

REPORT TO: POLICY AND RESOURCES COMMITTEE ON 22 JUNE 2010

SUBJECT: DESIGNING BETTER SERVICES PHASE 3 (IMPLEMENTATION):

- VEHICLE, TRANSPORT & PLANT – POOL CAR PROPOSAL
- DBS PROGRAMME UP-DATE

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To get approval to implement phase 1 of the pool car recommendations detailed in the business case for the Designing Better Services (DBS) Vehicles theme.
- 1.2 To up-date the Committee on the progress to date
- 1.3 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.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- **Approve the pool car business case and give authorisation to proceed to implement phase 1 of the recommendations**
- **Note the progress to date and the risks being managed by the Programme Board**
- **Note the addition of the Adult Services Community Care Redesign project to the DBS programme of work**

3. BACKGROUND

- 3.1 DBS Phase 1 (Diagnostic) was a cross-Council project to identify opportunities to deliver service improvements and efficiencies to go forward to design. The DBS Phase 2 (Design) was the development of these opportunities into a robust business case for implementation. This Committee approved the Implementation Plan - business case, blueprint of the future, resources, approach and methodology - on the 2nd March 2010. DBS Phase 3 (Implementation) is the realisation of the business case. The DBS programme will deliver considerable efficiency savings with a forecast completion date of March 2012. The

implementation is a programme of work comprising of four large, complex and challenging projects:

- 3.2 The Core Project – the project brings together the dependent recommendations of DBS Phase 2 (Design) Customer, Operational Support and Workforce themes:
- The successful transfer of all customer services to a dedicated functional unit
 - The establishment of standardised and managed operational support functions
 - To establish new ways of working within all service areas
- 3.3 The Procurement Project:
- To establish consolidated procurement, purchasing and processing units
 - To achieve savings through economies of scale – national and local contracts
- 3.4 The Property Project:
- To convert the former supermarket
 - To reconfigure the existing HQ
 - The Rationalisation of office accommodation out with Elgin into flexible accommodation to support new corporate services and new styles of working
- 3.5 The Transport, Vehicles & Plant Project:
- To Introduce a pool car system for council staff
 - To establishment the corporate approach to management of transport vehicle and plant

4. TRANSPORT, VEHICLES & PLANT PROJECT – POOL CAR PROPOSAL

- 4.1 The executive summary of the pool car proposal for consideration by this Committee can be found at **Appendix 1**. The complete report is available on the Members' Portal. The complete business case was a significant element of the DBS Programme Business Case approved for implementation by this Committee 2nd March 2010. The report was also considered by the DBS Programme Board on 10th June 2010.

5. DBS PROGRESS – GENERAL

- 5.1 The DBS Phase 3 (Implementation) programme plan schedule is at **Appendix 2**. This high-level overview is supported by layers of detailed plans managed by project and programme staff. The DBS approach is founded on proven project and programme management principles with routine performance and risk reports informing the governance structure. The latest programme progress report against major milestones is at **Appendix 3**. A new element of the programme is the redesign of the Moray Adult Community Care Service – an opportunity to deliver service efficiencies over and above those outlined in the DBS programme. Overall, the programme remains on target. An update on each project is provided below:

5.2 Core Project. The Core Project implementation is subdivided into 8 tranches. The first tranche is preparation and piloting work, followed by seven tranches, each of which will involve the transition of an existing council service to the new ways of working. The 7 tranches are as follows:

Tranche 2	Housing and Property
Tranche 3	Transportation and Roads
Tranche 4	Environmental Protection
Tranche 5	Development Services
Tranche 6	Education
Tranche 7	Chief Executive, Central Services and Finance & ICT
Tranche 8	Community Care and Children and Families

Work is progressing well in respect of Tranche 2. The project has now entered the phase where detailed designs are being prepared and progress on this major milestone will provide a much clearer position in terms of: 1. achievability of the programme timetable and 2. the impact of the programme. Members were advised that the implementation plan is ambitious and that the plan would need to be updated as lessons are learned during the early stages of implementation. Members will be kept advised if any changes are required to the implementation plan at the earliest practicable opportunity.

