
CORPORATE TRANSFORMATION PROGRESS REPORT

Report by Corporate Transformation & Services Director

SCOTTISH BORDERS COUNCIL

11 FEBRUARY 2016

1 PURPOSE AND SUMMARY

- 1.1 This report provides an update on progress in developing and delivering the Council's Corporate Transformation Programme since the Programme was agreed on 12 February 2015.**
- 1.2 The Corporate Transformation Programme is the Council's wide-ranging and ambitious programme which will help achieve our 8 Corporate Priorities and deliver the significant savings set out in the 5-year Financial Strategy.
- 1.3 Significant progress has been made against our 8 priorities, as set out in our Corporate Plan, while we have undertaken a radical transformation of the organisation. Through the exceptional efforts of our staff, we have realised savings of £15.6m across the first 3 years of our 5-year financial plan 2013/14-2015/16 (this includes current year savings which we are on track to deliver). At the same time, we have delivered significant operational efficiencies while improving standards of service delivery in many areas.
- 1.4 The coming years will present unprecedented challenges and opportunities for the Council and its partners. Like most Councils, Scottish Borders Council is facing significant financial challenges. These can be more difficult to resolve given the rural nature of our region and the requirement to provide dispersed services across a very large geographic area. A combination of funding restrictions and increasing demand for our services means that if we continue to deliver these in the same way as we do now, a funding gap will develop. As a result, we need to make £29.0m of savings by 2020/21.
- 1.5 Moving forward, we will need to become a leaner and more flexible organisation that continually seeks to improve and innovate to provide better more efficient services. Technology will play a vital role in enabling this and will provide the Council with opportunities to rethink and redesign its business processes and make services available on an anytime, anywhere basis.
- 1.6 Although, the Corporate Transformation Programme is only in its first year, it has already delivered some significant achievements – perhaps, most notably, around the implementation of the Borders Railway which is already bringing benefits for the economy of the area. Future work will ensure that

these benefits are spread as widely as possible across the region.

- 1.7 Other significant achievements include the launch of SBCares as a wholly-owned, arm's-length organisation for the provision of adult social care services. This model – which could be replicated elsewhere - provides an innovative way of providing services with the commercial and operational flexibility to allow us to pursue income streams that offset the costs of providing critical services. These achievements are highlighted in section 4 of the report along with other notable achievements over the year.
- 1.8 With much of the foundation work having taken place, the pace of change can now accelerate. Key programmes such as Customer First and ICT will bring about a comprehensive review of our business processes, improving services and productivity as well as delivering savings. Further online services – including building standards, benefits and fault reporting – will be made available to customers over the web in the year ahead.
- 1.9 Rationalisation of our property will continue and further opportunities to accelerate this will be identified and pursued. Steps to improve energy efficiency are already being planned and will be implemented to ensure that property running costs are reduced.
- 1.10 In addition to this, projects such as reducing the number of business miles travelled by at least 20% and reducing the volume and cost of printing across the organisation will contribute to the delivery of savings.

2 RECOMMENDATIONS

2.1 I recommend that Council:-

- (a) **notes the progress of the Programme;**
- (b) **agrees the role of the Corporate Transformation Programme in delivering significant savings whilst continuing to provide high quality services.**

3 BACKGROUND

- 3.1 The Corporate Transformation Programme is the Council's wide-ranging and ambitious programme which will help achieve our 8 Corporate Priorities and deliver the significant savings set out in the 5-year Financial Strategy.
- 3.2 The Council's Corporate Transformation Programme was approved in February 2015 and set out a programme of change to enable the Council to respond to unprecedented social, demographic and economic challenges. The Programme builds on the previous Business Transformation approach which had delivered substantial change and supported the delivery of £15.6m in savings since 2013- this includes the current year savings which we are on target to deliver.
- 3.3 Good progress has been made over the last 12 months with the development and delivery of the Programme. The 17 sub-programmes and projects that make up the Programme are set out in Appendix 1 along with a summary of progress made over the last year.
- 3.4 The Council's Corporate Management Team acts as the Programme Board and spends a day each month focussing on Programme delivery alongside service performance and the monitoring of the financial plan. This helps to ensure that the Programme delivers both the savings required and improvements to services. The Executive Committee monitors the Programme through quarterly progress reports.

