
CORPORATE TRANSFORMATION PROGRESS REPORT

Report by Corporate Transformation & Services Director

EXECUTIVE COMMITTEE

18 AUGUST 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report updates the Executive Committee on progress in developing and delivering the Council's Corporate Transformation Programme since the last update report on 9 June 2015 and sets out planned activity in the reporting period to the end of October 2015.**
- 1.2 In February 2015, Council agreed to establish a Corporate Transformation Programme for the Council.
- 1.3 Progress Reports are brought to the Executive Committee on a quarterly basis. The last Corporate Transformation Progress Report was presented on 9 June 2015.
- 1.4 The main areas of progress since June include:
- (a) **Railway Programme** – the Borders Railway Blueprint Leadership Group and Champions Group continues to meet every 4-6 weeks to manage the phased delivery of projects. ScotRail has formally joined the partnership, and a new Communications Group has been set up to promote 'live, work, invest, visit' messages connected to the new Railway opening. Appendix 2a sets out a full update.
 - (b) **Culture Trust** – joint work with officers from Borders Sport and Leisure Trust (BSLT) progressing well to establish the feasibility of an Integrated Sport and Culture Trust. Feasibility report due to be presented to BSLT in late September and Council in October 2015.
 - (c) **Alternative Service Delivery Models** – following the report to Executive Committee on 12 May 2015 titled 'Edinburgh, Lothians, Borders and Fife Roads Collaboration Programme (ELBF Proposal) and SBC Roads Services', governance arrangements and a Project Team have been established. This review of roads will be completed before April 2016.

- (d) **ICT Programme** – activity is progressing on three core work streams as per the report to Council in April 2015 - the delivery of the ICT Review, implementation of the ICT Strategy and the work to put in place new Corporate governance structures.
 - (e) **Property & Assets** – work has continued in refining the Property and Assets Programme Brief – in particular, developing a better understanding of the relationship and dependencies with other parts of the programme.
 - (f) **Energy Efficiency** – the project team has been established to look at options for energy efficiency projects across the Council
 - (g) **Scoping of Briefs** for new pieces of work. Scoping of the new programmes and projects continues. Draft briefs for the Workforce Transformation and Property and Assets programmes have been completed and are summarised in this report. It is anticipated that the scoping work for remaining new programmes and projects will be completed in the next reporting period and, once complete, will enable the development of more detailed plans for the phasing and resourcing of the Corporate Transformation Programme.
- 1.5 The first detailed performance reporting for areas of work with programme, are set out in Appendix 3, covering the Property and Assets and Energy Efficiency programmes. It is the intention to provide this detailed reporting for 3 or 4 areas within the programme quarterly to Executive Committee. Over the course of the next year all areas of work within the programme will have been reported in this detail.

2 RECOMMENDATIONS

2.1 I recommend that Executive Committee:

- (a) **notes the progress made in developing and delivering the Corporate Transformation Programme**
- (b) **notes that the full proposal for ICT will be presented to Council on 17 December 2015 rather than Council on 8 October 2015 as originally planned.**

3 BACKGROUND

- 3.1 In February, Council agreed to establish a Corporate Transformation Programme for the Council which:
- (a) Is based around the four cross-cutting themes as set out in the Financial Strategy 2015–16:
 - (i) Making Best Use of our People
 - (ii) Working with our Partners
 - (iii) Looking after the Borders
 - (iv) Business Process Transformation
 - (b) Builds on the former Business Transformation Programme.
 - (c) Supports Member, Corporate and Partnership priorities.
- 3.2 Council agreed that quarterly monitoring reports would be considered by the Executive Committee.
- 3.3 This report forms the second quarterly Corporate Transformation Performance Report and sets out:
- (a) Progress since June 2015 (and rates that as Red, Amber or Green)
 - (b) Planned work in the next reporting period to the end of October 2015
- 3.4 Initially, 21 strands of work were identified through a series of workshops and Away Days with Corporate Management Team.
- 3.5 As work has progressed over the last few months in continuing to scope the detail of the programmes of work, the initial 21 programmes and projects have now been honed-down to 17 strands of work. Since the previous report to Executive Committee, the Co-location strand of work has been brought within the scope of the Property and Assets Programme, and Work-style Transformation is now included within the overall Workforce Transformation Programme.
- 3.6 These 17 pieces of work are set out in Appendix 1 under the 8 Corporate Priorities and includes a brief description of the purpose of each, summarises progress made to date (and rates that as Red, Amber or Green) and sets out key milestones in the next quarter.

