Leicestershire
County Council

# Leicestershire County Council
# Strategic Change Programme
# 2007-08 Annual Report

**Status:** Final

Prepared by: R Haynes

Version 1

28 May 2008

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# 1. Document Control

## 1.1 Control Details

| | |
|---|---|
| **Document Location:** | D:\Documents and Settings\rhaynes\My Documents\Encrypted\0. Clients\leicestershire cc\c - PROGRESS REPORTS\SCP_07-08 Annual Report_FULL v1.doc |
| **Production Software:** | Microsoft Word 7 |
| **Author:** | R Haynes, Strategic Programme Manager |
| **Owner:** | J Sinnott, Chief Executive |

## 1.2 Document Amendment Record

| Issue | Amendment Detail | Author | Date | Approved |
|---|---|---|---|---|
| V0.1 | Initial draft for comment | R Haynes | 10 May 08 | |
| V0.2 | Revised version | R Haynes | 12 May 08 | |
| V1 | Updated following CMT & review | R Haynes | 28 May 08 | |
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## 1.3 Document Sign-off

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**Date:** ……………………………………………………………

Strategic Programme Sponsor:

**Signature:** ……………………………………………………………

**Printed Name:** ……………………………………………………………

**Position:** ……………………………………………………………

**Date:** ……………………………………………………………

# 2. Executive summary

## 2.1 Introduction

In October 2005, the Council initiated a review of change projects and programmes, which led to the closure of 74 out of a known total of 78 major projects. Many of these initiatives, such as BABSI, were closed due to a lack of clear business benefits, no demonstrable progress and duplication between projects with 'corporate projects' competing with 'departmental projects'. In April 2006, the Strategic Change Programme (SCP) was established to improve the co-ordination, control, and successful delivery of large projects. Initially, the SCP was focused on bringing together, reprioritising and reshaping a number of existing initiatives that had historically struggled to progress and achieve expectations. The SCP also mobilised a number of core projects that were considered as enablers for future improvement and transformation.

In May 2007, the Council drafted its "Vision for Transformation" which articulated a direction of travel for the Council and a blueprint for the Strategic Change Programme moving forwards. As part of this document, the SCP reported on its achievements within its first year from 1 April 2006 to 31 March 2007; this document was presented to and approved by the Corporate Management Team and the Change Board. It was finally approved in August 2007.

This document reflects on the SCP's performance during its second financial year, 2007-08, including:

- Major achievements, problems and developments during the year;
- Assessment of each programme:
    - Each project's performance against plan;
    - Lessons learnt, considering both successes and issues;
    - Expenditure and resources;
    - Achievements, including outputs and outcomes (benefits);
    - Outlook and plan for 2008-09;
- Conclusions and implications.

## 2.2 Developments during the year

### 2.2.1 Management and leadership

The start of 2007-08 saw a number of key changes in the strategic management of the SCP:

- the retirement of the Programme Director, Tony Harrop, and the transfer of the SCP to Brian Roberts;
- the transfer of the Change Management Unit from the Chief Executive's department to Corporate Resources;
- the Strategic Change Programme Manager, Lorna Dobson, went on maternity leave and then left in November 2007. This role was, therefore, held by an interim manager, Richard Haynes until a permanent appointment was made (due to start on 2 June 08).

Despite these changes, the SCP has remained on track and as projects have been completed its benefits have been seen and felt by staff and customers.

The guiding principles agreed at the start of the SCP have been adhered to and have enabled genuine success, in terms of ownership and delivery efficiency, for example:

- the use of efficient governance and board structures;
- ensuring that programmes are sponsored by a Chief Officer supported by a peer;

- the common sense application of good project management practice, rather than a slavish adherence to all aspects of Prince2 and Managing Successful Programmes (MSP) guidance.

### 2.2.2 The focus of the programme in 2007-08

During 2007-08, the programme moved from strategy and mobilisation to the actual delivery of results; section 1.3 illustrates some of the important achievements of the programme. At a time when the Council is increasingly under pressure to tackle a wider range of change initiatives, we have continued our agreed approach to coordinate and support change projects corporately, providing greater visibility of their progress to CMT and Members. Below is an overview of the Strategic Change Programme and its component parts in 2007-08[1]:
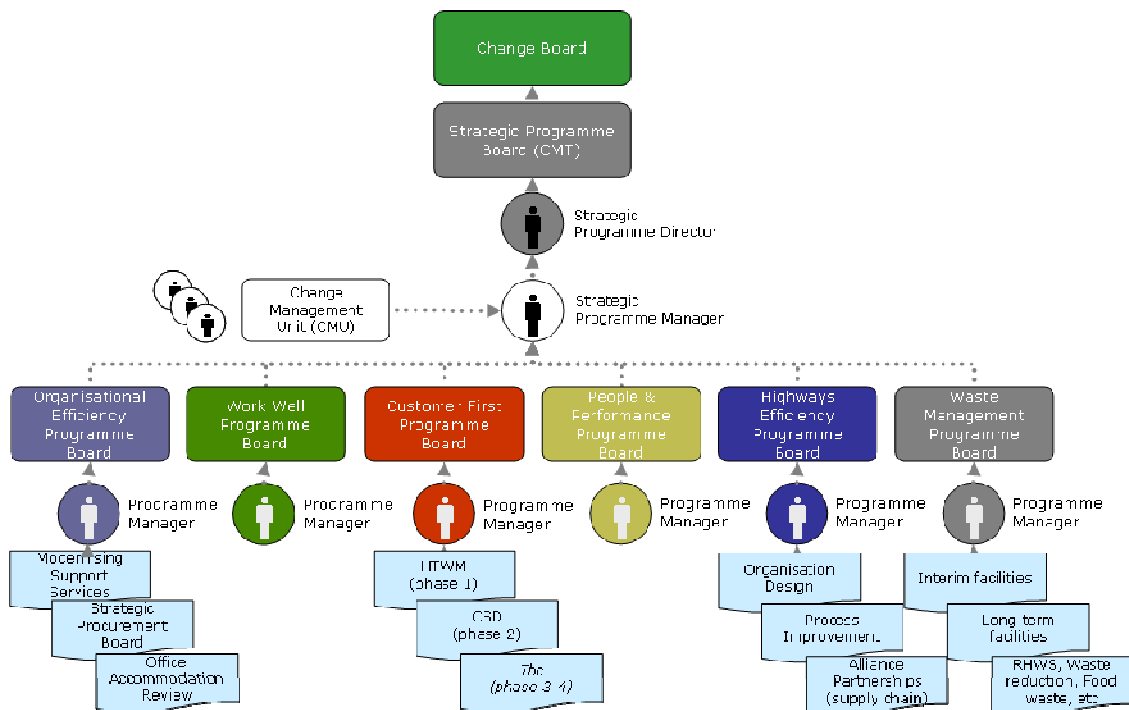


### 2.2.3 Decision making and changing priorities

The SCP has significantly developed from mobilisation to implementation. During the year we have seen the completion of a number of major projects, including the completion of Customer First's phase 1 implementation, the closure of the People & Performance Programme, and the closure of the Highways Efficiency Review Programme. At the same time, the Waste Strategy Implementation Programme has gained significant momentum and profile, the WorkWell Programme was launched and preparations for the Personalising Adult Social Care Programme began towards the end of the year. A further important step during 2007-08, was the decision to support the Council's transformation of support services and approach to resource management using Oracle eBusiness Suite; with the approval of the "Strategic Business Case for ERP" in July 2007 by CMT. Oracle is a key enabler of both the Customer First and Organisational Efficiency Programmes.

The SCP provided our Corporate Assessment with clear, tangible and unambiguous evidence of the Council's ability to articulate its vision, make decisions that reflect changing priorities, allocate and reallocate resources effectively to support major priorities within the programme, and most importantly, the Council's ability to deliver challenging projects to both plan and budget successfully.

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[1]     An explanation of these projects and programmes is detailed within the 'Vision for Transformation' (published on CIS)

### 2.2.4 Skills and capacity

As with any organisation embarking on a period of significant change, it can take time to develop the capacity with the correct skills, behaviour and insights to deliver projects successfully. The Council entered into its Strategic Partnership with Deloitte to create interim capacity and to help grow our own expertise both within Corporate Resources and within services such as Highways and Transportation that played such a key role in the SCP during 2007-08.

Within the Change Management Unit, we have restricted our permanent staff establishment with most posts being transferred from other parts of the Chief Executives Department and Corporate Resources (specifically ICT Services). Since October 2005, the new permanent posts have included 2.8 FTE project office support staff, 1.5 FTE change and performance officers, 2 FTE programme managers, and the Strategic Programme Manager. However, we have grown our base of seconded and trainee staff to build capacity for the next 2 years, and these new skills will flow back to services when their secondments end. We have made significant progress in developing our people. Against similar authorities, the Council has been almost uniquely successful in building the quality, capability and capacity of the central team that helps to deliver change projects. Nevertheless, we will continue to have challenges in the capacity and depth of expertise within the Business Analysis team, and in the experience and capacity of our project manager group.

In September 2007, the Change Management Unit launched a toolkit for project and programme managers on the intranet, as a common resource not only for the SCP team, but any project manager working for the Council. This toolkit includes practical guidance, training material, templates, contacts and "cheat sheets" to help project managers to fast-track the design, planning, mobilisation and control of their projects incorporating the lessons learnt from existing projects.