4. REVIEW OF PROGRESS

- 4.1 The key highlights of the Programme over the last year can be summarised as follows:
- 4.1.1 **Railway Programme** – the Borders Railway opened in September 2015, with press coverage that delivered a potential audience reach of 51 million. The Borders Railway Inward Investment Prospectus and Visitor Marketing Programme went live in August 2015. Over 500,000 passengers have used the service to date (annual target 647,000).
- 4.1.2 **Integrated Culture and Sport Trust** – Scottish Borders Council and Border Sports & Leisure Trust have agreed to the formation of an Integrated Culture and Sport Trust. Work on implementation has started with a target date for go-live of the Integrated Trust being 1 April 2016.
- 4.1.3 **SBCares** – the SBCares arms-length organisation went live, as planned, in April and is on target to achieve projected savings.
- 4.1.4 **Street Lighting** - The Street Light Energy Efficiency Programme (SLEEP 1) which aims to convert 13,000 street lights or 64% Street Lighting luminaires to energy efficient LED technology continues to make good progress. Due to a reduction in luminaire costs it is now anticipated that 75% of luminaires will now be replaced under the SLEEP 1 project. The original 5 year programme has been accelerated and will be completed a year ahead of schedule by the end of

2018/19. To date 6,000 lights have been replaced. The LED lighting uses around 60% less electricity, requires little maintenance and will lead to significant efficiency savings as well as reducing the Council's Carbon Footprint and helping to minimise future Carbon tax liabilities. It has been agreed that a second, and concurrent, phase of the programme (SLEEP 2) will be implemented to cover the remaining 25% of street lights as well as signage and bollards lighting.

- 4.1.5 **Health and Social Care Integration** – The programme aims to integrate adult health and social care services to deliver a more person-centred service to achieve “best care, best health, best value”. This will be achieved by joining-up services across organisational boundaries and providing a seamless patient/client pathway. In line with legislation, the programme brings together Health and Social Care teams from NHS Borders and Scottish Borders Council as well as other partners such as the third sector. This is one of the most significant changes in the sector for decades

The programme has delivered the final version of the Strategic Plan after wide engagement with public and staff. The Plan will be presented to the Integrated Joint Board on the 1st of February 2016 and will be published by the 31st of March along with supporting statements which are now being developed. A final version of the Scheme of Integration has been submitted to the Scottish Government and is expected to be ratified by the Scottish Parliament by the 8th February.

- 4.1.6 **Sustainable Transport** – A CPP Strategic Transport Board was established in May 2014 and has developed and overseen a significant transport change programme. Projects implemented include a Joint Transport Procurement Framework, Improvements to Bus and Borders Railway connectivity, a Community Transport Hub and Improving Access in Rural Locations in the Berwickshire Area.

- 4.1.7 **Children and Young People Programme** – Good progress continues to be made in delivering this programme including:

- (a) The review of Management Structures is largely completed.
- (b) Online payments have been successfully launched in 46 out of 71 schools.
- (c) The Business Support & Administration Review is now well established.
- (d) Additional Special Needs – a new approach to Complex Needs and SEBN (Special Educational and Behavioural Needs) provision has been developed which will support and enable a child to remain in mainstream school wherever possible.
- (e) Two-thirds of Nursery settings are now operating the new model of Early Years and Childcare provision. A new Early Years Centre was opened within Burnfoot Community School in November 2015. This centre offers a range of drop-in facilities

for parents and children from the local area.

(f) Work has commenced around the School Estate Review.