5.3 The tranche 1 work to trial and test new tools is making good progress against the plan. The Housing, Property & Estates services are being used as pathfinders for both the new technology and the redesign process with tranche 2 activity on schedule. An additional DBS recommendation and planned outcome of tranche 2 is the integration of Housing and Property/Estates management to form the new service. The personnel involved have been consulted in accordance with council change management policy and this is covered by a separate report to this committee.

5.4 Procurement Project. The project has already delivered some early financial successes through the contract review process with steady progress establishing trained Lead Officer roles with procurement responsibilities across all service areas. Moreover, the transfer of tasks from purchasing services to the centralised unit is on schedule and soon to move into Education.

Six months into the implementation of the DBS project, a review of the milestones timetable has been carried out and despite some concerns regarding minor project slippage, (mainly due to resource issues and the delays in consultation responses) these will not affect the main outcomes.

Other achievements centre on the early work to establish a new corporate procurement team embedded within the Payments Section management structure, and the development of procurement strategies, including "Following the Public Pound", and sustainability action plans.

- 5.5 Property Project. The refurbishment of the former supermarket is on track with work now focusing on the design of the whole HQ Campus and the allocation of work space to all Elgin-based services across both buildings. This work is still provisional as project staff confirm the need of all departments. Important to this is the understanding of how the new work styles will be implemented and that our staff are aligned to the most appropriate style. Only when this detail is confirmed can the redesign of the existing HQ building and the migration plan be formally approved.

Concurrent to the HQ campus work is the redesign of the out-of-Elgin office requirements. The proposal will come before this Committee in the very near future.

- 5.6 Adult Community Care Service Redesign Project. The last DBS Programme Board (10 June) approved the Community Care Service proposal to dovetail their operational redesign with DBS programme recommendations. The new operating model compliments the DBS approach and maximises service efficiencies. The aim is to deliver efficiency savings that impact on future budget uplifts to accommodate the changing demographic. A detailed design brief will come to this Committee in Autumn 2010.

6. COSTS & BENEFITS

- 6.1 The latest cost and benefit profile for the programme is at **Appendix 4**. It includes detail as to the revenue budget movements and capital expenditure. The tables summaries the complete programme profile developed from the DBS Phase 2 themes.

7. RISK MANAGEMENT

- 7.1 A summary of the red and amber risks being managed by the Programme Board is detailed below. The risks are internal and revolve around the Council's will and ability to change and the estimates of time and resources required to complete the implementation plan. The main risks are:

- Delivery of efficiency savings – benefit realisation
- Leadership - throughout the council
- Programme and project management – definitions and controls
- Prioritisation of council activities – over burden council staff
- Overstretched specialist staff – HR and ICT staff
- Correctly skilled people to lead and manage the change – service officers
- Acceptability to staff and unions
- Accuracy of estimates of timescales and resources required

8. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The DBS transition of services into the new ways of working will inform service improvement plans.

(b) Policy and Legal

The DBS programme changes will reinforce compliance and improve performance.

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

The benefits realisation progress report attached as **Appendix 4** indicates revised net savings of £600,000 for the current year. This is £100,000 less than target for the current year and reflects the time required to achieve savings through each tranche of the core project. In overall terms, the total programme remains on track to deliver efficiency savings in excess of £4M.

(d) Consultations

Senior Responsible Owners (SRO), Project Managers and the DBS aligned Principal Accountant have been involved and consulted on this report. Trade Unions were briefed on the content of this report at the TU Workforce Forum of 10 June.

9. CONCLUSION

- 9.1 The pool car proposal identifies potential savings of £105,000 per annum. The report also highlights the good progress and identifies the present cost / benefit profile. The risks reflect the complexity of this challenging programme of work that will deliver considerable efficiency savings and service improvements.**

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Background Papers:
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