## 2.3 Budget summary

One of key strengths of the SCP approach is the ability to track, manage and report on expenditure across the total portfolio of the change initiatives, against budget and against the expected savings profile. In appendix 1, a more detailed explanation of the SCP budget position is provided. In establishing the SCP, a key financial rule was that savings resulting from the Organisational Efficiency Programme must be equal to or greater than the total cost of the entire SCP over the 6 year period from 2006. Although much of the SCP is not focused on cashable savings, this rule will be adhered to. This point is demonstrated by the budget summary below, which incorporates the actual cost outturn from the 2007/08 financial year, and demonstrates an anticipated net saving of over £1.2m by 2011:

| | 2006/07 £k | 2007/08 £k | 2008/09 £k | 2009/10 £k | 2010/11 £k | 2011/12 £k | Total £k |
|---|---|---|---|---|---|---|---|
| **Existing Budgets[2]** | 4,302 | 17,786 | 3,375 | 1,437 | 992 | 993 | **28,885** |
| **Annual budget variance** | -36 | 9,328 | -4,195 | -4,643 | -978 | -980 | **-1,504** |
| ***Total Investment*** | *-4,338* | *-8,458* | *-7,570* | *-6,080* | *-1,970* | *-1,973* | ***-30,389*** |
| **Annual Net Savings Profile** | 1,564 | 2,754 | 5,281 | 7,326 | 7,341 | 7,341 | **31,607** |
| ***Net Financial Position*** | *-2,774* | *-5,704* | *-2,289* | *1,246* | *5,371* | *5,368* | ***1,218*** |

Although the SCP has secured funding for the first four years, in 2010/11 the SCP is faced with a funding gap amounting to £1.5m by the close of 2011/12. A review of the cost of programme delivery, ongoing costs and potential additional sources of capital and revenue funding will therefore be undertaken over the next three months. The outcome of this review will be reported to the next meeting of the Change Board

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2    *Covers both revenue and capital allocations and includes resources transferred from the previous BABSI project, service shops and other corporate budgets. It also includes one off resources made available from the PSA reward grant, the Business Growth Incentive scheme, a transfer from the Industrial Properties Reserve and the payback from the financial arrangements with the PCT*

## 2.4  Overview of major achievements

In the SCP's second year, it has already begun to move into new areas, tackling new priorities. This has only been possible through the successful closure of existing projects and the delivery of tangible benefits, enabling our resources and attention to move on.  This report provides an analysis of achievements for each of the programmes within the SCP.  However, below is a summary of the main achievements, incorporating both outputs and outcomes relating to 2007/08:

- Achievement of £4.39m cashable procurement savings, against a £1.5m target, with a strong pipeline of over 70 procurement initiatives to tackle next.

- Roll-out of Oracle iProcurement for on-line ordering across the Council, with transactions amounting to over £11m in 2007/08 passing through the system.

- Implementation and operation of a Category Management approach to procurement, which has generated significant interest from numerous local authorities across the country with Leicestershire being recognised as best in class.

- Achievement of £124k cashable savings from modernising support services ahead of our target. We are well placed for the efficiency  challenges in 2008/09 and 2009/10 with a strong pipeline of future savings across property, payroll, HR, ICT and finance functions approaching £2m by 2010.

- Implementation and operation of an Enterprise Architecture approach to managing, co-ordinating and controlling ICT developments.  Leicestershire has been the only authority to have successfully achieved this so far in the country, leading to significant interest from other councils.

- Achievement 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 £2.2m savings target by 2010.

- Implementation of the first Customer Service Centre, serving customers requiring HTWM services, went live in November.  The new centre is taking approximately 3000 calls a week, with 85% of them being resolved by the team.  The Customer First Programme is continuing to move forwards, with emerging requirements for Community Services (phase 2) and Adult Social Care is clarifying its expectations of Customer First to support the personalisation agenda.

- WorkWell, although a new programme, has three 'touchdown points' in use across the County and a fourth, at Snibston Discovery Park, is planned for May 2008.  The operational touchdown points enabled the Highways Service Efficiency Programme to close four area offices and change working practices for mobile staff.

- Reducing sickness absence levels to 3.5% over two years, equating to a saved opportunity cost of more than £2m, through the support of the People & Performance Programme.

- Implementation of a new management competency framework and on-line assessment tool which has been rolled-out to all grade 13 managers and above.

- Implementation of the Employee Benefits Scheme 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 our residual waste between 2008/09 and 2014/15. Furthermore, the Council's business case for a long term waste treatment facility from 2014/15 was successfully reviewed by 4P's and we are ready for submission in May 2008.

## 2.5  Conclusion

In many areas, we have learnt some important lessons from both problems and successes, and the prospects for the Programme are good.  Moving forwards, it is clear that the efficiency agenda remains a key focus and the SCP has more challenging targets next year running through to

2010. In addition, the Customer First Programme remains a key priority driven by the needs of our customers and the changing way we are delivering our services, working with partners to join-up customer access.

This annual report demonstrates the success of the approach the Council has adopted to manage, coordinate and deliver change and improve outcomes. It will be important to ensure that as more specific service-aligned priorities emerge that the corporate approach adopted continues to deliver. A case in point has been the success of the Highways Service Efficiency Programme, which has demonstrated the benefits of joined-up working and linking activities across projects and programmes: specifically, Customer First, the Highways Service Efficiency Programme and WorkWell.

As existing programmes close, next year sees an increasing focus on frontline service priorities, such as Personalising Adult Social Care, which will have an impact that goes beyond the ASC department. At the same time, raising the profile of environmental sustainability and reducing the authorities' environmental impact and carbon footprint, is emerging as an increasingly important corporate priority closely linked to the Waste Strategy.

# 3. Customer First

## 3.1 The scope of the programme in 07/08

Phase 1 of Customer First was successfully completed on plan and within the financial projections for the year. The programme has managed the implementation of the CRM software, the redesign of over 50 HTWM processes, the establishment of a Customer Service Centre including recruitment and training of staff and the implementation of a knowledge base to support the CSC.

Summary of projects:

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| ICT workstream | Delivery of technology to support the CSC | Completion of phase 1 and phase 1a and the completion of a delivery plan for phase 2 | Achieved |
| IM workstream | Definition of an IM solution to support core data and knowledge base | Implementation of the IM solution and planned activity for phase 2 including the start of an information audit in CSD. | Achieved |
| Service Migration workstream | Business Process Re-engineering for all in-scope processes | All new processes designed, tested and migrated to live environment.<br><br>As-Is analysis for phase 2 in development | Achieved |
| Operations workstream | Establish the Accommodation, recruitment and target operating model for the CSC | Reach steady state for live CSC, transfer to business as usual, and to plan activity for phase 2. | Partly achieved (service not consistently achieving planned level) |
| Face to Face | Provide community based face to face customer service | Trial sites operational | Trial sites still in development. Delay through partnership issues and clarity of customer service vision. |
| Website | Enable customers to access services on-line | Improved website content and on-line forms for HTWM services | Achieved |

## 3.2   Lessons learnt: successes and issues

| Successes | Lessons Learnt / Outcome |
|---|---|
| Strong programme governance | Chief Officer sponsorship has helped resolve conflict and helped to retain high profile of the programme. |
| Clear communication within the programme | Appropriate use of highlight reporting and weekly highlight meeting has developed consistent understanding of progress and the management of risks and issues. |
| Detailed programme planning | Creation of a strong foundation for programme control that enabled tracking of progress. PMO support has established strong programme control and reduced the administrative burden on project managers. |
| Detailed documentation and the establishment of an ICT testing strategy | Will reduce rework in future phases and crucial during periods of uncertainty in build and test phases of the programme. |
| Effectiveness of knowledge transfer from Deloitte to Council programme staff | Particularly for the business analysis and ICT project teams, Deloitte have helped to build sustainable skills, insights and capacity to support future phases with far less external support.  The only major gap has been for the CRM solution architect role where ICT have been unable to recruit an employee to develop alongside Deloitte. |

| Issue | Lessons Learnt |
|---|---|
| The department felt they were "done to" by the Programme on a number of occasions | Better planned and managed engagement with the department including insistence on the appointment of a Business Change Manager. Better understanding of the impact of other initiatives in the dept. |
| Accuracy of baselining | Reduce reliance on departmental SME estimates by making greater use of technology, wherever possible, to estimate call volumes by service type. Phase the migration of telephone lines during go-live over a number of days to manage any major call volume variances in smaller manageable stages.   The will provide the opportunity to address any potential staffing levels concerns and amend go-live timescales without impacting on service performance. |
| Handover to business as usual quality standards and management structures prior to go-live. | Agree the service level performance standard that will trigger the transfer to business as usual and / or timescale more clearly. A clear Customer Service management structure for the authority will now assist. Recognition that a Customer Service Centre is operationally very different to traditional local authority services, and requires a different style and approach to people and service management. |

## 3.3  Spend and resources in 07/08

Overall, the programme has remained within the allocated budget for 2007/08. Additional cost associated with the extended support of Deloitte has been offset by reducing costs relating to ICT network development and other assumptions made in the financial model.

