

REPORT TO: POLICY AND RESOURCES COMMITTEE ON 22 SEPTEMBER 2009

SUBJECT: DESIGNING BETTER SERVICES PHASE 2:
- **PROCUREMENT BUSINESS CASE**
- **TRANSPORT, VEHICLES & PLANT - DESIGN MANDATE**
- **OPERATIONAL SUPPORT - GENERAL UP-DATE**
- **OFFICE ACCOMMODATION**

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1 To report on four aspects of the Designing Better Services (DBS) Programme as follows:

- To approve the full business case for the procurement theme and approve the implementation of the recommendations.
- To agree the Design Mandate for the Transport, Vehicles and Plant theme to proceed to detailed design.
- To agree the rationale for accelerating the Operational Support theme to detailed design.
- To note the position regarding office accommodation.

1.2 This report is submitted to Committee in terms of Section A(II) of the Council's Administrative Scheme relating to Managing the Finances of the Council Section A(42), the organisation and management processes of the Council and to Section A(55) developing and monitoring customer access and information.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- **Approve the implementation of the procurement business case**
- **Agree the Design Mandate for the Transport, Vehicles & Plant theme to proceed into the detailed design phase**
- **Agree that the Operational Support theme should progress to detailed design; and**
- **Note the position regarding the office accommodation project.**

3. BACKGROUND

- 3.1 DBS Phase 1 was a cross-Council project to identify opportunities to deliver service improvements and efficiencies. DBS Phase 2 (Design) is the development of these opportunities as themed workstreams within the DBS programme of work. The process involves a review of options to establish a proposal for detailed design and, subject to approval of this Committee, prepare detailed design, a full business case and implementation plans for roll-out across the Council.
- 3.2 Through consultation with service staff, input from our appointed consultants, Serco, and further validation of the initial DBS Phase 1 business cases, a set of options have been developed to deliver the DBS vision – “By the end of the programme, the Moray Council will be recognised as an exemplary customer-focused authority, delivering services more effectively and more efficiently.” These options have been discussed at workshops attended by service staff representing all departments with preferred options being identified.

4. PROCUREMENT

- 4.1 The executive summary of the Procurement Theme business case for consideration by this Committee is attached as **APPENDIX 1** to this report. The complete business case is available on the Members' Portal.
- 4.2 The business case was approved by the Designing Better Services Programme Board on 9th September 2009.

5. VEHICLES

- 5.1 The executive summary of the Transport, Vehicles & Plant Theme Design Mandate for consideration by this Committee is attached as **APPENDIX 2** to this report. The complete report is available on the Members' Portal. The report was approved by the Designing Better Services Programme Board on 9th September 2009.

6. OPERATIONAL SUPPORT

- 6.1 Following on from the first workshop for the Operational Support Theme it was clear that the main part of the design mandate phase, options appraisal, would not be required. The options are at a detailed level in terms of which functions would result in efficiency savings from amalgamation into a single operational support unit. Therefore it is recommended that this theme should move straight to the detailed design phase.

- 6.2 The scope of the project has been established and a plan devised to identify and design streamlined processes for support service operations. An initial assessment indicates that there is duplication of effort in many different support functions throughout the council that could be simplified and standardised in order to best serve our customers and staff. There are also strong links between this project and other elements of the DBS programme. It is likely that efficiency savings will be maximised by considering how these links can be translated into more effective, joined up support functions. The aim of the project is to identify the most efficient and effective methods of providing support services. The project will focus on the following functions:

Procurement	ICT
Payroll Services	Master Data Management
Workforce Scheduling	Marketing, PR & Communications
Transactional personnel functions	Business Information & Reporting
Recording & Data Entry	Research & Consultation
QA, Performance Management & Improvement	Advice & Strategy (Finance, ICT, Legal, Personnel)

- 6.3 A detailed design and implementation plan will be submitted in the full business case that will be constructed as per all other themes.

7. OFFICE ACCOMMODATION

- 7.1 The options appraisal for the corporate office project was considered by this Committee on 5th May 2009. At that time, it was agreed to acquire and convert the former supermarket premises at 2/10 High Street, Elgin, subject to a number of conditions. One of the conditions was the development of a satisfactory and viable scheme for conversion of the building. Further work has been completed to assess the financial viability of the conversion which indicates that based on cost estimates available that it will be more cost effective for the Council to relocate from 21 other buildings throughout Elgin into the former supermarket building. The cost estimates indicate that the present value of the operating costs of the existing offices for the next twenty five years is £24.7M compared to the operating cost of the converted supermarket at £21.0M.
- 7.2 The Council is therefore proceeding with a contract for the design and construction of the former supermarket and external consultants have been employed to assist with this process.

7.3 Subject to the other conditions:

- (i) Obtain planning permission and other necessary consents;
- (ii) The site is confirmed to be free from significant contamination; and
- (iii) Aldi demonstrating good title to the premises.

The purchase of the building expected to be completed by December 2009.

8. **SUMMARY OF IMPLICATIONS**

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The transition of services into the new centralised procurement operation will inform service improvement plans.

(b) Policy and Legal

The introduction of the procurement recommendations will reinforce compliance.

(c) Resources (Financial, Risks, Staffing and Property)

The procurement business case has staffing implications. The creation of a centralised team and the transfer of tasks will result in relocation and reduced manpower and accommodation. Smarter procurement will deliver better value for Moray.

(d) Consultations

All departments have been involved in the development of the Business Case and Design Mandate.

Two unions are respresented on the Programme Board and a separate consultation is being undertaken with staffing unions and their views from this consultation have been considered throughout the process.

9. CONCLUSION

- 9.1** The Procurement Business Case and Vehicles, Transport & Plant Design Mandate confirm the need to change the council's approach to procurement and the management of vehicles and plant in order to secure efficiency savings and service improvements. It is therefore recommended that the council should implement fully the recommendations detailed in the Procurement business case and proceed to detailed design for the Vehicle, Transport and Plant theme.
- 9.2** Options appraisal requires detailed work for the Operational Support theme. As a consequence it is recommended that this theme be taken into the detailed design phase of the programme.
- 9.3** The estimated costs for the purchase and conversion of the former supermarket building in Elgin provide sufficient comfort for the Council to proceed with the purchase of the building, subject to other conditions being met.

Author of Report: Mark Palmer, Chief Financial Officer – Ext 3103
Background Papers: Available on the Elected members portal
Ref: MP/LJC/669062/669083/669201