4 PROGRESS

4.1 The main areas of progress within this reporting period are set out below.

4.2 Railways Programme

4.2.1 The main focus of work has been to progress the projects in the Borders Railway Blueprint Action Plan, and for partner budgets and staff resources to be agreed to allow projects to proceed. Priority has been given to project activity that needs to be in place by September 2015 in time for the railway opening.

4.2.2 Some general points of progress are summarised below:

- (a) Inward Investment Response: meetings have been held with Scottish Borders, Midlothian and Edinburgh City Councils to discuss a joint approach to inward investment promotion across the Borders Railway corridor (see Appendix 2b), working closely with national agencies including Scottish Enterprise and Scottish Development International (SDI). Additional staff resources are being identified to provide an integrated approach and single point of contact which will link directly to local economic development 'rapid response' teams. The new Borders Railway Inward Investment Prospectus and promotional film has been presented to the three local authorities, which will go live in August 2015.
- (b) Ministerial Meeting: the Leadership Group welcomed Mr Fergus Ewing MSP Minister to a meeting at Abbotsford in July 2015 for a briefing on Borders Railway Blueprint progress and the plans for maximising the tourism, business and community benefits of the Borders Railway investment.
- (c) Communications: the leadership of the Blueprint Communications Group has been confirmed by Scottish Enterprise, working with comms reps from each of the seven partner organisations, and ScotRail, Network Rail, and Marketing Edinburgh. It has been agreed that the existing BordersRailway.co.uk site will be redeveloped as the 'communications hub' for the Blueprint, building on the website's 325k unique users and 2.1 million page views to date.
- (d) Programme Evaluation: support has been provided by the Scottish Enterprise Appraisal and Evaluation team to develop a 'logic chain' for the Blueprint programme, setting out the Programme rationale, and the expected inputs, activities, outputs, outcomes and impacts (see Appendix 2c). This will provide a framework for monitoring the Programme, and will link into the Scottish Government project approval and reporting procedures.

- (e) Joint working with Abellio/ScotRail: following positive meetings with ScotRail to discuss opportunities for collaboration on business and tourism development activity, a formal partnership has now been agreed which brings Abellio Scotrail onto the Blueprint Leaders Group.
- (f) Joint working across the Partnership: great progress continues to be made in the 'team Borders Railway' approach to the Programme.

4.2.3 The project is an exemplar of partnership working across the public sector in the city-region area and at a National Level. Appendix 2 sets out a full update.

4.3 **Culture Trust**

All work at the moment continues to be focused on the feasibility of an Integrated Culture and Sport Trust with Borders Sports & Leisure Trust (BSLT), with the feasibility report due to be presented to BSLT in late September and Council in October 2015. The following areas have been the main areas of focus for the project team over the last period:

- (a) A progress report was presented to the Council on 25 June.
- (b) The team have been working with various Scottish Borders Council departments, partner organisations and other trusts to identify benefits under the wider health agenda from integrating sport with culture.
- (c) A draft Vision for Integrated Trust has been prepared.
- (d) Ownership of the Integrated Trust and avoiding a lengthy procurement exercise is a major topic that is being discussed.
- (e) Update meetings have been held with Cultural Services staff.
- (f) Good progress has been made on property arrangements for an integrated trust.
- (g) An actuary is looking at the pension implications of integration.
- (h) The financial business case for integration is being developed.
- (i) The VAT implications of integration are being examined.
- (j) The team plan to visit Highland's integrated trust early September.
- (k) Risk sessions have been held to understand the risks to Scottish Borders Council and Borders Sports & Leisure Trust of integration.