A summary cost breakdown is as follows:

| Project name | Staff (FTEs) | Business case budget | Actual outturn |
|---|---|---|---|
| ICT Workstream | 20 FTE during peak build activity (ICT/CMU and Deloitte) | £3.73m | £3.59m |
| IM workstream | 5 FTE during peak design & data migration activity (IM/ICT and Deloitte) | | |
| Service Migration workstream | 6 FTE during peak process design activity (CMU and Deloitte) | | |
| Operations Workstream | 5 FTE during peak development activity (CMU/HR) | | |

## 3.4  Achievements (outputs and outcomes)

- The CSC went live as planned in November 2007 and as at 31 March 2008, the position was as follows:
  - The new service receives approximately 3,000 calls a week relating to HTWM services;
  - Approximately 85% of the calls received are resolved by the CSC, significantly reducing the impact of customer calls on departmental staff and improving the customer experience as their requests or queries are resolved at the first point of contact;
  - Approximately 60%-70% of calls received by the CSC are answered within 20 seconds, against a service level target of 80%. This is continuing to improve;
  - The CSC receives nearly 100% more calls than were estimated by the department. However, these are being managed by only a 50% increase in the CSC staffing base, demonstrating the efficiency of the new operation.

- The migration of telephone numbers into the CSC had an immediate impact on the back office areas in HTWM, allowing specialist staff to concentrate on their core responsibilities without disturbance from general customer enquiries.

- The technical implementation of the Oracle CRM system and the Information Management solutions for core data and the knowledge base went live without significant issue. However, the integration to the Highway Management System (Confirm) did cause some operational problems within the department as information from Oracle to Confirm was being truncated and was difficult to understand.

- The department now has access to detailed management information regarding customer enquiries and service request demands. This can be used to make decisions regarding service provision, and monitor the achievement of service level standards in delivery service requests.

## 3.5 Outlook and plan for 2008-09

| Project name | Key issues | Delivery of business case | Plan | Budget | Overall health |
|---|---|:---:|:---:|:---:|:---:|
| ICT workstream | Availability of resources and clarification of the role of Oracle ERP implementation partner. | ✔ (green) | ✔ (green) | ✔ (green) | 🏳 (amber) |
| IM workstream | Output of the information audit, GIS and knowledge base development | ✔ (green) | ✔ (green) | ✔ (green) | ✔ (green) |
| Service Migration workstream | Clarity of scope through completion of analysis | ✔ (green) | ✔ (green) | ✔ (green) | ✔ (green) |
| Operations workstream | New project manager. Provision of BA resource to keep to plan | ✔ (green) | ✔ (green) | ✔ (green) | ✔ (green) |
| Face to Face delivery | Reliability of partnership support to deliver joint solution | 🏳 (amber) | 🏳 (amber) | 🏳 (amber) | 🏳 (amber) |
| Website | Clear website strategy required to fully realise the benefits of online service | ✔ (green) | ✔ (green) | ✔ (green) | ✔ (green) |
| Future Phases | Availability of resource to undertake analysis | 🏳 (amber) | 🏳 (amber) | 🏳 (amber) | 🏳 (amber) |

## 3.6 High level programme plan for 2008/09

| March | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan '09 | Feb | March | April |
|-------|-------|-----|------|------|-----|------|-----|-----|-----|---------|-----|-------|-------|

**Phase 2 Timelines**

Analysis

KEY MILESTONE

Gateway Review

External Dependency FIS Upgrade and merge to CRV

Gateway Review

Functional Design

Technical Design

Phase 1 (PP)

Build

Testing

Deploy

Go-live

**CSD/PTU Involvement**

Communication and Engagement

Analysis workshops & Information gathering

Conference room pilot

Design Review and sign-off

Knowledge Base Content Definition

User Acceptance Testing

Design Workshops

Test Scenario Definition

Analysis Review and sign-off

Go/No-go live decision

HR Process and Recruitment

# 4. Organisational Efficiency

## 4.1 The scope of the programme in 07/08

The Council has historically had a strong departmental focus in the way it controls, deploys and manages its support services and assets, such as IT and property. At the same time, the Council has also continued to have central services providing core functions to support departmental needs. The target operating model for the Council is a significant shift away from this apparent duplication of responsibility and effort. In 2007/08, the focus of the programme was on three main workstreams each including several projects, as follows:

- Making the best use of our resources by Modernising Support Services;

- Creating a smarter approach to buying through improved Strategic Procurement;

- Making our property assets fit for purpose through improved Asset Management and challenging the current use and portfolio of property assets.

Both the "Strategic Procurement Programme" and the "Highways Efficiency Review Programme" are aligned to the Organisational Efficiency Programme. However, they have been reported in separate sections of this report due to their size and complexity, and consequently to adequately reflect their achievements and lessons learnt.

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| Modernising Payroll & HR Services | To implement an efficient, effective, world class HR & Payroll function, which meets the needs of customers | As-is and To-be analysis completed. Information audit completed HRMT appointed | Work to complete gaps in As-Is analysis ongoing To-be design on-going Information audit completed HRMT appointed |
| Property Services Review | To deliver an organisational structure and improved processes to support the corporate management of Council's land and property assets | Phase 1 completed. New structure goes live in April'08 Helpdesk solution implemented Business Case for Phase 2 completed | Phase 1 completed New structure set to go live in April'08 Helpdesk solution outstanding Business Case for Phase 2 in final stages of sign-off |
| Information Management Review | To deliver an effective and business-focussed Information Management function | New IM team to go live at end of Apirl'08 Project closes at end of April'08 | New IM team to go live at end of Apirl'08 Project closes at end of April'08 |
| Financial Services Review | To review transactional and advisory finance functions to establish opportunities for efficiencies and service improvement | Business cases for Transactional and Advisory functions completed | Transactional business case in final stages of sign-off Advisory business case expected to be completed by early May'08 |

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| Facilities Management | To consolidate and re-procure Facilities Management contract on a corporate basis | Baselining completed by mid-April'08<br><br>Scope of contract agreed<br><br>Stage 1 to finish by end of April'08 with approved Outline Business Case | Baselining to be completed by end of April'08<br><br>Scope of contract agreed<br><br>Outline Business Case to be approved mid-May'08 |
| Electronic Home Care Monitoring System | To implement an electronic home care monitoring system, which will allow improvement in service and achievement of efficiencies | Pilot started 31st March'08 | Pilot started 31st March'08 |
| End-user ICT Asset Management | To establish a single, integrated end-user ICT asset management function in ICT services | PID signed off in Feb'08 | PID to be signed off early May'08 |
| ICT Review Implementation | To create a fit-for-purpose ICT function with a flexible operating structure able to support a higher level of change alongside supporting business as usual | New structure live by end of May'07<br><br>Project closed | New structure live in June'07<br><br>Project closed |
| Fleet Management | To establish a centralised Passenger Fleet Team, with a common approach to managing Council's fleet activity | New team live in May'08<br><br>Project closed | New team live in May'08<br><br>Project closed |
| Asset Challenge | To systematically review the Council's real estate for fitness for purpose and strategic fit | Review of Coalville & Northwest completed and recommendations submitted to CPSG | Review of Coalville & Northwest completed and recommendations submitted to CPSG |
| Office Accommodation Strategy | To formulate a strategy for the design and use of office accommodation throughout the Council | Progressing with an estimated delivery date of end of July'08 | On track to deliver by end of July'08 |

## 4.2 Lessons learnt: successes and issues

Through 2007-08, our main learning points for future phases and initiatives came from the modernising support services workstream, which to-date has been the most complex and high risk aspect of the programme, as follows:

- In a few projects, delays have been caused by either not involving the relevant stakeholders in sign-off of completed products, or by the planned delivery dates not taking account of QA activity. It was learned that in achieving quality, consultation and engagement of key stakeholders is very important, so sufficient time needs to be allowed in the plan for quality assurance activities

- In the planning stages, full consultation is required to ensure timescales are realistic and the necessary resources can be made available. Lack of engagement in planning has

created pitfalls for a number of projects – including Fleet Management, Property Services Review and some others.

- Several projects struggled to progress with the deliverables because of lack of capacity within departmental management groups. Capacity of departments for change needs to be assessed when setting the level of project resources required.

- Detailed understanding of the project content has been demonstrated to be essential for project managers to exercise effective management of the project activity. The programme has experienced both successes and failures in this area.

## 4.3  Spend and resources in 07/08

| Project name | Internal staff (FTEs) | Business case budget | Actual outturn |
|---|---|---|---|
| Modernising Payroll & HR | 7.4 | £246,252 | £214,132 |
| Property Services Review | 2.6 | £125,039 | £112,377 |
| Information Management Review | 0.75 | £5,000 | £340 |
| Financial Services Review | 1.0 | £113,122 | £103,447 |
| Facilities Management | 1.8 | £10,904 | £7,491 |
| eHome Care Monitoring System | 1.0 | £24,072 | £20,341 |
| End-user ICT Asset Mgt | 1.2 | £42,740 | £8,189 |

## 4.4  Achievements (outputs and outcomes)

Within the Modernising Support Services workstream, the Organisational Efficiency Programme has made significant progress. Two of the support services - ICT and Information Management - have completed their reviews, strategically positioning both teams to support the Council's vision for Transformation. The Property Services review has completed Stage 1 of its re-organisation, creating a unified team, which strengthened the Asset Management function and began to provide support for creation of the corporate landlord approach.

