

REPORT TO: POLICY AND RESOURCES COMMITTEE ON 13 SEPTEMBER 2011

SUBJECT: DESIGNING BETTER SERVICES PROGRAMME PHASE 3 (IMPLEMENTATION): PROGRAMME PROGRESS UPDATE

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 The reason for this report is to provide an overview of progress to date.
- 1.2 This report is submitted to Committee in terms of the following Sections of the Council's Administrative Scheme:

A (2) relating to managing the finances of the Council, A (42) relating to the organisation and management processes of the Council, and A (55) relating to developing and monitoring customer access and information.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- a) note the progress made to date;
- b) note the change to the timescale of the Core Project tranches and the Out-Of-Elgin Office Accommodation project;
- c) note the formal completion of the Procurement Project;
- d) note the recommendations following the Community Care Redesign Project consultation with public and staff;
- e) note the timetable for disposal of surplus council buildings in Elgin;
- f) note the remaining risks and uncertainties and the ongoing requirement to review the programme plan.

3. BACKGROUND

3.1 DBS Phase 3 (Implementation) is the realisation of the business case to deliver £4.4M of recurring benefits by 2014. The implementation plan was reviewed in January 2011 and amendments to both timescale and resources were agreed by this committee on 15th March 2011. The Community Care Redesign Project was added to the programme following committee approval on 7th June 2011. At that time Members were again reminded that the Corporate Management Team recognise that lessons will be learned during the early Core Project tranches and that the overall Implementation Plan will need to be altered accordingly and Members will be kept apprised of changes to the plan.

3.2 The efficiencies, improvements and customer-focus benefits will be realised through a programme of work comprising five large, complex and challenging projects as follows:

Core Project:

- The transfer of all customer services to a dedicated functional unit
- To establish new ways of working within all service areas
- To establish standardised and managed operational support functions
- The use of new organisational capabilities to improve the efficiency and effectiveness of existing services

Procurement Project:

- To establish corporate procurement, purchasing and processing units
- To simplify and standardise procurement processes
- Achieve savings through economies of scale - national and local contracts

Property Project:

- To establish flexible accommodation to support new corporate services and new ways of working:
- To convert the former supermarket into a HQ Annexe
- To reconfigure the existing HQ building
- Establish "soft" facilities management support
- To rationalise office accommodation out with Elgin

Transport, Vehicles & Plant Project:

- To introduce a pool car fleet for council staff
- To establish a corporate approach to the management of transport vehicles and plant

Community Care Redesign Project:

- Shift the focus to prevention and re-ablement
- Improve the ability to self-serve and self-manage
- To establish a single point of entry to community care services
- To establish an Access & Care Centre and single point for community care referrals
- To fully integrate and maximise day care services
- To embed integrated and multi-disciplinary working
- Enable empowered and active citizenship

4. PROGRAMME PLAN - OVERVIEW

- 4.1 Phase 3 has now been running for seventeen months. The programme plan profile is at **APPENDIX 1**. As previously reported, good progress and savings have been achieved during this time and through all elements of the DBS Programme. The completion of significant aspects of tranche 2 of the core project is noteworthy although establishing the technologies in a “live” environment continues to take longer than we would like. The lessons learnt from tranche 2 and familiarisation with the build and implementation of the technological products will undoubtedly give the council greater certainty on the timescales for future tranches. Inevitably we will need to see exactly what this means in terms of actual timescales during tranche 3, and at that point we will have a solid foundation from which to base a revised plan. The present planning assumption is to allow six months for the implementation of each tranche. This will be reviewed prior to the commencement of work as each tranche has different levels of complexity depending upon the number of IT systems, number of documents and the extent of process change.
- 4.2 There have been no changes to the order of services and tranches within the core project since the last report, although the timescales have been amended based on an initial review of the issues with technology experienced in tranche 2 of the core project. It is currently anticipated that an updated plan will be presented to this committee in March 2012.
- 4.3 The completion of the Procurement Project and the conclusion of the consultation period of the Community Care Redesign Project are major programme milestones covered later in this report.
- 4.4 The development of the business case for the Out-Of-Elgin Office Accommodation Project has been deferred for six months following the withdrawal of interest from by the successful candidate for the post of temporary project manager. The availability of project management resource will be reviewed in October. There are presently no cash benefits attributed to this project.

5. **COMPONENT PROJECTS - PROGRESS UP-DATE**

- 5.1 The latest programme progress report against the major milestones for each project is at **APPENDIX 2**. An update on each project is provided below.
- 5.2 Core Project Tranche 2 (Housing & Property Services). Customer Services staff are now handling all customer telephone calls and access point enquiries for the Housing & Property Service. The transfer went according to plan with minimal issues arising. MS SharePoint is being used by the service to support a number of processes; however a delay to the introduction of the scanning and indexing system means that mail cannot flow to and from the service. The challenge is to remove the bottlenecks in the scanning process and align and index the documents to the document sets being generated in MS SharePoint for use by the service. These issues are delaying the project with a revised operational date of mid October 2011. Optitime scheduling tool is now being used by the DLO to support gas repairs. However, as previously reported, the integration of systems particularly the closing of the process has taken longer than allowed for in the plan and indeed longer than revised estimates. The delay has had a knock-on effect to the roll-out to general repairs and the target date for the Optitime implementation to be completed is now the end of September.
- 5.3 The Design Phase element for tranche 3 & 4 (Direct Services) has been completed and the new processes and detailed benefits have been approved by the service and project board. The service is currently preparing a new organisational structure that accommodates the efficiency savings identified during the design phase and includes both the corporate restructure and other efficiency opportunities identified. The implementation team of staff cannot start the technology implementation until they have completed tranche 2. A Lessons Learnt Review from tranches 2 and 3 & 4 is scheduled before tranche 5 implementation design commences.
- 5.4 Tranche 5_(Development Services) is approaching the end of The Design Phase. The availability of key personnel during the holiday period has hindered progress; however this delay does not impact on other areas of the project. The programme plan was revised to allow for the impact of the summer holiday period, but it is clear that insufficient recognition was still given to the impact of annual leave arrangements. The early preparatory work in tranche 6 is proceeding according to plan.
- 5.5 Procurement Project. The completion of the Procurement Project is a major programme milestone. The end of project report is a review of progress against the plan and benefits, the identification of any lesson learnt and the transfer of any "live" issues to either programme management or line manager. The executive summary of the report is at **APPENDIX 3**.

