

ITEM No ...8 (b).....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 26 OCTOBER 2015

REPORT ON: CHANGING FOR THE FUTURE PROGRAMME – PHASE 4

REPORT BY: CHIEF EXECUTIVE

REPORT NO: 379-2015

1. PURPOSE OF REPORT

This report seeks approval of the projects that will form Phase 4 of the Changing for the Future programme.

2. RECOMMENDATIONS

The Committee is asked to:

- (i) approve the proposed Changing for the Future work programme as set out in Appendix 1.
- (ii) note that the work within the programme will be the key vehicle to enable the Council to deliver a balanced budget in financial years 2016/17 and 2017/18.
- (iii) note that regular reports will be brought back to the Policy and Resources Committee outlining progress with the Changing for the Future programme and reports will be submitted to the appropriate Committees as decisions are required.

3. FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications as a result of this report.

3.2 The Changing for the Future programme of work will generate reports and actions that will have direct financial implications for the Council and, when required, reports will be considered by the appropriate Committees.

4. BACKGROUND

The Changing for the Future programme continues to be a driver for transformation and re-design within the Council. The attached programme outlines the need for further transformation and sets out the areas that will be focussed upon in Phase 4.

5. POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, and Equality Impact Assessment.

An equality impact assessment is attached as Appendix 2.

6. **CONSULTATION**

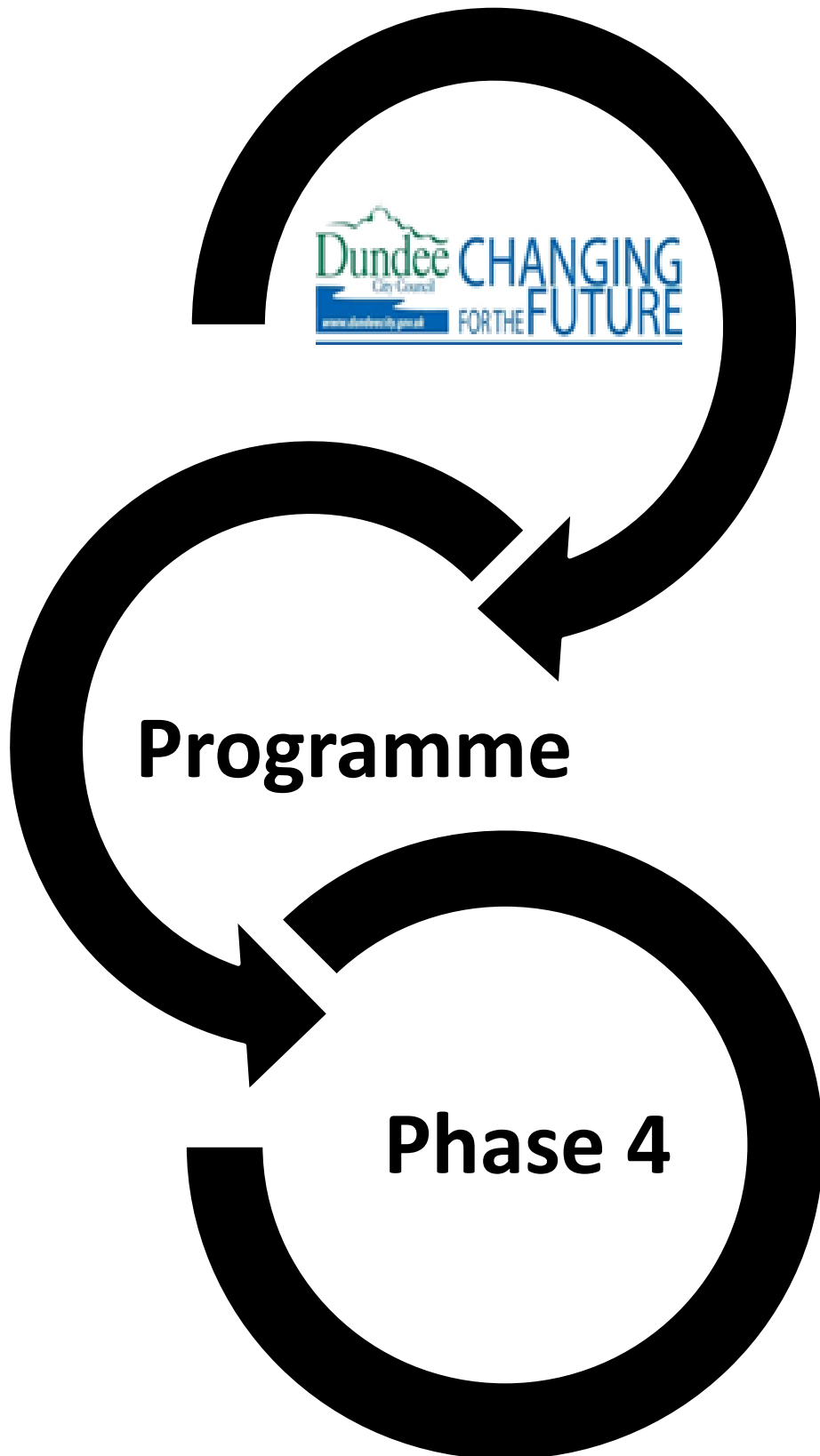
The Executive Director of Corporate Services, Head of Democratic and Legal Services and members of the Council's Management Team have been consulted in the preparation of this report.