4.4 **Alternative Service Delivery Models**

- (a) The Governance arrangements and Project Board have been established for the review of the Council's Roads services.
- (b) SB Cares is now operating as agreed and is on track to deliver the planned financial outcomes.

4.5 **ICT Programme**

The ICT Programme is currently focusing on three core workstreams in alignment with the Chief Executive's report to Council on 2 April 2015.

4.5.1 Delivery of the ICT Review

- (a) Work is well underway reviewing City of Edinburgh Council's (CEC) procurement documents which specify the IT services they require from a new external supplier. Key service managers across SBC are discussing with the IT Business Partners how closely their own business requirements align with or differ from Edinburgh's.
- (b) Where differences are being identified, further analysis will need to be undertaken to understand specific business drivers and requirements. Once SBC has access to the proposals that CEC's preferred bidder CGI have put forward, the suitability and cost of individual services can be further examined. This information will be used to inform and define the proposed future landscape of ICT delivery for SBC.

4.5.2 Implementation of the ICT Strategy

- (a) The analysis and the subsequent engagement period with CGI to cost the detailed provision of additional services are expected to be significant. It is therefore planned that this phase will now run through September and October.
- (b) The full business case and detailed implementation plan for ICT Transformation will therefore not be delivered for Council consideration in October as originally communicated.
- (c) It is now planned to finalise the full proposal for ICT Transformation in readiness for consideration at Council on 17 December 2015.

4.5.3 ICT Governance

- (a) Work is ongoing to put in place the new ICT governance structures as outlined in the ICT Strategy which supported the 2nd April report to Council.
- (b) The delivery of key ICT solutions is critical to the success of a number of elements of the Corporate Transformation Programme. As such, the alignment of the current 'business as usual' ICT work plan to the strategic transformation priorities is the first step in providing a 'pipeline' model for managing potentially competing priorities and dependencies.
- (c) This single prioritised view of the pipeline of ICT work will provide early visibility of potential resource issues, allowing proactive intervention from the new ICT Board to ensure that the right resources are allocated to the right pieces of work at the right time in support of the Corporate Transformation Programme.

4.6 **Property and Assets Programme Brief**

- (a) The Property & Assets Programme is a major area of the Transformation Plan supporting the cost-effective, future delivery of Council services. There are significant dependencies with other Transformation areas, such as Energy Efficiency and Work-Style Transformation. It is therefore critical that the areas in-scope of the Property & Assets programme and out of scope of the programme are clearly defined.
- (b) Andrew Drummond-Hunt will maintain a corporate overview of all property and assets related work being taken forward under the Transformation Programme.
- (c) The Transformation Brief details the areas both in and out of scope of the Property & Assets Programme and will be used to initiate the projects to deliver the required changes and financial plan savings.
- (d) Within the scope of the programme is:
 - (i) More efficient use of the Property & Asset portfolio
 - (ii) Review of Street Lighting
 - (iii) Review of Electric Vehicles
- (e) Out of scope of the programme is:
 - (i) School Estate, Facilities Management and PPP contract
 - (ii) Energy Efficiency
 - (iii) Residential Care Homes and Day Centres

4.7 **Energy Efficiency**

A project team is currently looking at options for energy efficiency projects across the Council. These options include:

- (a) Building efficiency upgrades – boiler optimisers and roof insulation upgrades
- (b) Building lighting replacement – replacing old and inefficient lighting
- (c) Solar panel installations – across all high schools and HQ
- (d) Replacing off-peak electric heating systems – new, more efficient electric heating off-set by solar panels.

These are in addition to the lighting, windows, roof, boiler and heating replacements undertaken on an annual basis (as per the Capital Programme).