With reviews of many other services under way, the programme plans to achieve significant savings as well as align all of the support services to the corporate target operating model improving the quality of services to Departments. The workstream is currently mid-way in its progress and is estimated to be completed in 2 to 3 years, with the transformation of Finance Services being one of the final deliverables.

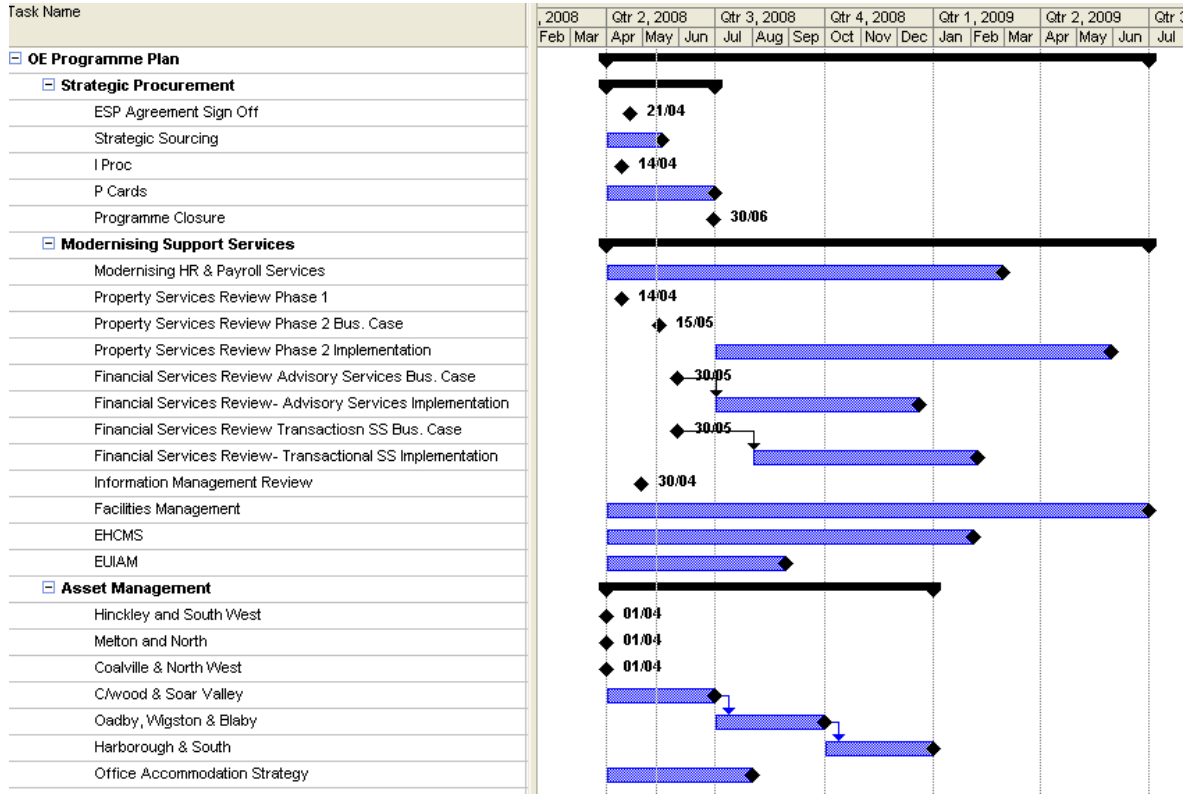| Project | Outputs and / or outcomes |
|---|---|
| Fleet Management | Passenger Fleet team established, utilising a common approach to managing fleet activities and standardising working practices. The new service delivered savings of £13k in 2007/8 and is assured to achieve £32k in 2008/09. CMU are working with PTU to realise far more significant savings in future years. |
| ICT Review Implementation | New structure introduced, separating support for strategic change projects and operational service delivery<br><br>The new service, with the adoption of Enterprise Architecture and new management structure, is improving its ability to map changes in business requirements to technology solutions and deliver the ICT strategy more effectively. Although the project was not expected to deliver any savings, £11k recurrent savings have been achieved. |
| Modernising Payroll & HR Services | During the project's mobilisation, the Council agreed that the current HR and payroll system (Trent) should be replaced with |

| Project | Outputs and / or outcomes |
|---|---|
| | Oracle eBusiness Suite, as part of the "Strategic Case for Enterprise Resource Planning". |
| | Project mobilised successfully with project manager, governance and team established. New HR management team has been appointed, and understanding of the new HR delivery model is clear with improved buy-in from departments. |
| | Substantial progress has been made on "As-Is" and "To-Be" business analysis enabling a new target operating model for the Employee Service Centre to be clarified. |
| Property Services Review | New organisational structure implemented, achieving savings of nearly £100k per annum and providing greater strategic focus on major capital programmes and improving the configuration and portfolio of our properties. |
| | Departmental staff (CYPS, ASC, CSD) transferred to Property Services. Intelligent Client roles identified within the Departments, with corresponding Business Partner roles within Property Services |
| Information Management Review | Vision for Information Management has been defined and agreed. A new IM team has been created to deliver the vision, located in Organisational Development within Corporate Resources, with a Business Partner role. |
| Facilities Management | After poor progress in the early part of the year, the scope of a new integrated service has been fully consulted on and agreed, baseline data and requirements have been collated. The procurement of a new integrated service has been initiated. |
| Electronic Home Care Monitoring System | Technology provider selected and pilot commenced with three independent sector agencies to test the proposed model. |

## 4.5 Outlook and plan for this year

The Organisational Efficiency Programme is set to expand in 2008-09 with the CSR07 introducing new efficiency challenges. With many projects already well under way, the programme is expecting to finalise the business case and, pending approval, begin implementation of, the Financial Services Review, which will complete the cycle of reviews comprising the Modernising Support Services work stream. Looking ahead, the programme's focus will begin to broaden as it is planned to support strategic efficiency initiatives within departments:

| Project name | Key issues | Delivery of business case | Plan | Budget | Overall health |
|---|---|---|---|---|---|
| Modernising Payroll & HR Services | Confirmation of savings target & timescales | 🚩 | 🚩 | ✔ | 🚩 |
| Property Services Review | Implementation of helpdesk solution | ✔ | 🚩 | ✔ | ✔ |
| Information Management Review | On track | ✔ | ✔ | ✔ | ✔ |
| Financial Services Review | Delay of advisory finance BC | n/a ✔ | 🚩 | ✔ | 🚩 |
| Facilities Management | On track | ✔ | ✔ | ✔ | ✔ |
| Electronic Home Care Monitoring System | On track | ✔ | ✔ | ✔ | ✔ |
| End-user ICT Asset Management | Delay in preparation of the PID | ✔ | 🚩 | ✔ | 🚩 |

## 4.6    High level programme plan for 2008/09

| Task Name | , 2008 | Qtr 2, 2008 | Qtr 3, 2008 | Qtr 4, 2008 | Qtr 1, 2009 | Qtr 2, 2009 | Qtr |
|---|---|---|---|---|---|---|---|
| | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul |

**OE Programme Plan**

  **Strategic Procurement**

    ESP Agreement Sign Off — 21/04

    Strategic Sourcing

    I Proc — 14/04

    P Cards

    Programme Closure — 30/06

  **Modernising Support Services**

    Modernising HR & Payroll Services

    Property Services Review Phase 1 — 14/04

    Property Services Review Phase 2 Bus. Case — 15/05

    Property Services Review Phase 2 Implementation

    Financial Services Review Advisory Services Bus. Case — 30/05

    Financial Services Review- Advisory Services Implementation

    Financial Services Review Transactiosn SS Bus. Case — 30/05

    Financial Services Review- Transactional SS Implementation

    Information Management Review — 30/04

    Facilities Management

    EHCMS

    EUIAM

  **Asset Management**

    Hinckley and South West — 01/04

    Melton and North — 01/04

    Coalville & North West — 01/04

    C/wood & Soar Valley

    Oadby, Wigston & Blaby

    Harborough & South

    Office Accommodation Strategy

# 5. Strategic Procurement

## 5.1 The scope of the programme in 07/08

The programme objective is to reduce the costs of goods and services by £9m by 2009/10 (£1.5m by 2007/8) through the implementation of a strategic approach to procurement supported by efficient systems and processes, that force compliance with corporate contracts and policy.

