

REPORT TO	ON
CABINET	25 th January 2018

September 2017



TITLE	PORTFOLIO	REPORT OF
Transformation Programme	Corporate Support and Assets	Peter Haywood Rebecca Heap

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	No
Is this report on the Statutory Cabinet Forward Plan ?	No
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

1. PURPOSE OF THE REPORT

- 1.1 To update members on progress to date with the Transformation Programme, give an overview of work currently underway, and outline next steps.
- 1.2 To seek approval to use £78,500 of the earmarked Transformation Fund to develop an MOT Test Centre at Moss Side Depot.

2. PORTFOLIO RECOMMENDATIONS

- 2.1 That Cabinet notes progress on the Transformation Programme to date.
- 2.2 That Cabinet approves transformation project funding of £78,500 for development of an MOT Test Centre at Moss Side Depot.

3. CORPORATE PRIORITIES

The report relates to the following corporate priorities

Clean, green and safe		Strong and healthy communities	
Strong South Ribble in the heart of prosperous Lancashire		Efficient, effective and exceptional council	✓

4. BACKGROUND TO THE REPORT

- 4.1 The Council's Transformation Strategy was approved by Cabinet in July 2017. This was underpinned by an action plan, the service transformation elements of which are as follows:
- Deliver a series of customer flow workshops with value stream mapping for interaction with residents by 31 October 2017
 - Deliver a series of customer flow workshops with value stream mapping for interaction with business by 31 October 2017
 - Deliver a series of customer flow workshops with value stream mapping for support services to identify efficiencies and opportunities for joint working and shared services by 31 October 2017
 - Develop a programme of activity to transform services from a customer flow viewpoint based on the outcome of the above three workshops by 31 December 2018
- 4.2 In November 2017, Council approved the use of the general financial reserve to establish a Transformation Fund of £500,000, enabling investment in transformation related projects, on an invest to save basis. The agreed purpose of this fund is to pump prime change projects, where it is identified that through efficiency or income generation, there will be a payback period of 3 years or less.
- 4.3 The Council has now embarked on an organisation wide Transformation Programme to deliver the Transformation Strategy through 2018 and beyond.

5 PROGRAMME UPDATE

- 5.1 Initial services working on transformation are Gateway (customer contact centre), Vehicle Workshop Commercialisation (MOT Testing Centre) and Neighbourhoods and Streetscene (all other depot based services.)
- 5.2 Will Dougherty, Interim Transition Consultant, led the first stages of this work, bringing expertise on transformation from the private sector. The same challenge model is now being implemented by our own staff, upskilled and coached in the change agenda.
- 5.3 Staff from a range of roles, at all levels of the organisation are actively involved in these reviews, providing insight into different aspects of service delivery. The same approach is being taken with Environmental Health (now in the primary stages of the programme) and will be used to transform other services.
- 5.4 Transformation work will go deeper into services over coming months, gathering business intelligence to challenge and test efficiency and effectiveness. This will include a review of budgets, staffing structures, commercialisation opportunities, potential for partnership working and comparison with best practice in the sector.
- 5.5 The objectives of this approach are:
- To develop customer centred services – in terms of both cost and quality
 - To bring the Council's values to life – a changed style of leadership
 - To create agile working arrangements – a clear move away from departmental boundaries
 - To establish an intelligence led approach for smarter working – across back office and front line services

- To empower staff to design and improve services – demonstrable, operational organisational development.

5.6 The Council's Officer Programme Board, chaired by the Chief Executive, meets monthly to oversee corporate improvement activities, including the Transformation Programme. The Board offers insight and challenge at a senior level, ensuring that a consistent approach is applied, and that key political and strategic issues are considered as appropriate.

5.7 Early progress in the Transformation Programme to date includes:

Gateway

Reduced administration in benefit claims handling
Appointment system set up for surgeries
Fortnightly staff training hour
Simplified process for Council Tax discounts
Amended scripts to reduce call times

Vehicle Workshop Commercialisation

De-clutter of existing workshop
Secondment of caretaker to paint internal walls
Recruitment of a Workshop Manager
Comparison exercise with other local authorities

Neighbourhoods and Streetscene

Increased mobile working – reduced administration
Investigation into vehicle advertising
Route optimisation underway to reduce travelling times
Exploring alignment of cross departmental teams
Seeking opportunities for partnership working

5.8 An indicative work programme for transformation for 2019 onwards was reported to Council in November 2017, with a range of services identified. Given work now underway, the following represents a revised list of services subject to transformation. Work is currently underway to prioritise these areas.

ICT	Property Services	Banqueting Suite
Revenues and Benefits	Administrative Support	Licensing
Strategic Housing	Planning and Building Control	Sports Development
Regeneration and Economic Development		

5.9 A further update on progress will be made to Cabinet in April.

6 TRANSFORMATION FUND

6.1 A detailed business case has been developed to create an MOT Testing Centre at the Moss Side Depot.

6.2 We currently operate a vehicle maintenance unit which carries out routine servicing and repairs of the Council's vehicle fleet, plant and equipment. With the resources already in place and a one off investment, the Council could save on our external specialist repair costs as well as generating an income but to do this, the current vehicle servicing area and equipment will need

upgrading to bring the workshop in-line with DVSA requirements. The cost of this upgrade is £78,500.

