

THE HIGHLAND COUNCIL
Resources Committee April 15th 2009

The Corporate Improvement Programme
Progress Report

Report by the Assistant Chief Executive

Agenda Item	
Report No	

Summary

The Corporate Improvement Programme aims to deliver efficiency savings and to enhance customer satisfaction. The programme has been planned, defined and approved by the Corporate Improvement Programme Board. The Programme comprises 9 projects with interrelationships to each other. A core team is being put in place to support the programme and projects and the significant change involved. A resource requirement to identify and improve processes across the council has been identified and approval to fund and recruit these staff is sought.

1. Background

- 1.1 During 2008, Highland Council, along with the majority of Scottish Councils, took part in the Shared Services Diagnostic project. The project was a national initiative, commissioned by the Scottish Government and managed by the Improvement Service. The project used a nationally developed diagnostic tool to develop a strategic view of potential improvements and efficiency savings.
- 1.2 The project ended in August 2008 with the production of 12 outline business cases for evolving improvement opportunities. The Council has decided that 9 of these opportunities should be progressed as improvement projects under a programme called the Corporate Improvement Programme (CIP).

2. Introduction

- 2.1 Whilst the Council has continued to meet the efficiency targets that have been set over the last few years and has agreed efficiency initiatives for 2009/10 and 2010/11 that will significantly contribute towards its efficiency targets there is a need to adopt a more robust, comprehensive and systematic approach to deliver efficiencies into the future. The Corporate Improvement programme represents such an approach. The Programme is a major council-wide initiative at present focused on a transformation agenda with the ultimate objectives of improving:

- Customer satisfaction
- Efficiency
- Stakeholder satisfaction

- 2.2 This report describes the Corporate Improvement Programme (CIP), provides an update on the progress to date, explains how the programme will operate and the expected benefits of the programme.

3. Programme

- 3.1 The programme comprises 9 projects that individually will deliver efficiencies, customer and stakeholder satisfaction. Over and above this, by managing the projects as part of a programme it is intended that benefits greater than the sum of the parts will be achieved. The projects included in the programme are listed below and more detail is included in Appendix 1.

- Asset Management
- Human Resource Administration
- Transport
- Procurement
- Customer Engagement and Assessment
- Information Management
- Income Generation
- Business Support
- Mobile and Flexible Working

- 3.2 The overall objective of the programme is to change the working practices of the council across Services so that:

- We deal with customers from request to delivery as simply as possible.
- Information production, storage and retention is rationalised and more efficiently managed.
- Fragmentation and duplication of effort are eliminated.
- Assets are effectively exploited across the council as a whole.
- Staff are developed to work effectively across services and in a way that matches the new processes.
- Working practices for staff are modernised and the benefits of a mobile and flexible work force are exploited.
- Routine tasks are automated through investment in technology.

4. Savings

- 4.1 The major focus of the programme is the delivery of cashable efficiencies through:

- Making more productive use of our property assets, reducing the amount of owned and leased buildings and the cost of maintaining these buildings.
- Reducing the effort involved in serving customers and managing information.
- Reducing the amount of travel undertaken and the associated costs.
- Securing contracts at less cost.

- Reducing the amount we spend on sub contractors.

4.2 The indicative savings expected from the programme are £10,100,000. This is the benefit to the Council in 2012/2013. It is, however expected, that savings will accrue earlier for some projects. The estimated savings have been analysed, modelled and agreed by project sponsors. The table below contains a breakdown of the benefits for the programme by type.

Gross Benefits per financial year	2012/13
Reduced Contract Costs (All types)	3,500,000
Reduced Staff travel costs	500,000
Reduced Staff Costs	2,800,000
Reduced Property Costs	2,400,000
Reduced Transport costs (demand led)	300,000
Reduce Costs sub contractors	350,000
Reduced Transport Costs Operations	250,000
Total Benefits	£ 10,100,000

5. Programme and Project Management Resource

- 5.1 At Resources Committee on the 3rd of December it was agreed that a core programme team be established to deliver the Programme. This team would comprise a Programme Manager, 5 Project Managers and a Programme Support Officer. These posts have now been filled with the exception of one of the project manager post that has been advertised externally.
- 5.2 The Programme Manager has overall responsibility for the delivery of the programme and reports directly to the Programme Board. The Programme Support Officer is responsible for ensuring that programme governance and administration is effectively delivered. The Project Managers manage the majority of the projects within the programme. The Transport, Procurement and Asset Management projects are managed by project managers within services but following the same programme and project approach and reporting to the Programme Board.
- 5.3 At Resources Committee 3rd of December it was also noted that once the Programme and Project Plans were complete that it would be likely that there will be further resourcing requirements to support the delivery of the Programme. A key and significant task that has emerged from the detailed planning stage is the identification, mapping and redesign of processes to deliver the efficiencies and improved customer service. This process work applies particularly to the Customer Engagement and Assessment, Information Management, Business Support and Human Resources Administration projects.
- 5.4 This process work is a major undertaking for the council and it is proposed that employing three business analysts for two years (secondments or fixed term contracts) would be the most effective means of delivering change and providing

value for money. An estimated cost for this team (including on costs) would be £95k per annum, the budget for these posts would be provided from the “spend to save” fund. The proposal for creating these posts is included in the report on Amendments to Organisational Structures/Establishments (at Item 21 on this agenda).

