as part of the report to Council in October 2015 on the targeted Best Value work undertaken by Audit Scotland on behalf of the Accounts Commission; and
- 4.1.3 approve the transfer of staff and virement of budget to the Business Support function within Corporate and Housing Services as detailed at Section 3.

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DIRECTOR OF CORPORATE AND HOUSING SERVICES

Date: 22 September 2015

Ref:

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LIST OF BACKGROUND PAPERS

None