6.3 Pay Back Period

	Revenue / Capital	Year 1 2018/9	Year 2 2019/20	Year 3 2020/21
One-off costs	Capital	£78,500		
Recurring-costs	Revenue	£21,724	£36,410	£40,678
Total costs		£100,224	£36,410	£40,678
One-off income				
Recurring income	Revenue	(£22,272)	(£55,740)	(£90,379)
Total income		(£22,272)	(£55,740)	(£90,379)
One-off savings				
Recurring savings	Revenue	(£3,800)	(£3,800)	(£3,800)
Total savings		(£3,800)	(£3,800)	(£3,800)
Total		£74,152	(£23,130)	(£53,501)
Cumulative Total		£74,152	£51,022	(£2,479)

6.4 Certain assumptions have been made in terms of the cost and number of MOTs, labour, road worthiness tests, etc. although these are considered conservative estimates. These figures also include an increase in staffing arrangements, a re-designated workshop controller and an extra mechanic in year 1, plus an extra part time administrative officer from year 2.

6.5 If Cabinet approval is granted for the above proposal, project planning will begin swiftly to progress the business case, risk assessment and clarify procurement processes.

7. CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

7.1 Consultation and engagement with staff, relevant members and stakeholders is taking place on a service by service basis, as the Transformation Programme takes shape.

7.2 Staff from Neighbourhoods and Gateway are directly involved in generating and delivering improvement plans. From the outset of each service transformation, feedback from staff is the principal generator of ideas for efficiency, effectiveness and enhanced customer experience. Employees at all levels of the organisation are taking an active role.

7.3 Effective engagement and consultation are key to the commitment and ownership of the Council's improvement journey. The development of a communications plan for the Transformation Programme will support this going forward.

8. OTHER OPTIONS CONSIDERED

8.1 Given the commitment that the Council has previously made to transform business, develop the organisation and become financially self-sufficient, maintaining the status quo is not an option.

8.2 An alternative option, to run a traditional model savings programme which could help to bridge any funding gap. The option to outsource services and reduce running costs may offer the same; however, in isolation, neither offer is sustainable in the long term.

- 8.3 Through a thorough, robust and ongoing Transformation Programme, the Council will be able to explore more creative methods of cost reduction / income generation, while at the same time reviewing and re-thinking the customer experience of each of its services.

9. FINANCIAL IMPLICATIONS

- 9.1 As the Transformation Programme progresses, each service will develop an achievable savings plan, based on agreed improvement actions and new resource requirements. Progress against these plans will be monitored and reported as part of the regular budget monitoring process.
- 9.2 If and when investment is required to generate service modernisation or longer term efficiencies, business cases will be prepared and applications made to the transformation fund.

10. HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

- 10.1 The MOT Test Centre proposal has human resource implications, as outlined in paragraph 6.4.
- 10.2 There are no other human resource or organisational development implications arising directly from this report. Any future implications arising from the Transformation Programme will be managed in line with corporate policies and procedures.

11. ICT / TECHNOLOGY IMPLICATIONS

- 11.1 Improved / increased use of technology is a key aspect of transforming services, both in terms of efficient ways of working, and better meeting current and future customer needs.
- 11.2 A review of the Council's ICT service is currently underway; any relevant outcomes from this will be fed into the Transformation Programme.
- 11.3 A nominated officer from the Council's ICT service is involved with each service transformation, to offer insight and expert guidance. Throughout the Transformation Programme, existing ICT arrangements will be rigorously challenged in terms of value for money, cross departmental alignment and future fitness for purpose.

12. PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

- 12.1 If the proposal to fund investment in creation of an MOT Test Centre is approved, there will be changes to Council property at Moss Side Depot. More detail will be contained in the associated project plan.

13. RISK MANAGEMENT

- 13.1 The risk of failing to deliver against the aims of Transformation Strategy is mitigated by an effective Transformation Programme.
- 13.2 The risk of not investing in the Council's vehicle workshop will result in failure to achieve Driver and Vehicle Standards Agency (DVSA) approval for the MOT Test Centre, and a missed commercialisation opportunity.

14. EQUALITY AND DIVERSITY IMPACT

- 14.1 The proposals contained in this report have no negative equality or diversity implications. Through the Transformation Programme, service improvement plans will seek to generate positive impacts for those with protected characteristics and deliver better quality services for all users.

15. RELEVANT DIRECTORS RECOMMENDATIONS

- 15.1 That Cabinet notes progress on the Transformation Programme to date.
- 15.2 That Cabinet approves transformation project funding of £78,500 for development of an MOT Test Centre at Moss Side Depot.

16. COMMENTS OF THE STATUTORY FINANCE OFFICER

- 16.1 In November 2017, Council approved the establishment of a Transformation Fund of £500,000, enabling investment in transformation related projects, on an invest to save basis. The purpose of this fund is to pump prime change projects, where it is identified that through efficiency or income generation, there will be a payback period of 3 years or less.
- 16.2 The business case for the development of an MOT Test Centre at Moss Side Depot forecasts that the payback period for the £78,500 proposed investment is less than 3 years (see paragraph 6.4 above).

17. COMMENTS OF THE MONITORING OFFICER

- 17.1 In terms of the specific proposal to establish an MOT Test Centre at Moss Side Depot there are general enabling statutory provisions that we can rely on to justify providing such a service – most notably Section 1 of the Localism Act 2011 and Section 111 of the Local Government Act 1972. A number of councils across the country indeed already provide this service.
- 17.2 Before we start any such MOT centre then we must have DVSA approval. The purpose of the identified works is to ensure that we can obtain such approval.

18. BACKGROUND DOCUMENTS

Transformation Strategy 2017/18

Transformation Fund Report to Council

Transformation Project – MOT Testing Centre

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