

SCRUTINY COMMISSION – 18 JUNE 2008

STRATEGIC CHANGE PROGRAMME – ANNUAL REPORT 2007/08

REPORT OF THE DIRECTOR OF RESOURCES

Purpose of Report

1. The purpose of this report is to inform the Scrutiny Commission about the achievements and lessons learnt from the second year of the Council's Strategic Change Programme, as reported in its Annual Report for 2007/08.

Policy Framework and Previous Decisions

2. The Council has developed a 'Vision for Transformation' which articulates a model for the Council and a blueprint for the Strategic Change Programme.

Background

3. In October 2005, the Council initiated a review of change projects and programmes. The recommendations of this review led to the establishment of the Strategic Change Programme (SCP) in April 2006, to improve the co-ordination, control and successful delivery of large projects within the Council. Initially, the SCP focussed on reprioritising and reshaping a number of existing initiatives. The SCP also mobilised a number of core projects that were considered to be enablers for future transformation.
4. In May 2007, the Council drafted its 'Vision for Transformation', which articulated a new 'target operating model' for the Council, and a blueprint for the Strategic Change Programme. This document also reported on the achievements of the Programme in its first year of operation from April 2006 to March 2007.
5. This report focuses on the performance of the SCP in its second financial year, including major achievements and the key factors that have contributed to the Programme's success. Further detail can be found in the Annual Report, which can be found at Appendix 1.

Overview of Achievements

6. In its second year, the SCP has begun to move into a number of new areas; this has only been possible through the successful closure of existing projects and the delivery of real benefits, enabling the re-prioritisation of resources.
7. Many of the projects have moved from mobilisation to implementation, and are beginning to deliver significant benefits. Some of these are outlined below:

- Implementation of the first Customer Service Centre, serving customers requiring Highways, Waste and Transportation services, went live in November 2007 and is now taking over 3000 calls per week.

Service levels were significantly improving but have been adversely affected by the latest technology upgrade, due to the impact of staff training and familiarisation with new working practices. In addition, call volumes have shown a significant increase over the last few weeks. An Action Plan is in place to restore performance to its previous level over a 6 – 8 week period.

- £4.39m of cashable procurement savings, against a target of £1.5m, with a strong pipeline of over 70 procurement initiatives to tackle next;
- roll-out of Oracle i-Procurement for on-line ordering across the Council, with transactions amounting to over £11m passing through the system in 2007/08;
- implementation of a Category Management approach to procurement which has generated significant interest from other local authorities across the country, with Leicestershire being recognised as best in class;
- reviews of Fleet Management, ICT, HR and Property Services (Phase 1), and the identification of further opportunities within support services which will result in savings in excess of £2m by 2010;
- implementation of an Enterprise Architecture approach to managing, co-ordinating and controlling ICT developments. Leicestershire has been the only authority to have successfully achieved this, leading to significant interest from other councils;
- realisation of £590k cashable savings from the Highways Service Efficiency Programme. Furthermore, following the successful departmental restructure, the implementation of three new strategic contracts and process improvement work, the department is on track to achieve its target of £2.2m savings by 2010.
- WorkWell, a new Programme to support new ways of working, has created three touchdown points across the County with a fourth which went live in May 2008. These have enabled Highways staff to close four area offices and change working practices for mobile staff.
- a new management competency framework and on-line assessment tool has been rolled out for all grade 13 managers and above;
- an Employee Benefit Scheme was introduced in April 2007, with a salary sacrifice scheme for green travel, child care, bike to work and mobile phones;
- the Waste Programme has secured interim arrangements to reduce residual waste between 2008/09 and 2014 /15. The Council's business case for a long

term waste treatment facility was successfully reviewed by external consultants and was ready for submission in May 2008.

Success Factors

8. There are a number of factors which have helped to contribute to the success of the programme. These include:
 - use of effective governance and board structures, including the Member Change Board;
 - Chief Officer and peer sponsorship of Programmes;
 - use of best practice project and programme management methodologies;
 - development of appropriate skills, knowledge and behaviours to help successful delivery of projects, through a mix of internally developed capacity and external support from the Council's Strategic Partner, Deloitte.

Resource Implications

9. The Strategic Change Programme is funded by a mix of existing budgets and one-off funding. A guiding financial principle is that the level of cashable savings generated by the Programme should exceed the level of investment in both service improvement and 'invest to save' projects. This continues to be the case over the period of the investment in the programme. Savings delivered in 2007/08 exceed the planned targets.

Timetable for decisions

10. This report is being considered by the Cabinet at its meeting on June 20th. The comments of the Commission will be submitted to the Cabinet for consideration.

Conclusions

11. This Annual Report demonstrates the success of the Council's approach to managing, co-ordinating and delivering change and improving outcomes. The SCP remains on track to deliver its objectives of service improvement and efficiency savings on time and within budget.
12. Important lessons have been learnt from both challenges and successes, and prospects for the Programme moving forwards are excellent. The efficiency agenda will remain a key focus and there are challenging targets through to 2010/2011. The Customer First Programme will remain a key priority, with new programmes on Personalising Adult Social Care and the Environment currently being scoped.
13. The Council is committed to delivering both service improvement and efficiency savings through its Strategic Change Programme. The Programme has been recognised as one of the top ten examples of transformational change in local

government. This second Annual Report identifies a significant number of achievements and indicates that the Programme continues to meet its objectives.

Equal Opportunities Implications

14. There are no specific equality and diversity implications arising from this report. Equality Impact Assessments are being undertaken for relevant projects within the Programme.

Environmental Implications

15. Environmental issues feature specifically in two of the Programmes referred to in Appendix 1, namely the Waste Management Strategy and the Work Well programme, where one of the objectives is to reduce the amount of CO2 produced through business mileage. A specific programme on Environmental Sustainability is currently being scoped.

Background Papers

16. Vision for Transformation, August 2007.

Circulation under Sensitive Issues Procedure

17. The report relates to service improvement across the Council, and as such there are no issues affecting particular local members or areas.

Officers to Contact

Brian Roberts - Tel: 0116 3057830
Liz Clark - Tel: 0116 3056236

Appendices

Appendix 1 Strategic Change Programme, 2007/08 Annual Report.