

Report

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| Report to: | Performance and Review Scrutiny Forum |
| Date of Meeting: | 18 May 2010 |
| Report by: | Executive Director (Finance and Information Technology Resources) |

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| Subject: | Efficient Government - National Diagnostic, Alternative Service Delivery, and Working Towards 2011 projects update |
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide the Performance and Review Scrutiny Forum with updated information relating to the Council's agreed National Diagnostic, Alternative Service Delivery, and Working Towards 2011 projects

2. Recommendation(s)

2.1. The Forum is asked to note:-

- (1) progress on the National Diagnostic, Alternative Service Delivery and Working Towards 2011 projects
- (2) further update reports will continue to be reported to the Forum and Committees as appropriate

3. Background

3.1. It was agreed previously that the Forum would receive information on progress being made on each of the Council's National Diagnostic and Alternative Service Delivery projects. This report takes account of information which has been considered by the Corporate Management Team (CMT) up to 13 May 2010, and Executive Committee.

3.2. In March 2010 the CMT identified a number of improvement/efficiency projects under the heading of 'Working Towards 2011'. These are also included within this update.

4. Progress to date

4.1. Summary information is as follows:

- Appendix 1 - National Diagnostic projects
- Appendix 2 - Alternative Service Delivery projects
- Appendix 3 - Working Towards 2011 projects

4.2. Projects are considered to be progressing satisfactorily, with no significant slippage or issues raised.

5. Employee Implications

5.1. As each project continues to develop, employee implications will be highlighted.

6. Financial Implications

- 6.1. Opportunities for efficiency savings will be quantified and reported as projects develop.

7. Other Implications

- 7.1. There are no other implications.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. At the present time this report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.
- 8.2. Appropriate consultation has been carried out in terms of the contents of these reports.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

6 May 2010

Link(s) to Council Objectives/Improvement Themes

- Improvement Theme – Efficient and effective use of resources

Previous References

- None

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Helen Black, Improvement Manager

Ext: 4618 (Tel: 01698 454618)

E-mail: helen.black@southlanarkshire.gov.uk

National Diagnostic Projects - progress to 13 May 2010

| Project | Comment |
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| Administration/Clerical | <p>Report to Executive Committee (28 April 2010) included the following key points:</p> <ul style="list-style-type: none"> • completion of the design phase of this project • summary of changes to establishment identified across all Resources • structural changes to be implemented over a two year period • clerical/admin employees affected by this review will be redeployed into a suitable vacancy or released in accordance with the Council's Collective Agreement and Matching Process • estimated annual recurring savings of around £1.5m. There may be a requirement for one off early retirement/severance costs. Final details will be confirmed once the matching process is completed • work to commence on phase two delivery of the project |
| Asset Management | <p>An officers' Asset Management Review Board is now monitoring progress being made on this project. Key milestones will include recommending long term Council accommodation needs and identifying more immediate short term poor performing portfolio opportunities. Update reports are scheduled for CMT in May and July 2010. This work is linked to the 'Working Towards 2011' Asset Management project which will consider 4 geographical centres.</p> |
| Customer Contact | <p>There is no further update from that reported to the last meeting of the Forum in March. The Executive Director (Housing and Technical Resources) will report again in June 2010.</p> |
| Finance Service Review | <p>Phase 1 of this project is complete and has now moved to the Benefits Tracking stage.</p> <p>Phase 2 progress is the subject of a separate report to the Forum at this same meeting.</p> |
| Flexible Working | <p>The final report on this project was presented to CMT on 25 February 2010 and is the subject of a separate report to the Forum at this same meeting.</p> |
| ICT | <p>As reported previously the key opportunities and benefits anticipated from this project are customer advantages; a reduction in hardware and software costs and development of a corporate approach to business applications which have the potential to share systems outwith the Council. A change to the original Terms of Reference was agreed by CMT in October 2009. In March 2010 the efficiency target was increased to 8%.</p> <p>A proposed model, including a reduction in Grade 5 posts was approved by the ICT Programme Board in February 2010. Work is now underway in relation to structure below Grade 5, at Project Manager, Team Leader and Engineer levels.</p> <p>Work continues to progress technology initiatives and enablers for further efficiencies including IT Service Centre, Desktop Virtualisation and Office Tools.</p> <p>Consideration is underway relating to the provision of HR/Payroll shared services to South Ayrshire Council.</p> <p>Grant Thornton has undertaken a benchmarking and survey exercise in relation to HR/Payroll Shared Service provision. Feedback and analysis will be provided in due course.</p> |