7. **BACKGROUND PAPERS**

None

DAVID R MARTIN
CHIEF EXECUTIVE

20 October 2015



VISION AND STRATEGY

In recent years, Dundee City Council has built a strong reputation as a local authority with a track record of ambition and achievement. The Council has so far been able to meet the challenges of delivering best value in a difficult financial environment and continues to pursue an ambitious and positive agenda aimed at improving public services, despite the challenges it faces.

As the Council moves forward, there is a strong consensus across the public sector in Scotland that in order to balance the forecast increased demand for public services without the same increase in resources, the Council will have to transform and redesign the way that it provides services, as well as work increasingly in an integrated way with partners in the Dundee Partnership and communities to achieve better outcomes. As the Council transforms how the public sector works, it is clear that it has to work harder to build stronger, more resilient communities and promotes effective community leadership.

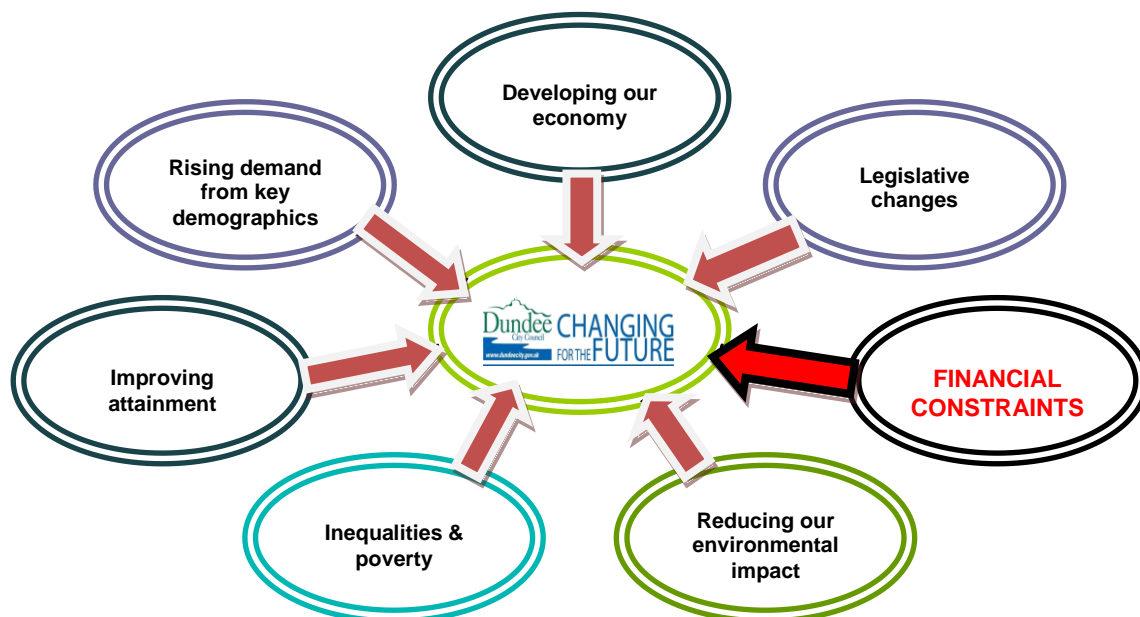
The Council with its partners across Dundee are constantly reviewing its overall strategic objectives in light of new challenges and has for several years now reinforced its commitments to the three priorities as reflected in the Dundee Partnership's Vision for Dundee:

- Jobs
- Inclusion and
- Quality of Life.

The Council's Changing for the Future programme, now moving into Phase 4, will be key to this transformation by reviewing and changing how the council operates to meet its challenges.

THE CONTEXT IN WHICH WE ARE OPERATING

The landscape in which the Council operates is challenging and continually changing with a wide range of pressures on the City, Council and its services e.g. increases in demand for services, increasing inequalities and poverty, climate change, etc. As well as key legislative changes happening now and in the future e.g. Integration of Health & Social Care, Welfare Reform, Children and Young People (Scotland) Act 2014, Community Empowerment (Scotland) Act 2015, etc., these pressures mean that the Council must ensure it considers all options when redesigning services and increases the pace of transformation to be able to deliver on priorities.



Our Financial Context

Report 372-2015 sets out the Council's Financial Outlook for 2016-2018 which includes Revenue Budget. Projections for 2016/17 and 2017/18 and the Council's medium term financial strategy. Based on current projections and the available grant funding, the following levels of savings and efficiencies are required in order to deliver a balanced budget.

Year	Annual (£m)	Cumulative (£m)
2016/17	15.958	15.958
2017/18	12.153	28.111

For the Council, the contraction in funding at a time of rising demand for services will continue to be a key challenge. Savings and efficiencies of the magnitude noted above can only be delivered through a strategic review of major aspects of the Council's existing operations, and a corporate approach to this will continue to be co-ordinated via the Council's Changing for the Future programme.

THE JOURNEY SO FAR

In late 2010, the Council initiated its long term strategy to address the difficult financial environment in which it was going to be operating for the foreseeable future. Since then, the Council has been transforming itself and has delivered savings of £51 million, with a significant proportion of that being via its successful change programme '**Changing for the Future**'. The Changing for the Future programme has been a catalyst for change and new ways of working across the Council.

The various work streams of previous phases of the programme have delivered these substantial savings as a result of prudent financial management, service led improvements, VR/VER schemes and over 60 projects within the corporate-led programme.

As well as contributing to the Council being able to balance its budget each year, the programme has encouraged innovation, reshaping and joining up of services, leading in many cases to improved service delivery.

Some highlights from the earlier phases of the programme are as follows:

- ✓ Rationalising Council assets to ensure they are utilised in a more corporate and productive way e.g. fleet and property
- ✓ Reshaping services that have delivered efficiencies and/or a more joined up approach, and also improved service delivery from our citizens perspective e.g. restructure of council departments, creation of the Community Safety Hub and the reshaping of the maintenance of public open spaces
- ✓ Rationalising, sharing and streamlining back office and support functions e.g. corporate business support service
- ✓ Improving services by exploitation of technology e.g. IP telephony, enhancement of web services such as secure authentication (MyDundee)
- ✓ New ways of working to support the changes outlined above and a continuous improvement culture within the Council e.g. mobile & flexible working, STEP programme

Over the lifetime of the current programme, researching and reviewing how other authorities have been meeting their financial challenges has been a useful part of the process. This has predominantly shown that the focus of our change / transformation projects are in similar areas e.g. assets (property & fleet), back office (clerical, HR, Payroll, etc.), procurement, reducing management costs and so on. Examples from other authorities have been explored further if they look like areas that are not currently in our focus or it appears that higher levels of savings have been achieved, to see what we can learn. This work will continue.

DEVELOPING PHASE 4 (KNOWN AS C4)

It is clear that to meet all the challenges the Council faces outlined earlier, as well as reducing its spending to balance the budget now and in the future, it needs to be open to new, innovative and collaborative approaches to service delivery.