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| Organisational Change | Establish a Corporate Procurement Unit & category management structure council-wide | CPU operational<br><br>CPU office relocation complete<br><br>CM structure in place<br><br>Contract Procedure Rules agreed<br><br>Partnering agreement with ESPO signed off | Complete<br><br>Temporary location only<br><br>Complete<br><br>Complete<br><br><br>CMT sign off 10/04/08 |
| Strategic Sourcing | Improve current and future contracting arrangements across the Authority, so that efficiency targets can be met | Savings methodology/ approach in place<br><br>Category plans nearing completion | Complete<br><br><br>Category plans to be completed 07/05/08 |
| Strategic Sourcing Projects | 21 savings projects to deliver £9m cumulative (cashable) savings by 2009/10 | Cumulative cashable savings of £1.5m by 2007/8 | Target exceeded: gross cumulative cashable savings of £4.39m; net cumulative cashable savings of £3.57m; 71 savings initiatives identified |
| Management Information | Deliver a suite of MI reports on procurement activity to meet business requirements | eBusiness Suite reports in place (stage 1)<br><br>Validity of non-eBusiness reports undertaken (Stage 2) | All as scheduled<br><br>Project closure agreed 11/03/08 |
| E-marketplace feasibility | Investigate potential for e-marketplace | Feasibility study complete | Complete |
| Oracle iProcurement | Roll-out iProcurement for standard commodities across the Authority | Roll-out to all departments complete | Complete |
| pCards | Introduce pCard where appropriate and required | Roll-out to all departments complete | To be completed end May 2008 |
| Electronic Home Care Monitoring System | Implement a time recording billing system for home care services | Project transfer to OE programme wef 14/02/08 | *Project transferred* |
| Facilities Management | | Project transfer to OE programme wef 14/02/08 | *Project transferred* |

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| Collaborative Procurement | Identify, assess and prioritise available collaborative opportunities | Regional supplier/spend analysis<br><br>Prioritised agreed scheduled in place | All as scheduled<br><br>Project closure agreed May 2007 |

## 5.2 Lessons learnt: successes and issues

| Issue/Observation | Impact | Lesson Learned |
|---|---|---|
| Availability of category managers (CMs) | Some CMs were fully occupied with their departmental roles and other major reviews which took priority over the procurement efficiency agenda | More central co-ordination is required of different projects and programmes, project interactions with different departments, and resource requirements/ utilisation;<br><br>continue to seek senior management endorsement whenever necessary |
| Low information base | Not all category managers were aware of the contracts within their category; the Authority had little information available about baseline costs which created additional work quantifying and verifying procurement savings | Be prepared to take a pragmatic approach wherever necessary and agree what's good enough rather than try and refine data to the nth degree |
| Business cases for Oracle iProc, pCards and EHCMS were optimistic | The actual level of cashable savings is likely to be reduced | Allow sufficient time to investigate potential BCs in sufficient depth; ensure assumptions (e.g. about benefits, timings) are subject to rigorous challenge from the outset; keep the BC under review; develop CMU role to provide specialist guidance on estimating/resource planning, benefits tracking |
| Use of departmental champions | The departmental champions were operationally close to the users and could tailor the approach/communications to suit | Having departmental champions significantly eases project implementation but ensure they have sufficient time to perform their tasks |
| It is questionable whether some of the activity needed managing as a project being relatively small in size | The Prince 2 approach took up disproportionate amount of time | Simplify project methodology/approach for smaller projects |

## 5.3  Spend and resources in 07/08

Overall, the programme has under spent due to delays in staff recruitment on the Organisational Change project. This delay meant extending the project timescale and existing resources doing unpaid overtime.

| Project name | Internal staff (FTEs) | Business case budget | Actual outturn |
|---|---|---|---|
| All projects within the Strategic Procurement Programme, exluding eHCMS and Facilities Management (included within the Organisational Efficiency section) | 17.8 | £423,311 | £419,736 |

## 5.4  Achievements (outputs and outcomes)

| Theme | Headline achievements |
|---|---|
| **Efficiency savings** | <ul><li>£9m net cashable savings by 2009/10 (£9.6m net forecast)</li><li>Corporate Procurement Strategy agreed (including approach to outsourcing)</li><li>Category sourcing plans in place (due by May 2008)</li></ul> |
| **Organisational change** | <ul><li>New Corporate Procurement Unit in place</li><li>Category management structure in operation</li><li>New contract procedure rules approved</li><li>Partnering agreement with ESPO</li></ul> |
| **E-procurement** | <ul><li>Council-wide on-line ordering tool (current value of orders: £11.5m)</li><li>Purchasing cards in use across the Authority</li><li>Specific recommendations on future tools</li></ul> |
| **Management information** | <ul><li>Agreed methodology to track savings</li><li>Mgt info reports on procurement activity</li></ul> |
| **Collaboration** | <ul><li>Supplier/spend analysis (sub-region/region)</li><li>Prioritised schedule of collaborative opportunities</li><li>'Source Leicestershire' website launched</li></ul> |

## 5.5 Outlook and plan for this year

The Programme is expected to come to a structured close in June 2008 following completion of the remaining tasks. Procurement savings will continue to be reported via the Organisational Efficiency Board.

| Project name | Key issues | Delivery of business case | Plan | Budget | Overall health |
|---|---|---|---|---|---|
| Organisational Change | Need to strike a balance between 'savings' activity and Business as Usual | ✔ | ✔ | ✔ | ✔ |
| Strategic Sourcing | Category documentation expected 07.05.08 | ✔ | ✔ | ✔ | ✔ |
| Management Information | Stage 2 abandoned due to ERP developments; project closure agreed 11.03.08 | ✔ | ✔ | ✔ | ✔ |
| Oracle iProcurement | Project closed 31.3.08; cashable benefits under review | ⚑ | ✔ | ✔ | ✔ |
| pCards | Slippage in transfer to BAU from April to June 2008 | ⚑ | ⚑ | ✔ | ⚑ |

Note: Excludes EHCMS and Facilities Management projects, which transferred to Organisational Efficiency Programme on 14/02/08.  The rest of the programme is due to be completed and the projects closed during June 2008.

## 5.6 High level programme plan for 2008/09

The Strategic Procurement Programme is scheduled to close in June 2008 with a programme closure report to the Organisational Efficiency Board on 23rd June subject to completion of the following activities:

| Project/Activity | Target date |
|---|---|
| Strategic Sourcing | |
| • Completion of 3 core documents for each category | 07.05.08 |
| Oracle iProcurement Implementation Project | |
| • Project closure report | 12.05.08 |
| PCards | |
| • Complete training | 31.05.08 |
| • Handover to business as usual | 23.06.08 |
| • Project closure report | 23.06.08 |

# 6. Highways Service Efficiency Programme

## 6.1 The scope of the programme in 07/08

The HSER programme was constructed in order for the Department to both meet its efficiency savings obligations as well as maintaining and, where possible, improving services to the public. The purpose of the programme was to coordinate these project streams such that during the period of change, the impact upon day-to-day service delivery was kept to a minimum and control was maintained by the executive Board. The focus of the programme has been on the Highways and Transportation services.

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| Organisational change | The creation of a new departmental structure better suited to future demand and providing greater consistency of service across the county. | Implementation of new Branch structures, consolidation of area offices, implementation of Touchdown Points, rationalisation of staffing | Achieved<br><br>(although Snibston Touchdown Point due to open 7/5/08) |
| Procurement of external services | Rationalising our approach to the purchasing of all professional, construction and maintenance works services. | Appointment and active engagement with preferred suppliers for: Major works (>£500k), minor works (<£500k), professional services. | Achieved<br>• Major works: Highways Agency framework.<br>• Minor works: Highways Works Alliance (HWA) with Tarmac Ltd active in January.<br>• 3 Counties Alliance Partnership (3CAP) established mid 2007. |
| Continuous Process Improvement | Identification and delivery of specific improvement opportunities and embedding new skills within the Department. | - Re-engineering of all highway related inspections.<br>- Revised approach to delivery of winter maintenance service.<br>- Planning for revisions to finance/highways operations (DLO) processes. | Partly achieved:<br>• Established new Inspections regime. (some actions outstanding)<br>• Initial scoping of Winter Maintenance.<br>• Finance/ops opportunity not yet underway. |

## 6.2 Lessons learnt: successes and issues

| Successes | Lessons Learnt / Outcome |
|---|---|
| HSER Board governance – clarity of purpose and commitment | • Board fundamentally embraced the importance and underlying requirement for the efficiency savings to be found. Led to effective and timely decision making.<br>• Board owned the delivery of the departmental service – allows fundamental understanding of the implications of changes proposed and direct responsibility for those affected. |
| Effective staff reference group | • An active project/programme staff reference group, composed of representative non-management staff volunteers provides an important conduit for information transfer for change projects including staffing/HR impacts.<br>• Acts as an important additional communication method outside established Trade Unions/line management/project manager led comms to maximise staff engagement in process (staff who may not engage through other routes).<br>• Helped to identify key communication risks.<br>• Peer to peer communication/feedback from reference group members frequently helped to overcome the denial response of some negatively affected employees, and help to quash rumours around change process. |
| Use of area office/depot managers in tailored communication activities | • Area office managers/depot managers have best knowledge of staff availability and comprehension for review implications. Involvement of area managers ensured that an appropriate message communicated in the most effective way.<br>• Need for specific "championing of the cause" by certain middle management staff should be considered and identified in communication planning.<br>• Inclusion of selected "champions" in project team meetings can overcome peripatetic and area based staff miscomprehensions as they can reflect the facts to the employees they are responsible for. |
| Use of two-phase staff action plan | • Dividing the restructuring of management and service delivery staff into two (or more) action plans provided several benefits:<br>• Ability to restructure strategic service (Group) functions in Phase 1, and then appropriately resource these functions in Phase 2.<br>• Allows middle management tier to contribute towards new structure design (and helps to encourage forward-looking ethos).<br>• Ensures handling staff feedback on in-principle consultation issues are largely concluded before more labour intensive second phase action plan (more staff/posts involved).<br>• Holistic and continuous approach to communications to ALL staff affected by both action plans essential to ensure two-phase approach does not generate unnecessary challenges and staff unrest/discontent in second/later phase(s). |
| Effective use of detailed implementation plan for changes to accommodation | • Resourced, detailed implementation plan for accommodation works and office moves provided certainty for resource planning by corporate resources support (ICT services, CTS/caretaking resources, property services).<br>• By securing workstream lead sign off, delivery could be effectively managed, monitored and reported by project manager. |

