

To: Leadership Board

On: 30th November 2016

Report by: Chief Executive

Heading: Better Council Change Programme Update

1. Summary

- 1.1 This report provides members with an update on progress with the delivery of the Better Council Change Programme and the development of options for the next phase of the programme beyond 2017/18 required to address the forecast budget savings requirements.
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2. Recommendations

- 2.1 It is recommended that members note:
- the contents of this report; and
 - that a further report will be provided in the new year with information on the emerging range of options for the next phase of the Better Council Change Programme.
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3. Strategic Context

- 3.1 The Chief Executive provided members with an update report on the Better Council Change Programme (BCCP) at the Leadership Board meeting 8th June 2016. The report noted the success to date of efforts to manage the challenging financial environment the Council had faced since 2011/12. A total of £117 million of financial savings and unavoidable cost pressures had been being achieved over that period through a combination of the Debt Smoothing Strategy, a reconfiguration of back-office and corporate support services, re-design of various service areas within

Community Resources and, investment in preventative initiatives for children and adult services.

- 3.2 The report highlighted that the Council would continue to face significant budget challenges during the financial planning period to 2021, but that the ability to deliver future savings from the key measures adopted to date, such as debt smoothing and the redesign of back-office services would significantly diminish. The report emphasised the need therefore for significant change in delivery models and that work would be undertaken to bring forward options for inclusion in the next phase of the BCCP for consideration by the new Administration following May's Council elections.
- 3.3 Following on from the Chief Executive's June report, the Director of Finance and Resources presented a report to Council at its meeting 29th Sept which provided updated information for elected members on the Council's current and projected financial position for 2017/18 and beyond. The report identified that for 2017/18, an additional £10m saving was a possibility beyond the £20 million already scheduled to be achieved for that year, based on the latest grant settlement and demand growth assumptions. The identified shortfall in the 2017/18 budget position is being addressed through a combination of projects within the Better Council Change Programme and, the annual budget strategy work to identify opportunities to manage new pressures through the re-allocation of existing resources to mitigate net cost growth in the overall budget.
- 3.4 Beyond 2017/18 it was recognised that recent factors, such as the vote to leave the European Union, had increased economic uncertainty and increased the risk to public finances and therefore the scale of the annual saving requirement for the Council was forecast to be in the range of £16m to £27m per annum in the period up to 2020. For the purposes of medium term financial planning, the Director of Finance and Resources advised that the Council adopts a £20 million per annum saving target for the financial years 2018/19 and 2019/20. His report further emphasised the Chief Executive's message that the next phase of the Better Council Change programme needed to include more radical changes in service delivery models going forward if budget savings of this level were to be achieved.

4 Update on delivery of Phases 1 and 2 of the Better Council Change Programme

- 4.1 Since 2014/15, the Better Council Change Programme (BCCP) has been developed on a rolling two year basis, with phase 1 targeting savings for the period 2015 to 2017 and phase 2 for 2016 to 2018. Phase 1 projects will have delivered annual recurring savings of £15.1m against an original target of £14.4m by the end of 2016/17. Phase 2 projects are targeting annual recurring savings of £5.5m by the end of 2017/18.
- 4.2 Phase 2 of the BCCP includes two projects, ERP core systems replacement, and online Customer Access, which will bring about a significant transformation in how the public interact with many of the Council's services, and how managers and staff across all Council services engage with internal support services such as HR, Payroll, Finance and Procurement. As a result, these two projects represent some of

the most significant and cross cutting change the Council will have undertaken to date. Further detail is therefore provided below for members on progress with these important projects. A brief update is also provided on the Depots Rationalisation project and the implementation of key supporting aspects of the Council's Organisational Development strategy.

On-line Customer Access project

- 4.3 A significant component of the BCCP is the development and implementation of the on-line Customer portal. The portal facility is maintaining and enhancing the delivery of services provided to customers through the introduction of transactional online customer access channels. This is focused primarily upon those services which create high volume customer contact, in order to maximise the benefits to the public whilst supporting the delivery of future efficiency savings. As reported and approved by the Leadership Board in September 2015, it was recognised that the implementation of a full customer portal solution that supports self-service and automation of processes was a pre-requisite to open up the potential to secure substantial process efficiencies and associated savings whilst improving the service to customers.
- 4.4 A rapid deployment of the procured solution resulted in the public launch of the MyAccount customer portal on 10th March 2016. Board members will note that as referenced in the update to the Board in September 2015, in order to access the portal features customers are required to create a secure account using the mygovscot 'MyAccount' service provided by the Scottish Government. This provides a free secure service to authenticate customers, an essential component of delivering secure online services.
- 4.5 Since March 2016, the choice available to Council Tax customers has been extended. They are now able to access their council tax accounts online in order to view account balances and information as well as use online forms related to the Council Tax service. Benefit customers are able to make online applications for Housing Benefit and Council Tax Reduction and submit electronic evidence in support of their claim. Forms including the Discretionary Housing Payment (DHP) application form and Appeal form are now available online and the service provided to landlords and students has also been enhanced with digital reporting now in place.
- 4.6 Customers are now also encouraged to pay for a range of Council services including Council Tax and Rent online through MyAccount, providing a secure, safe and efficient way to transact with the Council. Customers still wishing to pay for services over the phone may still do so by means of an automated phone service.
- 4.7 With over 9000 Renfrewshire citizens signed up for MyAccount and over 200 new users joining each week, the launch and development of these services is a significant step for the Council as it means that the Council now has the capability to provide a wider range of digital services, delivering 21st century services for Renfrewshire's citizens.