4.2 In 2015/16 the Programme has delivered £2.389m savings, 93% of these being achieved on a permanent basis.

5. FUTURE DELIVERY OF THE PROGRAMME

- 5.1 The Corporate Transformation Programme is critical in enabling us to continue to deliver against the 8 priorities in the Corporate Plan and meet the significant challenges we face in the coming years. This not only involves looking at improving the way we deliver our services but will also involve working with our partners, communities and stakeholders for the wider benefit of the Borders
- 5.2 At the heart of Corporate Transformation there are three key, inter-related strands that are particularly critical in supporting the whole Programme to achieve both service improvements and targeted savings – Business Process Redesign, the ICT Programme and Workforce Transformation
- 5.3 Almost all parts of the programme involve process redesign to find better, more efficient, ways of doing things. More often than not, this will be enabled by both the use of technology to automate processes and the ability to share and manage data and information effectively.
- 5.4 More efficient and automated processes will only result in savings if less staff are employed to deliver them. The Workforce Transformation Programme, and in particular the People Planning Process, aims to support services to plan ahead to manage the resulting changes to the size, structure and skills of the workforce. This will be done, so far as possible, through a managed reduction of the workforce using natural turnover¹, targeted early retirement and voluntary severance and succession planning – all of this within the context of the ageing profile of the workforce². In terms of the Programme, this means, within the coming year, there will be a managed reduction in employee costs of around £1.5m.
- 5.5 Some of the main activities in the Programme over the year ahead will include:
- 5.5.1 **Customer First (Phase 2)** – Over the coming year the Customer First Programme, in conjunction with the delivery of new ICT solutions, will expand the number of online services available via digital media and web services. This will enable customers to self-serve online for a wider range of services providing any-time /anywhere access to services and information. In enabling these online services, the Council will improve its business processes and realise efficiencies from improved ways of working. Examples include:

¹ Annual Turnover is currently running at 9.77%

² By 2020, 10% of our workforce will be 65+ and 26% will be 60+

- (a) Fault reporting – Customers will be able to report a fault from their device and will receive updates and feedback as the fault is resolved. This online method of self-service will be accompanied by the reorganisation and re-design of back office processes and the removal of some processes which will be rendered unnecessary by the implementation of digital transacting. This will produce savings in terms of reducing back office processing and work is planned to identify and deliver the potential financial savings to the Council.

- (b) Benefits Claims – This is another example of a process currently performed in the back office which will be reduced by having customers self-serve. Last year, the Council launched a facility where customers can claim Housing Benefit and Council Tax benefit by completing online forms. This is still in its very early stages with the facility only available internally and to community partners like Housing Associations. This will be developed to enable customers to access the online service directly and work is planned to establish and deliver the associated efficiency savings.

Ultimately, most services will be made available online. Over the coming year, it is planned to prioritise further online service provision targeting the most popular services – i.e. those with the highest number of transactions.

5.5.2 **ICT Programme** – As a core cross-cutting strand of Corporate Transformation, the Programme will implement an ICT service that meets the needs of the Council and wider community and enables the delivery of many of the critical elements of the Corporate Transformation Programme.

Over the next year, and subject to Council approval of the full business case for outsourcing the provision of ICT services to the Council, the Programme will:

- (a) continue to engage with the City of Edinburgh’s supplier of ICT services under the terms of their Public Sector Partnership

- (b) develop and implement the proposed “Intelligent Client” function which will manage and monitor the proposed outsourcing contract and drive the Council’s strategic ICT direction

- (c) develop a detailed transition plan for IT service provision and the required change programme to deliver:
 - (i) modern efficient corporate IT systems
 - (ii) improved, automated and proven business processes
 - (iii) effective digital services to our customers – anytime, anywhere

- 5.5.3 **The Data and Information Sharing Programme** – This programme is closely linked to the ICT Programme and is critical in supporting better business processes by ensuring that information and data:
- (a) is managed securely and effectively and in compliance with legislation as well as corporate and national standards
 - (b) can be shared appropriately internally and with partners in a way that supports improved service delivery
- 5.5.4 **Business Process Redesign Work** – As noted in 5.2 above, this is a core cross-cutting strand of the Corporate Transformation Programme. This programme will co-ordinate and prioritise business process redesign activity across the Corporate Transformation Programme.
- (a) The Council’s business processes must be as efficient as possible to enable resources to be targeted at service delivery and meet the increasing demands on Council services. Prioritised business process re-design work will be a key feature across all of the Corporate Transformation Programme in the coming year.
 - (b) The planned investment in better ICT solutions in the coming year will offer increased opportunities for automating processes to improve productivity and deliver significant levels of savings, particularly in the key back office functional areas around Customer Services, Financial Administration, Business Support, HR and Procurement.
- 5.5.5 **Workforce Transformation** - The Workforce Transformation Programme is one of the central strands of the Corporate Transformation Programme and is critical to enabling new ways of working and unlocking savings and efficiencies not just across the programme but also the service specific savings in the Financial Plan. The programme has four main strands:
- (a) People Planning – the introduction of a People Plans aligned to the Corporate Planning, Business Planning and Financial Planning process to ensure that services have the right size of workforce with the right skills to implement changes and deliver new ways of working. Work on developing People Plans across the organisation is already underway.
 - (b) Employee Benefits – a package of employee benefits including discounted offers on a range of services and products from IT equipment and financial services to electronic goods and cars. The scheme was launched on 19th October last year and is being rolled out across the organisation
 - (c) Employee Communications and Engagement – reintroducing the staff survey and developing an employee