4.8 **Scoping**

- (a) Work has continued to progress on developing the detailed scopes for those new projects or programmes under the Corporate Transformation Programme. A draft brief for the Property and Assets Programme has been completed and is summarised at 4.6.
- (b) It is planned to complete the remaining briefs within the next reporting period – i.e. by the end of October.

5 COMMUNICATIONS AND ENGAGEMENT WITH THE UNIONS

- 5.1 A draft Communications Strategy for the Corporate Transformation Programme has been agreed by Corporate Management Team (CMT). Work is now focussed on a detailed implementation action plan to deliver the strategy. A staff briefing note has been prepared and will be included in the August edition of the Staff Newsletter "SB Scene" and there will be a specific feature on Corporate Transformation in each subsequent edition.
- 5.2 As highlighted in the last report to the Executive Committee, there is a need to better co-ordinate the reporting of issues flowing from the Corporate Transformation programme to the Trade Unions. To assist in doing this, an initial draft of the project tracker was presented to the Unions on 16 July 2015 to highlight the format and provide information on the current progress with the areas of work with the programme. The Unions will receive this on a monthly basis. Moving forward specific potential staffing issues will be highlighted in the tracker enabling timely management and engagement with Trade Unions.

6 REPORTING

- 6.1 The Corporate Transformation Programme Tracker is provided at Appendix 1. The format of the tracker has been revised to make it more consistent with other Performance Monitoring Reports that are presented to the Executive Committee. The Transformation Projects have also been aligned under the relevant corporate priorities to enable the Executive Committee and CMT to assess progress of the Programme against corporate priorities.
- 6.2 At the previous Executive Committee it was agreed that more detailed performance reporting information would be provided on the areas of work within the programme setting out what they were trying to achieve in terms of outcomes, the performance within the service areas they are covering, financial savings required and more detail on their progress. Appendix 3 provides this information in an "infographic" format in respect of the Energy Efficiency and Property and Assets programmes. It is proposed that this more detailed reporting will be presented quarterly to Executive Committee for 3 or 4 areas of work within the programme. Over the course of the next year every area of work within the programme will have been reported to Executive Committee in this detail.

7 FINANCE

- 7.1 As part of the financial monitoring of the Corporate Transformation Programme an assessment is made of current progress in planning the delivery of savings proposals included in the Financial Plan. Programmes of work being supported through the Corporate Transformation programme are now allocating all savings targets to specific projects.
- 7.2 As expected within a 5-year Financial Plan, savings in the early years of the Plan are further advanced in terms of planning and deliverability with less certainty on the specifics of delivery in the future years. There is a requirement to focus on the achievability and progress of planning the delivery of all savings within the Plan to ensure future plans continue to be set on a realistic and achievable basis.

- 7.3 As the financial planning process for 2016/17 – 2020/21 commences within the Council, work is being undertaken to ensure that any financial savings attached to the Corporate Transformation programmes are realistic and achievable.
- 7.4 Staffing implications associated with supporting the Corporate Transformation Programme are being funded through the Corporate Transformation budget where appropriate provision has been made within the revenue budget.

8 IMPLICATIONS

8.1 Financial

There are no specific costs attached to any of the recommendations contained in this report outside those considered within the Council's Financial Plan. Business cases with return on investment information will be developed for the projects and activities within the programme as appropriate.

8.2 Risk and Mitigations

A formal risk management approach will be applied consistently and appropriately across the programme.

8.3 Equalities

Equalities Impact Assessments will be carried out on the projects within the Corporate Transformation programme.

8.4 Acting Sustainably

The programme will support the approach of acting sustainably ensuring any effects are identified and the impact evaluated where appropriate.

8.5 Carbon Management

The programme will actively promote a positive impact on the Council's carbon emissions where appropriate.

8.6 Rural Proofing

This will be undertaken within the programme where appropriate.

8.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation.

9 CONSULTATION

- 9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and the comments received have been incorporated into the final report.

Approved by

Rob Dickson

Signature

Corporate Transformation & Services Director

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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. James Lamb can also give information on other language translations as well as providing additional copies.

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