- 5.6 The project is considered by the programme board to be a success. In terms of financial benefits it has exceeded expectation with forecast £1.14M efficiencies total against a target of £682K, with more benefits profiled over the next three years. It delivered on time and within budget. Moreover, other work needed to streamline the more complex procurement processes has been identified and this will be included in future project plans.
- 5.7 Property Project. The conversion of the former supermarket building to form a HQ Annexe building will be ready for occupation in October with staff moving across soon after. Some issues have emerged and these are being dealt with in the usual way with the contractor.
- 5.8 Work is on-going to finalise the migration plan and the order of work to reconfigure the existing HQ building. The services that will be moving to the new HQ Annexe when it opens have been identified and informed. A large number of the staff will not have been through their respective tranches and therefore not able to adopt the new flexible ways of working. As a consequence, some staff will still require a “fixed” desk and the Annexe building will not initially be operating to full capacity or to its full design potential. Given the complex nature of the changes within the DBS programme it is inevitable that some elements are ready before others. Keeping members and staff well briefed of progress and changes to the plan is recognised as a very high priority by all managers involved.
- 5.9 As previously reported to this committee, there will be a requirement, in the short-term, to retain council buildings additional to the HQ campus until services go through the core project tranches. A timetable for the disposal of surplus buildings is evolving and the most recent version is summarised on **APPENDIX 4**. The summary identifies the current Elgin office accommodation, whether it is owned or leased and an expected disposal date.
- 5.10 The “Soft” Facilities Management (FM) service required to support the campus is being developed and this will be in place when the Annexe is operational. (Soft Facilities Management covers: cleaning, caretaking, room booking and general access arrangements for staff.)
- 5.11 Transport, Vehicles & Plant Project. The implementation of the second phase of pool cars started in July with the completion date now dependent upon the HQ Annexe building. Pool cars are now being used in Keith, Buckie and Lossiemouth with a small number in Forres. The delay in Forres is attributable to the global availability of cars and vans. We await delivery of a further 20 vehicles to complete the roll-out in Forres, Speyside and finally Elgin. The process for establishing the corporate control of transport, vehicles and plant assets was approved by the Programme Board on 23rd June and is now being applied across the council.

- 5.12 Community Care Redesign Project. The comprehensive public and staff consultation concerning the business case finished on 29 August 2011. Using many different communication channels and tools the information was shared with all community care staff, service users and carers and other stakeholder organisations and generated a lot of local interest. . There were a total of 117 formal responses with the majority supporting the proposals. There were areas of concern focusing on the shared use of day care facilities and the management of Learning Disability Services. There will be further consultation in these areas with relevant staff. A review of all feedback returns and recommended actions are outlined in an executive summary at **APPENDIX 5**. The full report and associated documents are available in the members' library.

6. **COSTS & BENEFITS**

- 6.1 The latest cost and benefit profile for the programme is at **APPENDIX 6**. It includes detail as to the revenue budget movements and capital expenditure.

7. **RISK MANAGEMENT**

- 7.1 A summary of the red and amber risks being managed by the Programme Board is detailed below. The mitigation is constantly under review. The main risks are:
- Supplier Management – if external suppliers fail to deliver their products or services as specified this will impact on timescales and ultimately benefits.
 - Project Management – if the management of resources, project plans, alignment of responsibilities, products are not defined and controls not maintained this will impact on the delivery of benefits.
 - Prioritisation of Council Activities – if the workload put upon a Service is not managed then the staff will not be able to deliver the outcomes and realise the benefits.
 - Service Performance – the disruption will cause a dip in performance and could damage the council's reputation
 - Overstretched specialist staff – if ICT resources are not managed then implementation will take longer and this will impact on benefits.
 - ICT Capability – if the knowledge required to implement the new technologies is not developed then implementation will take longer.
 - Business Analysis Skills – if we do not have a standard approach and staff trained in design tools and techniques the true benefits of the programme will not be maximised.

8. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

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

(b) Policy and Legal

The DBS programme changes will reinforce compliance and improve performance

(c) Financial Implications

The programme team is managing within the budget allocated on 15th March 2011 with no exceptions to report.

(d) Risk Implications

As detailed in the report.

(e) Staffing Implications

As detailed in the report.

(f) Property

As detailed in the report.

(g) Equalities

There are no equalities issues contained in this report

(h) Consultations

The Corporate Management Team (Programme Board), Senior Responsible Owners (SRO), Project Managers and the DBS aligned Principal Accountant have been involved and consulted on this report.

9. CONCLUSION

- 9.1** The completion of the procurement project is an important milestone and a success story. As this project finishes, so the implementation of the far-reaching Community Care Redesign Project starts. Many lessons have been learnt so far and are being applied to the programme or logged for future projects. Implementing and, in particular, integrating, new computer systems continues to progress more slowly than we would like, but there is good evidence that the changes being made do represent a good investment in terms of efficiency savings and sustaining service delivery in the future. Meantime the programme team will continue to report on progress to every other meeting of this committee.

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Background Papers:

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