communications strategy that makes use of new media including the use of an extranet to enable electronic communications with all staff.

- (d) Business Mileage – a project to support a reduction in business mileage by 20% through awareness raising, the development of a new “grey fleet policy”, and the use of technology for on-line meetings and video conferencing to provide an alternative to face to face meetings.

5.5.6 **Property & Assets** – in seeking to make the most efficient use of our property and assets the main focus of this program, moving forward, will be on:

- (a) Office accommodation moves to enable identified properties to be released for sale or rental
- (b) Identifying further opportunities to achieve savings in the Council’s estate either through additional rationalisation, off-setting expenditure with income through shared use of accommodation, asset transfer, seeking development opportunities that maximise income potential from assets or, where there are no alternatives, simply “moth-balling” properties.

5.5.7 **Alternative Models of Service Delivery** – Work will conclude on the Roads Review and we plan to implement the option chosen by Council by October 2016. We plan to implement the Integrated Culture and Sport Trust in April 2016. SBCares will continue to develop and contribute to overall savings targets. We will look at options for other areas of the Council where an alternative service model could be appropriate to seek to deliver the savings expected from this programme.

5.5.8 **Energy Efficiency** - The Energy Efficiency Programme seeks to improve energy usage to achieve a saving in the overall costs of the Council’s estate. Work on the replacement of windows at HQ is expected to start late February 2016 early March 2016 and take 12-16weeks. An initial meeting has been held with Amey regarding the 3 Private Public Partnership schools of Earlston, Berwickshire and Eyemouth to discuss energy efficiency options at those schools e.g. lighting upgrades and solar panels. Energy efficiency improvements to the remaining school estate are also being considered and an external company will be undertaking an assessment of the scope for energy efficiency savings in the remaining school estate over the next few months. This will look at more efficient lighting, boiler optimisation and off peak electric heating. A plan is to be created to look at the roll out of these improvements to the schools with work anticipated to start in the summer 2016. The programme will also look at similar options that could be applied to other Council buildings.

5.5.9 **Health & Social Integration** – With the formal establishment of the Integrated Joint Board, the partnership delivering the integrated services will be fully operational by 1st April 2016. Work is now underway to manage this transition, building the various strategic and operational components such as performance monitoring framework, commissioning plans, integrated team structures and streamlined partnership process and decision making.

5.5.10 **Children & Young People** – Over the coming year, this Programme will move into a dynamic phase which will see the redesign of processes, structures and services that will lead to better service provision and achieve planned efficiency savings. This will include:

- (a) Online Payments - The final 25 schools will adopt online payments by Easter 2016 and further evaluation work will be undertaken to inform the Schools Admin Review.
- (b) Business Support & Administration Review – The review will be completed and implemented by April/May 2016 at HQ and by August 2016 in schools. Once new structures are in place, staff will adopt common processes and procedures to ensure that a streamlined and flexible support service is provided.
- (c) Early Years and Additional Special Needs - Job matching will be completed and new models fully operational for the new academic year in August 2016.
- (d) School Estate Review – There will be a consultation exercise to inform a strategy for the estate from 2017/18:

Building works will commence for:-

- (i) Kelso High School (completion in Autumn 2017)
- (ii) Broomlands Primary School (completion in Spring 2017)
- (iii) Langlee Primary School (completion in Spring 2017)
- (iv) Duns Primary School (completion in Spring 2017)

5.6 We will work with local, regional and national partners to exploit the opportunities inherent in the corporate transformation programme – including property and assets, Health and Social Care Integration. This will involve different ways of engaging and working with communities and partners and our Co-Production approach which is being developed as part of the corporate transformation Programme and our Locality Planning approaches will enable this.