As the Council continues to transform services, a key priority is to do what it can to protect frontline services in these difficult times, but this means the Council will need to look at the levels of service currently provided as well as considering different ways of working and new ways to deliver our services.

As the Council moves into this next phase of its transformation, it faces tough decisions on how to plan and deliver services to meet the needs of local communities and maintain commitment to key priorities and in doing so must try to minimise the impact of reduced spending on outcomes for local communities.

This next phase of the transformational change programme, Phase 4, will further develop over the next two years to align the delivery of efficiencies with Council priorities and outcomes for its citizens. C4 will encompass within it the Council's entire business delivered through the Chief Executive's, Children & Families, Neighbourhoods, City Development and Corporate Services directorates, as well as how the Council delivers services with partners across the City.

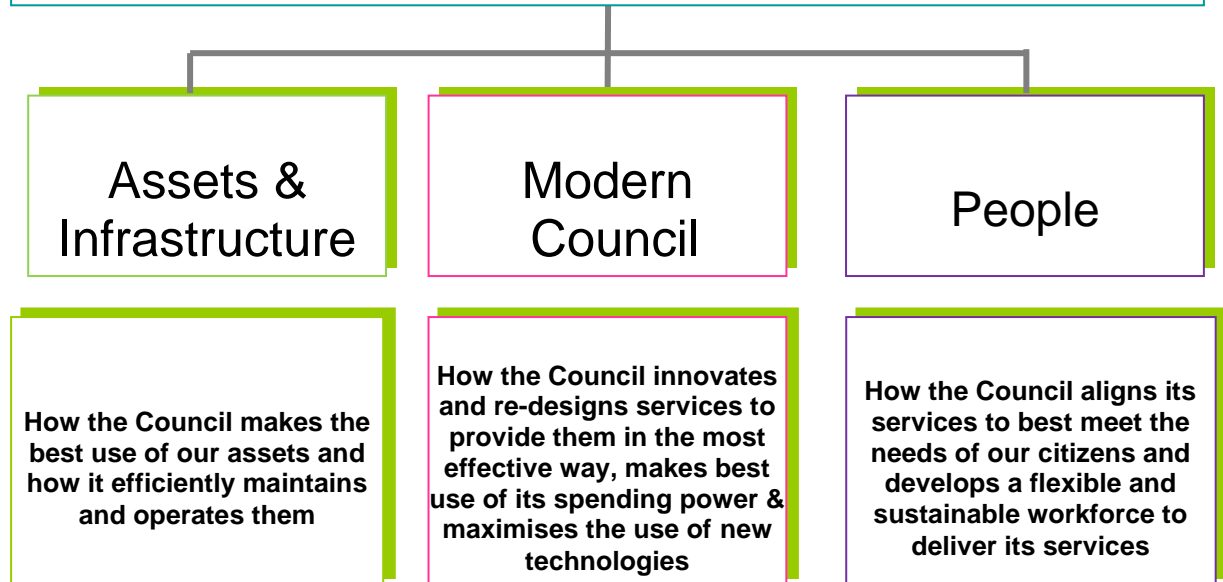
As service delivery changes are implemented, it is important that the Council has in place appropriate staffing and service structures that support its vision, policy ambitions and strategic objectives. It will also be necessary to manage risk successfully, to ensure service resilience and, where possible, to enhance customer focus and responsiveness.

Alongside the Changing for the Future programme, the Council continues to embed our ethos of continuous improvement and employee involvement by supporting the STEP Programme. This programme enables employees to look at the services they provide, understand what needs to change and help them change it. It equips them with the tools and expertise they need to improve their processes, to help their services be more efficient and give the best service possible for our citizens. This programme will continue to be supported by the Corporate Improvement team and STEP mentors.

There are three work-streams being developed, with programmes and projects within Phase 4 being aligned to one of three themes. It should be noted that some areas of work do cross themes, but will be placed in one theme only to reduce the risk of double counting of any savings identified. The diagram below sets out the three work-streams and the projects within each of these.