| Issues | Lessons Learnt |
|---|---|
| Departmental Management Team acting as Programme Board | • Decision making tolerances should be identified and agreed by Board to overcome lack of clarity for HSER programme and project managers particularly around decision making responsibility. (Resolved later in programme.) |

| Issues | Lessons Learnt |
|---|---|
| | • Programme decision making methods and responsibilities may be substantially different to those of 'business as usual' for both DMT and project/programme managers- clarity and sign-up essential.<br>• Care must be taken by DMT members to communicate effectively to programme/project manager any decisions relating to the programme taken within DMT meetings (i.e. outside project/programme governance arrangements). |
| Disruption experienced by customers during area office moves/closures was exacerbated by timing of Customer Service centre go-live | • Greater clarity of risk around interdependency between Customer First and HSER should have been identified to the respective Programme Boards when taking the decision to approve office move dates.<br>• Greater consideration of interdependencies in risk management at the time of key decisions, particularly where end service users potentially affected. |
| Delay to selection process due to use of voluntary redundancy in HR Action Planning for reviews | • Where VR offered as an option for ring-fenced staff, action plan should be clear that eligibility for this not guaranteed; confirmation of team managers in post was delayed due to resolution of VR request for individual who was not eligible.<br>• Use of VR as an option to cope with reduction in posts can interfere with competency based selection (risk that key knowledge/skills lost by offering VR as an option).<br>• Application form should offer space to set out reasons for selection of VR by employee, the completion of which should be mandatory in the process.<br>• Manage staff expectations from outset – ensuring understanding of eligibility for VR and that LCC business needs are the priority |

## 6.3   Spend and resources in 07/08

### 6.3.1  Business case review highlights

- The project delivered cumulative cashable savings for 2007/08 compared to 2006/07 only 1.5% lower than business case predicted.

- The gross annual cashable savings delivered are 1.6% above target.

- The cumulative project costs delivered are 56% lower than estimated (when considering capital, revenue and contingency costs together).  The reduced capital costs were a result of:

  o supply of accommodation works and required equipment at a lower rate than anticipated in the original estimates;

  o implementation, by agreement by the end user, of a lower specification accommodation solution than estimated in the business case;

  o the expected mobile and flexible working solution for inspectors; homeworking, not being implemented, for operational reasons, and due to a Workwell programme decision that this is not an initiative that LCC as an organisation wishes to pursue.  HSER contributions to delivery of touchdown points and ICT requirements for inspectors using them were substantially below that estimated for homeworking.

- Total HR costs (redundancy and early retirement) were £475k lower than estimated.  The reduced HR costs were a result of:

  o the actual age and length of service statistics for the employees released by the department being significantly different to those estimated by demographic modelling in the business case, resulting in reduced lump sum and pensionable costs;

  o negotiation over released employee departure method, including brokerage of retirement over redundancy (in all cases, employees were released from LCC

employment after request for VR after consideration of (i) nature of VR request, (ii) competency of VR nominee and co-workers in contention for equivalent post(s) and (iii) cost to release);

  o the decision by Corporate Finance to pay pensionable costs in a lump sum rather than by conventional annual payment to the pension fund.

- Cumulative net present value £1.65m more positive than original business case. This additional benefit arose by virtue of the simple fact that the savings were cheaper to deliver than expected.

In conclusion, the project has returned much greater value than anticipated through achievement of the expected savings at significantly lower cost.

| Project name | Internal staff (FTEs) | Business case budget | Actual outturn |
|---|---|---|---|
| Organisational change | HR: 1FTE<br>ICT: 0.5FTE<br>Project manager: 1 FTE<br>Programme Manager (DS and JH): 0.75FTE | £3.5m including HR costs and contingency | £1.5m including HR costs and contingency |
| Procurement of external services | Departmental input only | n/a | n/a |
| Continuous Process Improvement | HR: ca. 0.1FTE<br>ICT: ca. 0.05FTE<br>Project Manager: 0.6FTE<br>Business Analyst: 1-2FTE across period. | Staff cost only | Unable to determine actual figure. Lower than estimated due to 1BA transferring to Waste programme ca. 1 month before new BA allocated. |

## 6.4 Achievements (outputs and outcomes)

One of the key drivers for the programme was the achievement of cashable savings. In 2007-08, savings of £590k were achieved. Most importantly, the department is now on track to achieve its £2.2m savings target by 2010 due to the following key outputs and milestones being achieved.

### 6.4.1 Organisational Change

- The new operating model resulted in a reduction of 23 posts including 5 fewer Group Managers and 11 fewer Team Managers within the Highways, Transportation and Business Management branches.

- The new operating model is designed to provide a clearer focus for activities in the three branches of the department providing the service, as well as securing a balanced workload between each branch and group.

- With no strategic imperative to maintain all six locally based offices, a two centre model has been introduced allowing the concentration of employees and the management of all related functions from the primary offices at Mountsorrel and Croft.

- Consolidating the offices into the two main area offices at Croft and Mountsorrel assisted in the achievement of savings through:

  o A reduced requirement for support staff

  o Allowing a reduction in the number of district engineers, with one currently located at each office

  o Reduced property costs

  o Implementation of 4 Touchdown Points made it possible to 'hand back' the existing area offices to Corporate Property Services for use by other parts of the Council.

- The new operating model has brought together these works activities into two distinct works delivery units. As well as providing efficiencies in management, it has assisted in making works delivery more flexible to cope with changing circumstances and, crucially, has provided better alignment with the external alliance partner now used for works delivery. This is allowing the service to make the most of opportunities for flexible working with the partner.

## 6.4.2 Procurement

*Three Counties Alliance Partnership ('3CAP')* - highway professional services (design etc) contract tendered by Leicestershire, Nottinghamshire and Derbyshire and awarded to Scott Wilson:

- To date, around £540k of design consultancy has been placed via the 3CAP arrangements from very large schemes such as specialist traffic modelling services relating to the Transport Innovation Fund (TIF), through to targeted work on street lighting inventory.

- Cashable and non-cashable savings through more rapid and efficient mechanism for appointing consultants allowing officers to retain a focus on service delivery rather than tender administration.

- Direct access to a wider range of consultants at a lower cost. For example, Private Finance Initiative (PFI) advice associated with the Waste Programme has been sourced at day rates over 30% less than alternative, non-3CAP quotations.

*The Highways Works Alliance (HWA)* – The delivery of capital and revenue works valued under £500k. (Supplementing the internal Highways Works Group. Awarded to Tarmac Ltd.):

- An 'Alliance Office' has been established at the Croft site co-locating management personnel for both LHO and Tarmac expediting the partnership's approach to implementing the new target costing methods.

- Joint service delivery of patching, surface treatment and public rights of way operations.

- £1m of resurfacing work will have been completed by the partner, with LHO working as a subcontractor on these schemes delivering civil engineering functions.

*Midland Highways Alliance (MHA)* - highway works exceeding £500,000 in value. This is a framework contract tendered by the Highways Agency through from which Leicestershire may buy services:

- The Midlands Highway Alliance is drawing upon the resources of highway authority members and the Highways Agency to jointly procure term maintenance, medium (£500k-£8m), major (>£8m) works and commodities.

- Regional and national recognition – the County Council has already received associated visits from a number of other County Councils as well as a visit from the Japanese Infrastructure Development Institute.

- To date, the two schemes identified for delivery via this arrangement are the large scale improvements to the 'Foxhunter' roundabout and Park and Ride schemes in Enderby.

- The arrangement not only avoids an OJEU compliant tendering process, but also allows early contractor engagement to determine how the scheme would be delivered and how traffic implications will be managed.

## 6.4.3 Continuous Process Improvement (Highways Inspections)

The work has resulted in the following principle changes to the way the service is delivered:

- Optimising the balance between walked and driven inspections through re-engineering of 'patches' and routes.

- Forward planning of both non-feasance and National Road and Street Works Act (NRSWA) inspections by engineers.

- The delivery of both non-feasance and NRSWA inspections by an inspector. (Previously carried out by different teams.)

- Non-urgent works tickets validated prior to scheduling to ensure alignment with defined service priorities and budgets.

- Eliminate duplication of data entry through simplifying the use of core business systems.

The result of these changes will be:

- Significant productivity improvements equating to a reduction in staffing of 5FTE (a saving of £150k);

- Removal of wasteful activities and non value-adding tasks;

- Greater consistency in response to known defects with no reduction in service performance;

- Improved budget management; and

- Reduction in average time taken to undertake planned inspections.

## 6.5   Outlook and plan for this year

- The current HSER programme closed following the completion of the Departmental reorganisation (Organisational Change project).