7. Programme Governance

- 7.1 The scale and importance of the programme has necessitated putting in place robust governance and management processes for the programme. A Governance Board for the programme has been created that comprises the membership of the senior management team. In addition, each of the component projects is lead by a member of the senior management team. The Assistant Chief Executive is the overall senior management team leader (SRO) for the programme, working in conjunction with the Deputy Chief Executive of the Council and supported by the Corporate Improvement Team.
- 7.2 Each of the projects has an overall project plan showing timescales, deliverables and resources. This is further broken down into detailed three month plans. These are used to ensure that the resources required are released in good time and can deliver. Project Boards meet monthly to assess progress against time and quality including the ability to deliver benefits. Sponsors of the projects then report monthly to the Programme Board.

8. Change Management

- 8.1 The programme will bring about significant changes to the way the council carries out its business. This will mean changing how we deal with customers and how staff in the Council operate. The level of change involved requires planned change management activities including: maintaining business as usual during the changes, involving staff in designing new ways of working and communication of what the changes will be. At this stage the emphasis is on communicating to managers and staff the objectives of the programme and the form the changes are likely to take.
- 8.2 Each of the projects and the programme as a whole are following a communication plan that ensures the right kind of communication takes place at the right frequency. Communications over the last period have included:
- Reports to the JCG
 - Reports to Resources Committee
 - Development and promotion of Corporate Improvement Programme web pages <http://ntintra1/cx/cip/index.htm>
 - Inclusion in the “Big Picture“ newsletter
 - Workshops with staff and managers
 - Inclusion in the management briefings in March (attended by over 300 managers)

9. Benefits Realisation

The Programme Board supported by the Programme Manager is accountable for delivering the benefits from the programme and, in particular, that the financial savings are identified, planned for and realised. The programme and projects have been set up in such a way that the delivery of the benefits following the implementation of projects is measured against targets with the changes necessary to deliver benefits being explicitly planned for. They will be regularly monitored and reported to the board.

10. ICT

The Corporate Improvement Programme and ICT Reprourement are developing closely together and share common objectives. The majority of the ICT requirements identified in the programme are already included in the ICT Strategy and within the scope of the Reprourement Project.

11. Current Focus

The projects have commenced and the focus is on:

- Progressing the first phase of three month detailed plans
- Finalising the appointment of the core team
- Aligning the current improvement activity with the programme
- Developing processes to ensure programme benefits can be realised

Recommendation

- Note the progress of the Corporate Improvement Programme
- Approve the recruitment of three business analysts on a 2 year fixed term or secondment basis

Signature:

Designation: Assistant Chief Executive

Date: 30th March 2009

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APPENDIX 1

Project and Sponsor	Purpose	Sponsor
Business Support	A clearly understood business support role, staffed by a multi-skilled workforce, modelled to suit business needs operating efficiently across Service boundaries.	Ian Hargrave
Information Management	Information as a resource that is effectively and efficiently managed using technology appropriately and changing working practices to remove duplication.	William Gilfillan
Customer Engagement and Assessment	To simplify access to Council services for customers, increasing the hours of operation and maximising first-time resolution of customer transactions thus reducing the costs of transactions.	Michelle Morris
Human Resources	To reduce the effort in Human Resource Administration to contribute towards cashable savings and allow a focus on staff development.	Bob Cameron
Mobile and Flexible Working	To deliver a flexible working policy that supports employee work/life balance. It will provide a framework for the design of flexible work places and practices that fit our business. It will contribute to reducing asset costs, travel costs and carbon emissions.	Hugh Fraser
Procurement	To effectively manage the management information, contracts and processes for procurement that the council operates to deliver significant cashable savings.	Alan Geddes
Transport	To provide a corporate framework for managing business, operational and demand led transport and travel. Using this framework, better working practices and technology will reduce costs and carbon emissions.	Neil Gillies
Asset Management	Introducing effective management of our property portfolio to reduce the amount owned and leased and to introduce better management of the remaining stock to reduce maintenance costs.	Steve Barron
Income Generation	To assess the areas where The Council delivers value that would invite a reasonable corresponding income or generation of revenue in particular focusing on developer contributions.	Stuart Black