- 4.8 Over the next year the focus will be on providing further online services and choice to customers. The immediate priorities for extending the scope of service provision include housing rents and housing repairs with planning already underway to implement digital solutions for environmental reports and services such as reporting missed bins. Over the coming months customers as the new services are added, customers will be encouraged to sign up for the new MyAccount service as a way of saving them time while reducing contact costs for Council. Plans are in place to track customer uptake of the new service, measure the impact and realise the benefits of the online customer portal.
- 4.9 Alongside the delivery of online access for customers, changes to the contact centre telephone queue management system now offers customers the option to request a call back rather than hold on for their call to be answered. The technology means that where a customer opts for a call back they retain their place in the queue, reducing the financial and time cost to the customer, while allowing them to carry on with other activities. Results from the use of this technology are very positive, with over 95% of customers able to be reached on the day of the request as a result of them opting for a call back.
- 4.10 As part of this natural evolution of the customer contact journey through the use of digital services that widen access and increase customer choice about where and when to transact with the Council, changes are being made to the Customer Service Centre opening hours. Currently the service centre, which includes the Contact Centre, is open from 8.00 am until 6pm. From early in the New Year the Customer Service Centre in Paisley will operate standard council opening hours, bringing it in line with the existing customer service provision in Renfrew and Johnstone.
- 4.11 The introduction of 24/7 digital services, provides an opportunity to enhance the options for all customers. Customers who are comfortable transacting online are now able to do so at a time that suits and for customers seeking more traditional services, we are able to deliver a better service by deploying resources in a way that better meets the needs of customers who continue to require access to phone or face to face services during standard hours.
- 4.12 In addition, for customers who prefer the certainty of a specific appointment, new technology is being deployed that will offer customers the facility to pre book an appointment at the most convenient customer service at a time most suitable for them. In preparation for this, a range of communication tools will be used to advise customers of the change and promote and encourage the use of the new digital services. A range of online support is also planned, with a particular focus on the online self-serve area in the Customer Service Centre where trained staff will be on hand to assist customers to sign up for MyAccount and explain the benefits of digital service to customers.

ERP (core systems replacement) project

- 4.13 The ERP (Enterprise Resource Planning) project will replace the Council's existing Finance, HR, Payroll and Procurement systems with a single, on-line, fully integrated software application which will:
- Significantly improve efficiency across the Council's financial, HR, Payroll and Procurement processes and deliver associated financial savings;
 - improve the availability and accuracy of the budgetary, staffing and service information available to support managers plan and run their service more efficiently and effectively;
 - allow managers and staff to self-serve across a range of processes such as expense claims, booking leave, receiving payslips, updating personal information, producing budget and staffing reports etc;
 - allow staff and managers more flexible access to information and services wherever they are via different devices (laptop, tablet, smart phone) and,
 - improve service resilience and reduce risk of major systems failure.
- 4.14 Implementation of the chosen ERP solution ("Business World" from Unit 4) started in July of this year and is being undertaken by a joint staff team from the Council and Agilisys, the Council's chosen implementation partner. The implementation phase is scheduled to last 9 months, with a phased go-live starting in April 2017.
- 4.15 The Solution Design Stage for the new system and associated processes was completed on schedule following an extensive series of design workshops involving staff responsible for delivering the existing financial, HR, payroll and procurement services. It was vital that this activity was fully informed by Council staff with the right level of knowledge and service expertise to ensure the solution design would meet the needs of the Council. The services and staff involved made a significant effort to release the necessary time for this important activity, while continuing to meet day to day service needs.
- 4.16 The Build Stage for the new system is now being undertaken by Agilisys while the Council's team take forward parallel activities relating to data cleansing and migration, the development of interfaces with operational systems such as SEEMIS and SWIFT and the development of test plans and the user training programme. A communications plan has also been developed and a series of briefings for staff are being arranged in advance of the formal training programme starting.