- Recognition that a significant amount of work is still required to achieve efficiency targets and to continue changing and improving our operations, and new change requirements exist within the Department to formulate a new programme that will:

  o Reflect the scope and remit now covers the whole Department i.e. Waste Management and the PTU.

  o Reflect the Department's priorities around IiP and Equalities.

| Programme Area / Project | Main issue | Business Case | Plan | Budget/ Staff resources | Overall status |
|---|---|---|---|---|---|
| Waste efficiencies | Sensitivity/dependencies of savings for identified opportunities | 🟡 flag | 🟡 flag | 🟡 flag | 🟡 flag |
| HWA | Robustness of business plan | 🟡 flag | 🟡 flag | 🟢 ✓ | 🟡 flag |
| Process Improvement | Progress against upcoming improvement opportunities | 🟢 ✓ | 🟡 flag | 🟢 ✓ | 🟢 ✓ |
| IiP | Progress against action plan | n/a | 🟡 flag | 🟢 ✓ | 🟢 ✓ |
| Equalities | None at present | n/a | 🟢 ✓ | 🟢 ✓ | 🟢 ✓ |
| PTU efficiencies | Identifying/securing savings in future years | 🟢 ✓ | 🟢 ✓ | 🟢 ✓ | 🟢 ✓ |

# 7. People & Performance

## 7.1 The scope of the programme in 07/08

The focus of the People & Performance Programme is very much to enable on-going change and performance improvement across the Council, by assisting with the development of our most valuable resource; our people. The Programme's objectives were to:

- Develop and promote a consistent and proactive approach to attendance management and employee well-being.

- Develop managers so they can identify and nurture talent for the continuity and development of all services through an effective approach to succession planning and workforce development.

- Implement and deliver a council–wide management competency framework.

- Ensure the Council carries out an Equal Pay Review.

- Develop a holistic benefits and reward package which supports a performance culture.

- Promote and embed the values of the County Council in the approach taken to performance management and service delivery.

Summary of projects:

| Project name | Explanation of project purpose | Planned position by 31/03/08 | Actual position by 31/03/08 |
|---|---|---|---|
| Attendance Management | The objective of this project was to promote and develop a more consistent and proactive approach to attendance management and employee well-being across the Council, including recording, monitoring and management of staff attendance. | Achieved | Achieved |
| Management Competencies Framework | The objective was to deliver a self-assessment tool for managers and to improve management competency levels as well as to identify candidates for succession planning | Achieved | Achieved |
| Succession Planning/Talent Management | To develop a scheme to identify and develop future managers within LCC | Achieved | Achieved |
| Benefits and Recognition | To deliver a cost-neutral staff benefits package to all LCC staff. Also to deliver a corporate recognition scheme | Achieved | Achieved |
| Equal Pay Audit | To ensure the Council carries out an Equal Pay Review across all departments and to ensure compliance with Equal Pay Legislation; to put in place a robust approach to risk management on all aspects of pay and reward | Achieved | Achieved |

| Project name | Explanation of project purpose | Planned position by 31/03/08 | Actual position by 31/03/08 |
|---|---|---|---|
| Pay Review/ Performance and Rewards | The project was not mobilised as part of the programme, however, it is planned that the People Strategy will incorporate this project. | Not mobilised | Not mobilised |
| Organisational Values | To develop and roll out a set of organisational values across LCC | Achieved | Achieved |

## 7.2  Lessons learnt: successes and issues

| Successes | Lessons Learnt / Outcome |
|---|---|
| Delivery of employee reward scheme | Strong support from the programme sponsor has lead to successful implementation. |
| Reduction in staff absence | Departments that have whole heartedly embraced the policy have experienced the biggest reduction in absence. |
| E-comms policy has been amended to allow personal use of the internet. | The effective management and mitigation of all major risks led to successful implementation. |

| Issue | Lessons Learnt |
|---|---|
| Scope creep of projects and programme management discipline | The need to ensure clear boundaries are set around the programme and that widening involvement, such as decisions that impacted on other projects, are effectively escalated by the programme manager. |
| Difficulties with transition planning due to project management disciplines and difficulties in buy-in and capacity related issues in departments | The operational support requirements to take-on the outputs of projects should be more openly planned and discussed in advance of launch and project closure to ensure that they can be support and owned. |
| Importance of verifying and challenging business case versus service need | Initial perceptions of problems and drivers need to be challenged as projects progress, and the objective requirements for change are clarified. |
| Take up of management competencies is lower than projected | The need to review the usability and simplicity of the on-line assessment tool, and review of the management competency framework itself through the People Strategy. |

## 7.3   Spend and resources in 07/08

A summary cost breakdown is as follows:

| Project name | Staff (FTEs) | Business case budget | Actual outturn |
|---|---|---|---|
| Attendance Mgt | 0.5 FTE Project Manager | | |
| Mgt Competencies | 0.6 FTE Project Manager | | |
| Succession Planning | 0.5 FTE Project Manager | £85.3k | £71k |
| Benefits/Recognition | 0.5 FTE Project Manager | | |
| Equal Pay Audit | 0.5 FTE Project Manager | | |
| Organisational Values | 0.5 FTE Project Manager | | |

## 7.4   Achievements (outputs and outcomes)

| Project | Outputs and / or outcomes |
|---|---|
| Values | The Council's Values have been incorporated in to the Management Competencies Framework, PDR process, service plans, general documentation and they are a key part of the recruitment process. |
| Succession Planning | A report was produced to recommend an overall approach to talent management. It is planned that the new HR service will be responsible for taking forward the proposal. |
| Attendance Management | Overall the Council's sickness absence rate reduced to 3.5% over two years to 2006/7. These reductions equate to more than £2 million reduction on sickness absence costs. The majority of departments have achieved a decrease in absence levels and two departments have achieved a significant reduction taking them below the latest reported industry levels (7 days or 3%).  The project has facilitated a number of new initiatives to support health and well-being.  Whilst it is difficult to assess the impact of these, individual feedback to the project and trade union feedback has indicated that this has been received positively. |
| Management Competencies | The electronic management competency framework has been established for managers for grade 13 and above and a training programme have been developed and rolled out for all these managers. |
| Benefits and Recognition | Employee Benefits Scheme was launched in April 2007. Salary sacrifice scheme has been implemented for green travel, child care, bike to work and mobile phones. An employee recognition scheme framework has been approved and it will be implemented as part of the new Internal Communications Unit. |
| Equal Pay Audit | An audit has been carried out on all of the pay records of the County Council. A report has been submitted to CMT summarising our current position with recommendations for the future pay policy. These will be taken forward by the People Strategy. |

Moving forwards, outstanding issues regarding the further development of People & Performance vision and deliverables will be addressed by the People Strategy.

# 8. Waste Management Strategy

## 8.1 The scope of the programme in 07/08

One of the most significant challenges facing the Council is the European Union (EU) Landfill Directive which requires the United Kingdom (UK) to vastly reduce the amount of biodegradable municipal waste (BMW) sent for disposal to landfill. Biodegradable elements of waste include: paper, card, garden and kitchen waste and these are estimated to make up on average 68% of household waste.

In 2007/08, the Waste Management Strategy Programme was fully mobilised, with a Programme Manager, greater project support from the CMU, and began to make significant progress across its five projects, as follows:

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
| --- | --- | --- | --- |
| Long Term Waste Treatment Facility Procurement | Procuring new waste treatment infrastructure to provide capacity to meet landfill diversion targets from 2014/15 onwards | Completion of PFI financial and waste modelling Successful expression of interest to DEFRA Successful 4Ps gateway review for outline business case Readiness for OBC submission | Achieved |
| Interim Waste Treatment Procurement | Procuring a range of services to treat Leicestershire's residual waste from 2008/9 to meet landfill diversion targets | Contract agreed for interim solution | Achieved (signing due April) |
| Waste Prevention & Re-use | Working in partnership to deliver a range of initiatives with the objective of reducing waste growth. Examples of initiatives are: use of real nappies; composting at home; and reducing packaging. | Effective partnership working and demonstrable progress with promoting initiatives and increasing take-up | Achieved (on-going) |
| Improving Recycling & Household Waste Sites | Improving 4 existing recycling sites by providing better facilities and capacity so more materials can be recycled. | Confirmed the sites and progressing solutions at them for improvement | Part achieved: progress at 3 sites good |
| Food Waste Collection & Treatment | Working with Districts on a 12 month trial to collect food waste from households thus helping divert biodegradable waste from landfill | Completed 3 food waste collection pilot and undertaken composition analysis. | Achieved |

## 8.2 Achievements (outputs and outcomes)

With the appointment of a Programme Manager earlier in the year, the appointment of technical and financial advisors, and mobilisation of the programme team, the programme has made significant progress this year. The work with the wider Waste Partnership Programme has progressed on a number of waste prevention and reuse initiatives, and on the food waste pilot.