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| | This project is due to for implementation from March 2011. |
| Management Structures | This project is complete and has now moved to the Benefits Tracking stage. Efficiencies will be reported in the annual budget process. |
| Procurement | <p>The Procurement Service is now located on Floor 12 (Headquarter Building). The key objectives of the Service during 2010-11 will be to ensure improved practice and begin the delivery of efficiencies from Resources' procurement spend. The Service is now engaging with Resources to deliver efficiencies from procurement spend, processes and supply chain arrangements.</p> <p>A target of £10m has been built into the finance strategy for 2011-14.</p> |

Alternative Service Delivery - progress to 13 May 2010

| Project | Comment |
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| SEEMIS | <p>An interim report was submitted to CMT on 25 February 2010 on progress made to identify and implement the most appropriate legal entity for the future structure of the SEEMIS Group. Progress was noted as follows:</p> <ul style="list-style-type: none"> • an appraisal was undertaken which identified the most appropriate future service delivery option for the SEEMIS Group to be a Limited Liability Partnership (LLP) • member authorities were asked to indicate whether they will become a partner, customer or no longer require the service of the Group by 31 March 2010 • proposal to commence operation of the LLP in June 2010 <p>The future service delivery by SEEMIS as a LLP will address key risks that member authorities are exposed to including:</p> <ul style="list-style-type: none"> • unlimited liability for member Councils • transparency in ownership and contract risk • structural clarity <p>The Outline Business Case for the LLP was circulated to all 28 member authorities on 31 January 2010. Member authorities to seek committee approval to be a partner or customer of the LLP by 31 March 2010.</p> <p>A Members/Services Agreement detailing the ownership, governance and service delivery arrangements was provided to all 28 councils at the end of February 2010.</p> <p>It is intended that SEEMIS will continue to operate on the same break even basis.</p> |
| Arts and Cultural Services | <p>The Outline Business Case for a proposed Sports, Culture and Libraries Trust was approved Executive Committee on 28 April 2010.</p> <p>After carrying out an Options Appraisal it was confirmed that the preferred option was to expand South Lanarkshire Leisure to include Cultural and Library Services.</p> <p>The next phase of the project will follow the original review timescales as outlined in the Executive Committee Report of 16 December 2009 which aims for final Council approval in August 2010 and the new organisation being in place 1 October 2010.</p> <p>Savings on non domestic property rates for 2010/11 and 2011/12 are £0.376m and £0.976m respectively. An initial review of management structures has identified savings of £150k, and a full review will be carried out by the end of May 2010.</p> |
| Property Needs Solution | Reporting process not yet underway. |
| Fleet Services | Reporting process not yet underway. |

Working Towards 2011 - progress to 13 May 2010

| Project | Comment |
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| Energy forward strategy | <p>A report was submitted to CMT on 29 April 2010 which provided an update on current progress and sought endorsement for the future energy management strategy to reduce energy consumption in Council buildings.</p> <p>A new STC system has been purchased by the Council and will provide a number of advantages in terms of managing energy accounts such as:</p> <ul style="list-style-type: none"> • accurate reporting of energy consumption for both gas and electrical utilities within Council properties • comprehensive validation of all elements of energy invoices • early identification of energy bills which have a variance above a set tolerance • ensure all accounts relate to current Council properties • establish user defined unit based targets for individual properties <p>An Energy Management Strategy Action Plan was agreed which includes the development of a Financial Efficiency Model (and Resource targets) by September 2010 and identification of potential carbon reduction savings by October 2010. Summary information will be reported to the Forum thereafter.</p> |
| Review of overtime | Reporting process not yet underway. |
| Asset Management – 4 Geographical areas | Reporting process not yet underway - an initial report has been presented to CMT (13 May 2010) a corporate approach to use of offices and the principle of establishing four geographical public access hubs. |