In addition, Appendix 1 sets out high level outlines describing each project within each theme and the Sponsor of each project. Projects are predominantly sponsored by a member of the Council's Management Team who is responsible for the project's ultimate delivery with support from key specialists across the Council.

CHANGING FOR THE FUTURE (PHASE 4)



PROJECTS



ESTIMATED SAVINGS REQUIRED ACROSS ALL WORKSTREAMS

£28M

GOVERNANCE

The current governance procedures for the Changing for the Future Programme have been reviewed and it is proposed that no changes are made at this time.

All policy reports, reports with staffing and/or financial implications emanating from the programme and the Revenue Budget process require to be taken to the appropriate Committee for their consideration and determination. This process allows all elected members the opportunity to have oversight of any key changes the programme recommends in how services are structured and re-designed as well as understanding the impacts of any changes to our priorities and citizens.

The Council's Management Team are the Programme Board; they support the Chief Executive and the Corporate Improvement team to deliver the Changing for the Future programme.

RESOURCING OUR TRANSFORMATION

Organisational Change Fund

Phase 4 will be the most ambitious phase of the Changing for the Future programme transforming most of our current services, and it is essential that the Council moves quickly in order to deliver the savings it has to. It is impossible to deliver this scale of change as part of our day to day business, so extra investment will be needed to successfully deliver this phase of the programme over the coming years.

An Organisational Change Fund will therefore be created by earmarking some existing revenue balances. This fund will be used for "spend to save" proposals and to assist with the successful delivery of Phase 4 and will be jointly administered by the Executive Director of Corporate Services and the Head of Chief Executive's Services. Where relevant, the deployment of the fund will be identified within the Financial Implications section of Committee reports. Updates on this fund will form part of ongoing programme updates to the Policy and Resources Committee.

Core Staffing

The Corporate Improvement team was established as a dedicated resource to support and deliver the Changing for the Future programme and will continue to do so as we move into Phase 4. As with previous phases of the programme, this team have been supplemented by other internal resources and expertise, as and when required.

COMMUNICATING OUR TRANSFORMATION

Effective communication and engagement (internally and externally) is essential in any good organisation and is particularly crucial during times of significant change. It is important that the Council keeps our citizens, employees and partners up to date in relation to the programme and the impacts it may have.

A communication plan will be developed by the Council using a variety of channels and media to ensure it:

- communicates 'why' as well as 'what' to improve understanding of the current context and future direction of the Council
- provides consistent information
- encourages feedback and engagement on proposed changes
- informs our citizens, employees and partners of Council decisions

PROJECT OUTLINES

Appendix 1

ASSETS & INFRASTRUCTURE - How the Council makes the best use of its assets and how it efficiently maintains and operates them

Project Name	Project Description	Sponsor
Property Rationalisation & Mobile Working	Develop the next phase of the Council's property rationalisation programme, especially in relation to offices premises. As well as moving forward with more new and mobile ways of working to reduce the office capacity needed with a target desk to staff ratio of 7:10 within the council's main office estate	Executive Director – City Development
Fleet & Transportation	Identify and deliver improvements to our transport operations, including school and client transportation, commercial subsidiaries, staff travel, grey fleet and our operational fleet	Executive Director – City Development
Street Scene & Open Space	Review how the Council efficiently operates these services and maintains these assets to best meet our priorities	Executive Director – Neighbourhoods
Roads & Street Lighting	Review how the Council efficiently operates these services and maintains these assets to best meet our priorities	Executive Director – City Development

PROJECT OUTLINES

Appendix 1

MODERN COUNCIL - How the Council innovates and re-designs services to provide them in the most effective way, makes best use of its spending power & maximises the use of new technologies

Project Name	Project Description	Sponsor
3 rd Party Funding, Commissioning & Procurement	Review how the Council commissions, procures and contract manages its spend on goods & services to ensure value for money and realise further efficiencies	Executive Director – Corporate Services
Back Office & Support Functions	Review how the Council efficiently operates these services	Executive Director – Corporate Services
Professional Technical Services	Review how the Council efficiently operates these services and how they interact with Construction Services	Chief Executive
Channel Shift & Digital Council	Develop and carry out a programme of work focusing on making the Council a digital Council and offering a wider choice of service channels ensuring that we can provide the most convenient and cost effective channel for all our citizens, regardless of age, location, time constraints and background	Head of Customer Services & IT
Shared Services	Consider opportunities for collaborative working with local partners and neighbouring Councils	Chief Executive
Budget Review	Review current and future budget assumptions	Head of Corporate Finance