Depots Rationalisation

- 4.17 In October 2014, the Council approved the rationalisation of the 3 depots at Underwood Road, Clark Street and Scott's Road into one depot at Underwood Road. The project was split in two phases with Phase 1 involving the closure of Scotts Road which has completed in late 2015 with £300,000 of efficiency savings being released. Phase 2 of the project involves the relocation of services from Clark Street to Underwood Road, with the required refurbishment works being completed at Underwood Road to allow the relocation of Clark Street in September 2017. The required investment of the Council owned Underwood Road will be through prudential borrowing and managed within existing financial resources.

Implementation of new Council Staff Development Programme and Workforce Planning arrangements.

- 4.18 Given the extensive change taking place across the Council as a result of projects such as those described above, the implementation of the Council's Organisational Development (OD) Strategy is a significant enabling component for the Better Council Change Programme. A key element of this strategy was the development and introduction of a comprehensive new staff development programme by the Council's HR Team. The initial focus of this programme is to equip team leaders and service managers across the organisation with the skills necessary to successfully support their staff and services through a period of continuous change.
- 4.19 The new staff development programme represents a major investment in the Council's staff and is recognition of the critical role that our staff will play in the successful delivery of our ambitious change programme. The first cohort of staff started the programme at the end of October, and it will be rolled out in a phased basis across all Council services over the next 12-18 months. A total of 600 team leaders and service managers will participate in a range of training and development activities, tailored to meet the requirements of the change programme, individual and service needs.
- 4.20 In addition to this important investment in staff skills, a strategic approach to Workforce Planning is also being embedded within the Council, with draft Workforce Plans being considered by the senior management teams in Children's Services, Community Resources, Development & Housing and Finance & Resources. This work is part of the wider Renfrewshire Council Workforce Planning Strategy which sets the scene for the activities of Workforce Planning and Development. One output of this strategy will be a Council wide Workforce Plan that will be developed by March 2017 and presented to the appropriate board. The plan will be fully informed by the development of the next phase of the Better Council Change Programme to ensure we have the right workforce with the right skills to meet the challenges and service priorities of the Council.

5 Development of options for Phase 3 of the Better Council Change Programme

5.1 Phase 3 of the Better Council Change Programme (BCCP) will bring forward the new change projects necessary to deliver the forecast recurring annual revenue savings requirements of between £16m and £27m per annum for the two year period 2018/19 to 2019/20. A significant programme of work is now underway to identify and develop options for inclusion within the BCCP phase 3. A key element of this work will focus on the following cross cutting themes:

- 1 Customer experience and digital service delivery
- 2 Demand management and prevention
- 3 Commissioning
- 4 Optimising use of our own assets
- 5 Organisational change
- 6 Increasing productivity through mobile and flexible working
- 7 Commercialisation and income generation
- 8 Enabling projects

5.2 The emerging options from this work will be appraised and shortlisted for the development of outline business cases for those options with significant savings potential. The process will be subject to regular review by the CMT to ensure that the range of options being developed are appropriate for the scale of the financial challenge faced by the Council.

Implications of the Report

1. Financial – The report details the financial challenges facing the Council and sets out a programme of work that is being progressed to assist the Council in positively addressing these challenges going forward.
2. HR & Organisational Development – The Better Council Change Programme requires significant input from the HR and Organisational Development teams.
3. Community Planning – The report outlines plans to review the future change programme for the Council, and which will impact on the design and cost of future service delivery. Implementation of any plans for future change will be fully consulted on with community planning partners where appropriate.
4. Legal – The Council has statutory duties to both demonstrate best value and set a balanced budget in each year. This report outlines plans to support the council in meeting these duties in future years.
5. Property/Assets – Phase 3 of the Better Council Change Programme may have implications for the Council's property portfolio.
6. Information Technology – Phase 3 of the Better Council Change Programme is likely to have implications for the Council's technology estate.
7. Equality & Human Rights - Phase 3 of the Better Council Change Programme will require Equality Impact Assessments to be carried out the appropriate project development stages.
8. Health & Safety – None
9. Procurement – Phase 3 of the Better Council Change Programme may result in procurement exercises being carried out as appropriate to changes being proposed.
10. Risk - The ability of the Council to plan for and manage the significant cost pressures and reducing available financial resources which are currently faced has been identified as one of the Council's top 5 risks in the Corporate Register. Risk management is an integral part of all projects within the Better Council Change Programme.
11. Privacy Impact – Phase 3 of the Better Council Change Programme will require Privacy Impact Assessments to be carried out the appropriate project development stage.

List of Background Papers

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