5.7 The Borders Railway Programme will continue to be one of our headline partnership programmes. Targets for this programme in 2016 include:

- (a) Starting construction of the Great Tapestry of Scotland Visitor Centre, led by Scottish Borders Council.

- (a) Central Borders Business Park at Tweedbank, led by Scottish Enterprise.
- (b) Development of a visitor experience pilot by ScotRail.
- (c) The appointment of an inward investment project manager for the Borders Railway corridor.
- (d) Visitor marketing activity will continue in 2016, linked to a Borders Railway showcase at VisitScotland EXPO in April 2016.
- (e) A new Steam Train Experience is being planned by Transport Scotland/ScotRail.

5.8 New areas of work in 2016 will include stimulating private sector housing development, and support for workforce skills development. Finally, the Council is leading on scoping further feasibility work around the extension of the Borders Railway line towards Hawick and Carlisle.

6. REPORTING ON CORPORATE TRANSFORMATION

6.1 The Council's Executive Committee has, since June 2014, received quarterly performance reports, with a range of performance measures presented under each of the 8 corporate priorities. During 2015, performance summaries for each of corporate transformation programmes and projects have now been introduced as part of this quarterly performance reporting, again under the relevant corporate priority. To date, summaries have been prepared for the following programmes; Property and Assets, Energy Efficiency, Borders Railway, Sustainable Transport, Children and Young People, Integration of Health and Social Care, Customer First (Phase 2), ICT and Workforce Transformation.

6.2 Regular performance reporting should provide members with the assurance that the work being undertaken as part of a Corporate Transformation is having a positive effect. For example:

- (a) Measures around Self Directed Support (number of adults with SDS care arrangements, per 1000 population) and new service users who receive a service within 6 weeks of assessment should be positively impacted by health and social care integration;
- (b) Measures around Business Gateway (support and new businesses) should be positively impacted by the Borders Railway work to realise economic benefits.

7. LINKS WITH THE FINANCIAL PLANNING PROCESS

7.1 The Corporate Transformation Programme and approach underpins the ongoing delivery of a balanced and sustainable financial position across the 5-years of the Financial Strategy 2016/17 – 2020/21 in two respects:

- (a) It continues to enable successful delivery of existing, detailed savings proposals.

- (b) It provides the necessary corporate framework to develop and deliver projects and activities that will help achieve a sustainable financial position in future years.

7.2 Appendix 2 sets out how the Corporate Transformation Programme fits with and supports the Council's core planning processes – not just the Corporate Planning Process but also the associated Financial, Business and People Planning Processes. The 17 Corporate Transformation sub-programmes and projects – with the core 3 cross cutting Programmes relating to People, Processes and Technology at the heart of it – aims to translate the corporate elements of these plans into results on the ground in terms of both service improvement and financial savings.

8 IMPLICATIONS

8.1 Financial

- (a) There are no specific costs attached to any of the recommendations contained in this report outside those considered within the Administration's Budget Proposals.
- (b) Business cases with return on investment information continue to be developed for the projects and activities within the programme

8.2 Risk and Mitigations

- (a) There is an ongoing requirement for robust management action to further develop the Corporate Transformation Programme and continue to deliver Financial Plan savings. This is fundamental to ensure the delivery of the proposals set out in the five-year Financial Plan on time and to the levels expected by the approved budget. The failure to deliver savings in line with the budget plan represents the most significant risk to the Council.
- (b) A formal risk management approach is therefore being applied consistently and appropriately across the programme to mitigate this.

8.3 Equalities

Equalities Impact Assessments are being carried out on the sub-programmes and 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 actively promotes 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 any comments received have been incorporated into the final report.

Approved by

Rob Dickson

Director of Corporate Transformation & Services

Signature

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