PROJECT OUTLINES

Appendix 1

PEOPLE - How the Council aligns its services to best meet the needs of its citizens and develops a flexible and sustainable workforce to deliver its services

Project Name	Project Description	Sponsor
Council Re-structure – Senior Management	Ensure the implementation of the new council structure and reduction in senior management posts to meet the savings target of £400K	Chief Executive
Children & Family Services	Develop how best services are aligned following the recent re-structure to ensure efficient service delivery that meets the citizens needs and our priorities	Executive Director – Children & Families
Neighbourhood Services	Develop how best services are aligned following the recent re-structure to ensure efficient service delivery that meets the citizens needs and our priorities	Executive Director – Neighbourhoods
Construction Services	Review how the Council efficiently operates these services and how they interact with Professional Technical Services	Chief Executive
Integrated Joint Board	Develop how best services are aligned as the IJB evolves to ensure efficient service delivery that meets the citizens' needs and our priorities.	Director – Integration Joint Board
Workforce Strategy	How the Council develops a flexible and sustainable workforce	Head of HR and CBS

DUNDEE CITY COUNCIL
Equality Impact Assessment Tool

Part 1 Description / Consultation

Is this a Rapid Equality Impact Assessment (RIAT) ?	<input checked="" type="radio"/> YES NO Please circle
Is this a Full Equality Impact Assessment (EQIA)?	YES <input checked="" type="radio"/> NO Please circle
Date of assessment 6 October 2015	Title of document being assessed Changing for the Future Programme - Phase 4
Committee report number 379-2015	
1) This is a new policy, procedure, strategy or practice being assessed (If yes please tick box) <input checked="" type="checkbox"/>	This is an existing policy, procedure, strategy or practice being assessed? (If yes please tick box) <input type="checkbox"/>
2) Please give a brief description of the policy, procedure, strategy or practice being assessed.	A programme of projects to redesign the way the Council provides services.
3) What is the intended outcome of this policy, procedure, strategy or practice?	Alignment of the delivery of efficiencies with Council priorities and outcomes for citizens.
4) Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.	None
5) Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.	No
6) Please give details of council officer involvement in this assessment. (E.g. names of officers consulted, dates of meetings etc)	Andrea Calder Head of Service - Chief Executive's Service
7) Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy? (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	No

Part 2 Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People with a disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part 3 Impacts / Monitoring

1) Have any positive impacts been identified? (We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)	No
2) Have any negative impacts been identified? (Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)	No
3) What action is proposed to overcome any negative impacts? E.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. see Good Practice on DCC equalities web page	Not applicable
4) Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome? (If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)	Not applicable
5) Has a 'Full' Equality Impact Assessment been recommended? (If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required) Seek advice from your departmental Equality lead.	No
6) How will the policy be monitored? (How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.	Regular reports on progress with the overall programme will be submitted to Policy and Resources Committee. Reports will be submitted to the relevant Committees on any actions arising from projects included in the programme and these will identify any impact on protected characteristic communities.

Part 4 Contact information

Name of Department or Partnership:

Type of Document

Human Resource Policy	<input type="checkbox"/>
General Policy	<input checked="" type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other – Progress Report	<input type="checkbox"/>

Contact Information

Manager Responsible	Author Responsible
Name David Martin	Name Andrea Calder
Designation Chief Executive	Designation Head of Service - Chief Executive's Service
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Email david.martin@dundeecity.gov.uk	Email andrea.calder@dundeecity.gov.uk

Signature of author of the policy: **Andrea Calder** **Date** **8 October 2015**

Signature of Director / Head of Service area: **Andrea Calder** **Date** **8 October 2015**

Name of Director / Head of Service: **Andrea Calder**

Date of next policy review: