
FIT FOR 2024 UPDATE

Report by Chief Executive

SCOTTISH BORDERS COUNCIL

26 June 2019

1 PURPOSE AND SUMMARY

1.1 This report provides an update on the 5-year programme of transformation across the Council, 'Fit for 2024'. It seeks to inform Council on the latest position regarding change and improvement work, with a particular focus on achieving the savings target for the current financial year; and, a look to future years.

1.2 Summary of the main points of the report:

- (a) A recap on the rationale for and main categories of work being undertaken under the Fit for 2024 Programme.
- (b) Current work – an overview of the various activities which have started and are seeking to contribute to achieving the objectives of the Fit for 2024 Programme.
- (c) Details of the early areas of service review, which will be the first to undergo SBC's new approach.
- (d) An update on progress towards achieving the savings for 2019/20 with reference to other financial planning targets.
- (e) Considerations for the next 18 months of the programme in relation to key areas of transformation activity.

2 RECOMMENDATIONS

2.1 **I recommend that the Council:-**

- (a) Notes the initial work to establish the Fit for 2024 programme and specific elements of transformation contributing to the programme's objectives.**
- (b) Agrees to receive a further progress update on Fit for 2024 in November 2019, following commencement of the full financial planning process for 2020/21.**

3 TRANSFORMATION IN SBC

- 3.1 On 28 February 2019, Council agreed a new Transformation Programme for SBC – Fit for 2024. The purpose of Fit for 2024 is to enable the Council to respond to unprecedented challenge (ranging from customer expectations to demography to digital transformation) and, above all, to a financial imperative.
- 3.2 The scale of financial challenge is very significant; across all savings (including current plans and Fit for 2024), the Council has to deliver just over £30 million of savings in the next 5 years (£18 Million by Fit for 2024 programme). A significant proportion of the £8.5 Million in the current year have plans in place for delivery. This will be closely monitored as part of existing budget monitoring during 2019/20. The Council needs to ensure that it has the capability, processes, resources and governance to be making the necessary decisions and assuring delivery of savings going forward.
- 3.3 To meet these challenges, Elected Members approved a vision of the Council as 'adaptable, efficient and effective', focused on driving substantial improvements in wellbeing, effected through a radical new programme of transformation. This 'whole' Council approach, in which every part of the Authority will be reviewed and subject to change, is guided by the Christie principles, by principles of Sustainable Development and the necessity of us all playing 'our part' pursuant to the Corporate Plan.
- 3.4 In keeping with the scale of the challenges we face, it was recognised that the Fit for 2024 Programme is itself of an unprecedented scale and complexity. It will challenge all aspects of how the Council delivers – impacting the Council's structure, management, workforce, business processes, productivity and culture. The programme will deliver a cultural shift in how savings are identified and delivered: moving away from reliance upon a reactive annual budget reduction model towards a more planned and longer-term review of how we can work differently to deliver more cost efficient processes and services. It is worth reiterating that these changes will be shaped by the Council's ambition to drive customer and service benefits. Ultimately, Fit for 2024 is an investment in the future, in delivering an organisation which can respond and adapt to challenges and optimise intended outcomes.
- 3.5 Transforming how the council works will take time. Hence, only 20% of the Council's total savings requirement over the next 18 months will come from this transformation programme; the balance to be delivered by more conventional budget reduction approaches. By 2021/22, however, more than 50% of the savings will come from transformation and then 80% by 2022/23. Integral to this approach is that services not only deliver savings "when they are being reviewed"; all services will be expected to identify and plan to deliver efficiencies through the normal budget-setting process over the 5 years.
- 3.6 At the 28 February 2019 Council meeting, officers committed to ensuring that Council would receive progress updates on Fit for 2024 at regular

intervals. The present report is the first of these updates with a further progress report proposed for November 2019.

- 3.7 Given the scale and complexity of Fit for 2024, officers are currently engaged in planning the schedule and timings of the projects and other improvement activities, which make up the programme. Phasing and sequencing the different elements of the programme is a critically important task to deliver savings at the required quantum and pace. However, it is essential too that this phasing and sequencing is not regarded as cast in stone. There are clear dependencies between different initiatives within the programme. The Council will need to harness these effectively to optimise these relationships and resultant returns. It will need, in short, to flex and manage its plan as circumstances require. Acknowledging that capacity is finite, this may mean, for example, re-directing resources to exploit dependencies between related projects, or re-directing resources from one project to another project where the latter is assessed as being able to deliver efficiencies at a rate more consistent with the financial imperative which supervenes the entire exercise. The crux is that the programme delivers what is required holistically, and that the Council is able to deliver on its financial targets for Fit for 2024 in a way which conforms to its key time-scales, and is consistent with its vision and principles for the programme.
- 3.8 Appendix A sets out an overview of the initial phase of the programme with an indication of the level of savings [and the wider benefits] projects within the initial phase of the programme are targeted to deliver in 2019/20. Further detail of the phasing and [the outcomes] and financial returns due to be delivered will be reported in the November update.
- 3.9 Ongoing reporting will feature a revised performance framework to better reflect the objectives of the fit for 2024 programme; and, will also be incorporated within the financial reporting framework.

4 MOVING FORWARD

- 4.1 As well as substantially enlarging and intensifying the Council's business transformation, the Fit for 2024 programme builds upon and consolidates a range of ongoing change activity and brings it into one programme.
- 4.2 A Team, comprising both internal staffing resources and external specialists, has been established to drive the programme forward. This team will evolve in line with direction of the programme and will work with a range of stakeholders to incorporate and facilitate all opportunities for change that support the programme's objectives.
- 4.3 As noted, every Council service will be reviewed as part of Fit for 2024. During the early phase of the programme, a number of projects have been initiated to ensure that benefits are being achieved even before the full implementation of a major service review.
- 4.4 The current position on the full range of inter-connected work incorporated into the programme is given in the following sections of the report.

5 UPDATES ON SPECIFIC PROGRAMME WORKSTREAMS AND NEXT STEPS

5.1 Service by service review/restructure

- (a) The key areas of initial focus are:
- Senior Management Structures Across SBC
 - Social Work Services
 - Fleet Management
 - Passenger Transport
- (b) Officers are considering the timing of reviews for the full 5-year programme. As the advance planning work progresses, the scheduling of projects and the savings targets which attach to them will be refined. This includes a complex exercise of assessing the Council's available capacity, and the resources which need to be deployed to garner the proposed savings, customer and service benefits. It is proposed that a more detailed 18-month forward plan of reviews be brought to Council as part of the next programme progress report.
- (c) SBC is adopting the 'Scottish Approach to Service Design (SAAtSD) as an approach to the various service reviews. This is based on a collaborative approach with service users and a design around the customer journey.
- (d) As part of all service reviews, SBC will explore partnership delivery opportunities with neighbouring authorities and other local partners. However, these opportunities will need to support the objectives of Fit for 2024 to be considered viable.

5.2 Enhanced community engagement, participation and empowerment

A separate report due to be considered on today's agenda proposes a review of Area Partnership arrangements, including the future allocation and governance of the Community Fund. The report details the approach and methodology to be followed in undertaking the review, including public consultation, of the future governance arrangements for Area Partnerships, and the allocation and disbursement of the Community Fund. The aim is to develop enhanced community engagement, participation and empowerment within the Scottish Borders, while building sufficient flexibility into review proposals to allow arrangements to respond to developments such as the Local Governance Review, as well as to inform the development and progress of the Fit for 2024 programme.

5.3 Best use of physical assets – including reducing the Council estate

- (a) SBC now has a *Corporate Landlord* model in place, which centralises all property and estate related budgets, decision making and activities within a central team – the Corporate Landlord which sits within the overall Property team. This model allows wider cross-service decisions to be taken on a genuinely corporate basis rather than on an individual service basis.

(b) There are three broad principles which have been established:

Locality and Community Vision

- Move to a locality focused model which consolidates and integrates key services into fewer buildings, which may be publically, or community owned.
- Through the use of modern technology, working practices and revised roles, ensure services are more accessible at times and places which suit customer demands, building on the successful concept of the 'What Matters Hubs'.
- Develop roles and partnerships to strengthen our relationship with communities focussing on prevention, support, facilitation and capacity building.
- Understand key community assets and how they can be supported and sustained

Property Vision

- Through the Corporate Landlord model, deliver a modern, flexible, fit for purpose and sustainable property estate that meets the needs of the entire Council and communities which it serves.
- The right space in the right place at the right cost with a continuous programme of investment and disinvestment across all asset categories.

Corporate Landlord

- The Corporate Landlord model centralises all estate related budgets, decision making and activities within a central team – the Corporate Landlord.
- Service departments become tenants of the Corporate Landlord.
- The service department must make a business case for the property that they wish to deliver a service from, which allows for the Corporate Landlord to offer sufficient space – and no more space than is required – for these functions.

(c) By way of example, the development of the Jedburgh Intergenerational Campus embraces the Fit for 2024 principles by seeking to deliver the 'right space' in the 'right place' at the 'right cost'. This model will be used as a pathfinder for how we consolidate and modernise services for the future through co-location, shared customer-facing resources and integrated digital solutions. It is anticipated that Eyemouth, following the Council's decision to invest in new Early Years and Primary School provision, will be the next area of focus as design development of this facility is undertaken. This model will illustrate how the 5 key pillars of the programme will interlink to maximise opportunities for improvement

- **Service review** principles will be applied in looking at the opportunities for flexible staffing arrangements for all customer-facing services;
- A maximisation of the **Community** benefits of the site will be sought;
- The **property/asset** will used to its maximum potential;

- **Digital** opportunities will be explored in both the way that customers access services and the way the SBC staff and partners operate.
 - The customer journey will shape **processes** to ensure they are streamlined and relevant to customer needs.
- (d) As well as front line service areas, the Council will also be reviewing its operational portfolio (for example office and depot accommodation) to ensure that they remain relevant and fit for purpose as part of the Fit for 2024 programme. The implementation of Agile working for example, is seen as a key plank in driving through culture change in conjunction with the adoption of new digital technologies such as Office 365.
- (e) Review work has also been undertaken on the Council overall fleet, which has resulted in ideas on how this can be reduced and better focused to meet current and future business needs. A 20% reduction target has been set for the overall fleet and plant and options for reduction of this are currently being explored. A concurrent review of the Passenger Transport area will also be undertaken given the potential synergies between these two service areas.

5.4 Investment in well planned & designed Digital Solutions

- (a) SBC is invested in an ambitious programme of Digital Transformation, which seeks to underpin new ways of working and to ensure that customers and services can fully exploit the opportunities that new technology can offer.
- (b) Current projects include:
- Office 365 – exploit opportunities to improve collaboration, processes and use of technology. The technical requirements are being finalised to allow new functionality to be introduced across all 2700 Council staff with IT.
 - Digital Customer Access – introducing more online services for citizens will enable the shift to the digital channel, allowing resources to be focused more on supporting vulnerable citizens.
 - Business World – as internal processes are refined and made more efficient, staff self-service will improve. To further improve compliance of key processes, we will look to make processes more user friendly.
 - Mobile working & digital skills – to improve productivity and efficiency in processes we will seek more opportunities for staff to use technology in their role - reducing paper, manual steps and duplication. Staff will be encouraged to work from a range of locations.

5.5 Process Improvement & Productivity

- (a) A key element of Fit for 2024 is a rigorous programme of process improvement across all Scottish Border Council services. Through this activity, we will optimise the way we do things, thereby improving the efficiency and effectiveness of activities. A key principle is to fully utilise existing technology capability to maximise the benefits of

previous investments. As well as contributing direct cashable savings, this integrated work stream will also support improvements and savings delivered through the Service Reviews.

- (b) Specific process improvement work has recently been undertaken on:
- HRSS - Pensions Admin Team, Training and Recruitment
 - P2P - Accounts Payable (including CIS and Credit Notes)
 - Social Care: 24hr permanent care; Financial Assessment

5.6 Early Benefit Realisation

In advance of the delivery of major change outlined in the above inter-connected workstreams, officers will continue to seek quicker benefits from change work. These will often be as a result of some or all of the above change activities and areas of investment. Examples of these that are actively being pursued are:

- Reduction in use of agency staff/removal of vacancies
- Reduction in SBC telephony costs
- Reductions in printing & stationery
- Reduce spend of vehicle hire
- Automation of processes through digital systems
- Roll out of pool cars for community use

6 IMPLICATIONS

6.1 Financial

Key objectives of this report are to drive improvement and financial savings. The Council will require to save almost £18M by 2024 if it is to be able to deliver on the ambitions of Fit for 2024. Detailed savings will be reported in relation to the individual elements of the Fit for 2024 Programme as the intensive work associated with each project or initiative is developed. At this stage, the financial focus is split between achieving in-year savings for 2019/20 of £850K, as detailed in Appendix 1, whilst looking ahead to planning the more significant savings that are phased in from 2020/21 and following years.

6.2 Risk and Mitigations

At this stage, there are two broad categories of risk:

- (a) Failing to deliver on Fit for 2024 would mean that the Council fails to deliver the financial efficiencies which are integral to driving the improvements in outcomes and wellbeing sought, and essential to delivering an organisation that is sustainable, adaptable, efficient and effective.
- (b) There are specific risks associated with failing to deliver operationally on those projects which make up the Fit for 2024 Programme. These projects will require detailed analysis of impact and likelihood, and rigorous management.

6.3 Equalities

An Equalities Impact Assessment has not been carried out in relation to this report, which establishes a framework for a business transformation

programme over the next 5 years. However, Equality Impact Assessments will be required and undertaken in relation to the individual elements of the programme as they arise.

6.4 Acting Sustainably

No direct economic, social or environmental effects flow directly from this report, but economic, social or environmental effects will follow from implementation of the Fit for 2024 Programme, and will require to be highlighted in relation to individual projects which make up the Programme.

6.5 Carbon Management

No carbon management issues flow directly from this report, but such issues may flow from implementation of the Fit for 2024 Programme, and, where identified, will require to be highlighted in relation to the relevant individual projects which make up the Programme.

6.6 Rural Proofing

There is no direct rural proofing impact as a result of this report, but impacts may result from implementation of the Fit for 2024 Programme, and, where identified, will require to be highlighted in relation to the relevant individual projects which make up the Programme.

6.7 Changes to Scheme of Administration or Scheme of Delegation

This update report does not result in any changes. However, any further changes required to either the Scheme of Administration or the Scheme of Delegation as a result of the Fit for 2024 Programme will be identified and reported to Council.

7 CONSULTATION

7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council are being consulted and any comments received will be incorporated into the final report.

7.2 Work is being undertaken with Corporate Communications to develop both internal and external communication plans around the Fit for 2024 Programme.

Approved by

**Tracey Logan
Chief Executive**

Signature

Author(s)

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Background Papers: Nil

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Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jason McDonald can also give information on other language translations as well as providing additional copies.

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