Key achievements include the following:

| Project | Outputs and / or outcomes |
|---------|---------------------------|
| Interim waste treatment | The Council has now contractually secured the approach to addressing its residuals waste targets between 2008/09 to 2014/15 |
| Long term waste treatment | The Council's expression of interest for a PFI project to finance a long term waste facility was approved by DEFRA.<br><br>The outline business case successfully passed through the 4Ps gateway review process, prior to submission in May 2008. |
| Waste prevention and reuse | The Council's work with partners has made significant inroads in raising the profile of methods to reduce residual waste. |
| Food waste pilot | The Council, working with its partners, is part way through the food waste pilot. The pilot has been well received by customers so far, and the seasonable composition analysis has generated interesting results informing not only the waste strategy, but also wider issues relevant to the health agenda. |

# 9. WorkWell

## 9.1 The scope of the programme in 07/08

WorkWell was established as a corporate programme towards the end of 2007, focused on home working, mobile working and flexible (time) working. The objective of the programme is to identify appropriate 'blends' of technology, accommodation and working practices to optimise results against the agreed drivers:

- Putting customers first (productivity)
- Being the employer of choice (work/life balance)
- Being greener (lower mileage/CO2)
- Being more efficient and effective.

All the work of the programme is being closely co-ordinated by the Programme Manager, with the Project Manager for the Accommodation Review and the Business Partner and Enterprise Architect in ICT Services. The programme has been officially branded and launched, and well received by staff, through a series of workshops and feedback through 'Speak Up'.

| Project name | Explanation of project purpose | Planned position by 31/3/08 | Actual position by 31/3/08 |
|---|---|---|---|
| Programme Mobilisation | Business analysis of mobile workers | Completed | Completed |
| | Development of Outline Business Case | Draft stage ready for Board 22/4/08 | Draft completed |
| Touchdown Points | Opening 4 touchdown facilities in Melton Mowbray, Hinckley, Market Harborough and Snibston | All 4 Touchdown Points to be fully operational | 3 opened, but Snibston delayed to 6th May |

## 9.2 Lessons learnt: successes and issues

The programme has learnt significantly from its activity so far, for example:

| Project | Issues and learning points |
|---|---|
| Touchdown Points | Ensuring staff from different service areas can work alongside each other. Communication is the key, both with 'host' Departments and with TDP users themselves. |
| | The Programme Manager acted as 'project manager' on the establishment of the TDPs, and was pulled into the minutiae of the schemes. |
| | The Council is some way off having totally flexible ICT arrangements, and the need for a 'neutral' desktop and roaming profiles is key to success in future. The Agile-IT Project will address these requirements. |
| Mobile Worker analysis | The research will prove to be extremely valuable as we move forward. Perhaps the Programme should have been more ambitious is surveying an even larger number of mobile staff. Face-to-face workshops proved to be particularly valuable |
| Outline Business Case | An external 'friendly critic' role as the report was being written would have been helpful |

| Project | Successes and learning points |
|---------|-------------------------------|
| Touchdown Points | Everybody involved in setting up the first 3 TDPs agree that the speed with which they were established was a significant achievement, and shows what can be done when services co-operate with each other. Regular meeting were key to success |
| Mobile Worker analysis | Over 300 completed questionnaires were received and over 100 staff/managers were engaged on a face-to-face level. This level of engagement added great weight to the evidence gathered |

## 9.3   Spend and resources in 07/08

Overall, the programme has under spent due to lower than expected set-up costs for the Touchdown Points.

| Project | Internal staff (FTEs) | Business case budget | Actual outturn |
|---------|----------------------|---------------------|----------------|
| Mobile Worker analysis | 1 FTE Business Analyst (4 months) | None | N/A |
| Preparation of OBC | 1 x part-time Project Manager (3 months) | None | N/A |
| Work Well Touchdown Points | None | £180,000 set-up  £20.000 p/a revenue | £160,000 set up (estimate)  £25,000 p/a revenue (estimate) |

## 9.4   Achievements (outputs and outcomes)

- 4 Touchdown facilities – a first for the County Council – will be fully operational by 6th May. These are proving to be a valuable resource for Highways staff.  Over time, other Departments will be invited to use these facilities, too.

- Mobile Worker analysis – a large and detailed piece of research has been carried out, looking at the way in which the authority's 1600 mobile workers do their business.  This has, for the first time, given the Council a clear understanding of the future needs and requirements as mobile staff. The Agile-IT Project has emerged from this piece of work.

- Links with other projects and analysis - strong links have been established with the Office Accommodation Review and the two have moved forward in parallel. Similarly, good links have been established with ICT Services and Corporate HR, and the Agile-IT and Striking the Balance works are both linked into the requirements emerging from Work Well.

## 9.5   Outlook and plan for this year

The Programme has reached a critical stage and, over the next 2/3 months, the Council will be challenged to make some key strategic decisions that will determine how the Programme moves forward during 2008/09.

Although the Outline Business Case is still work in progress, it has established a range of principles that will underpin future decision-making.  In addition, it offers strong support to the Accommodation Review. A number of strategic options have been identified, and these are currently being debated within the Council.

| Project | Key issues | Delivery of business case | Plan | Budget | Overall health |
|---------|-----------|---------------------------|------|--------|----------------|
| Touchdown Points | Delivery to HTWM timescales | 🚩 | 🚩 | ✔ | ✔ |
| Mobile Worker Analysis | Producing a credible body of research data | ✔ | ✔ | N/A | ✔ |
| Outline Business Case | Clarity of strategic options and governance model | 🚩 | ✖ | N/A | ✖ |

## 9.6    High level programme plan for 2008/09

This is not possible at the stage, pending discussions at Corporate Management Team and WorkWell Programme Board, regarding the strategic direction of the programme and the outline business case.

# A1 Appendix 1: budget statement

This appendix was reported to the Change Board on 3 June 2008, providing the latest update on the financial position of the Strategic Change Programme. It outlines the level of investment required for each programme stream, the cashable savings that the programme is expected to deliver, and the resources that have been provisionally identified to fund this investment.

The SCP is about delivering both efficiencies and service improvements. As the programme is project driven, revenue and capital expenditure will often fall across financial years as this is the nature of project delivery. The profile of expenditure will also vary as the timetable for project delivery is developed. Furthermore, the exact financial implications will vary as projects evolve. Therefore the figures presented in the tables below are indicative.

The SCP is made up of a combination of efficiency and service improvement projects. The overall principle that is applied in terms of managing the financial resources being made available is that the programme will pay back any initial investment by the end of 2011/12. In other words, the savings that are generated from the efficiency projects will pay back the initial investment for themselves as well as that required for the service improvement projects.

**INVESTMENT ANALYSIS BY PROGRAMME**

| Table 1 | 2006/07 £000 | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 | 2010/11 £000 | 2011/12 £'000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Change Mgt Unit** | 1,743 | 1,556 | 851 | 758 | 758 | 758 | 6,424 |
| **Children's & Adults**[a] | 1,180 | 0 | 0 | 0 | 0 | 0 | 1,180 |
| **Customer First** | 959 | 3,709 | 1,400 | 1,121 | 499 | 499 | 8,187 |
| **People & Performance**[b] | 170 | 120 | 10 | 10 | 10 | 10 | 330 |
| **Org. Efficiency**[c] | 286 | 2,551 | 2,607 | 1,458 | 599 | 602 | 8,103 |
| **Work Well** | 0 | 115 | 20 | 0 | 0 | 0 | 135 |
| **Oracle E-Business** | 0 | 407 | 2,682 | 2,733 | 104 | 104 | 6,030 |
| **Total Investment** | **4,338** | **8,458** | **7,570** | **6,080** | **1,970** | **1,973** | **30,389** |

Notes to table 1

a       *Funded from Departmental budgets..*

b       *This programme has now closed.*

c       *This includes the investment only. The savings are shown in table 3. Projects include strategic procurement, support service reviews and asset management. The operational costs of corporate procurement are included within the table, although the budgets are now being transferred to the Corporate Procurement Unit.*

**PROGRAMME FUNDING**

| | 2006/07 £000 | 2007/08 £000 | 2008/09 £000 | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Total Investment** | -4,338 | -8,458 | -7,570 | -6,080 | -1,970 | -1,973 | -30,389 |
| **Existing Budgets**[d] | 4,302 | 17,786 | 3,375 | 1,437 | 992 | 993 | 28,885 |
| **Funding variance** | **-36** | **9,328** | **-4,195** | **-4,643** | **-978** | **-980** | **-1,504** |

Notes to table 2

d       *Covers both revenue and capital allocations and includes resources transferred from the previous BABSI project, service shops and other corporate budgets. It also includes one off resources made available from the PSA reward grant, the Business Growth Incentive scheme, a*

*transfer from the Industrial Properties Reserve and the payback from the financial arrangements with the PCT.*

|  | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | Total |
|---|---|---|---|---|---|---|---|
|  | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Efficiency Savings** | 1,564 | 2,754 | 5,281 | 7,326 | 7,341 | 7341 | 31,607 |

Over the 6 year period to 2011/12, the total investment in the programme is forecast to be £30.4m (table 1) with savings of £31.6m (table 3) being delivered.

Beyond the six year period shown above, ongoing <u>net</u> savings of over £7m per annum are expected to be realised across the programme as a whole.

The SCP is currently supported by a combination of existing budgets supplemented with one-off funding. By the end of 2010/11, it is currently anticipated that a further £1.5m will need to be identified to cover the programmes currently within scope (table 2).

A review of the cost of programme delivery, ongoing costs and potential additional sources of capital and revenue funding will therefore be undertaken over the next three months. The outcome of this review will be reported to the next meeting of the Change Board.


### Officers to Contact:

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