

 Executive 14th NOVEMBER 2012		Agenda Item No. 9
Title	2012/13 Portfolio Holder Statements & Fit For The Future Progress Report	
For further information about this report please contact	Karen Warren Human Resources & Organisational Development Manager	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive 14 th September 2011 Executive 18 th April 2012 Executive 20 th June 2012 – update on full year Service Area Plans that deliver Fit For the Future programme	
Background Papers	See above	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes (Ref 337)
Equality & Sustainability Impact Assessment Undertaken	No (If No state why below)
These will be undertaken at project level rather than programme level.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Deputy Chief Executive	16 th October 2012	Andrew Jones
Head of Service	Sept 2012	Susie Drummond
CMT	Oct 2012	Andy Jones, Bill Hunt, Chris Elliott
Section 151 Officer		Mike Snow
Monitoring Officer	16 th October 2012	Andrew Jones
Finance	Oct 2012	Mike Snow
Portfolio Holder(s)		Cllr Caborn
Consultation & Community Engagement		
Final Decision?		Yes
The Programme will continue until 2016/17. A report will be submitted to Executive at six monthly intervals with a Programme update.		

1. **SUMMARY**

- 1.1 To update the Executive on progress of the Fit for the Future (FFF) Change Programme as it has been agreed that update reports would be on a six monthly basis. It highlights progress to date and any major changes since the last report in April 2012. It includes a half year update on Service Area Plans (SAPs) which are the vehicle for delivering the FFF programme and detailed in the Portfolio Holder Statements – see [Appendices A-H](#)
- 1.2 The report is structured so that reporting is against the three strands of the FFF programme benefits – Customer benefits through improved service delivery; Financial benefits through savings and efficiencies; and Leadership and Organisation benefits through cultural changes across the whole organisation.

2. **RECOMMENDATIONS**

- 2.1 That Executive notes the Service Area Plans half year update – that form the basis of the Portfolio Holder Statements – at Appendices A-H and the headline progress, benefits and lessons learned against agreed milestones as described in Sections 3 and 5.
- 2.2 That Executive notes the progress on the FFF key projects and feasibility studies and Locality Improvement Plans at Appendices I-J.
- 2.3 That Executive notes the position of the Medium Term Financial Strategy as described in Section 5 and which is examined in greater depth in the report also on this agenda entitled Budget Review.

3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 At its meeting of 18th April 2012, Executive agreed that that programme management of the Council's FFF change programme would be through the Council's SAP's. Executive also approved an updated schedule of FFF key projects and feasibility studies as well as Locality Improvement Plans. This report provides Members with a programme progress update, covering each of the three strands of FFF namely customer benefits; leadership and organisational benefits; and financial benefits along with the latest position on key projects and feasibility studies and Locality Improvement Plans.

3.2 **Customer benefits**

- 3.2.1 At Appendices A-H, Heads of Service have provided progress updates on their Service Area Plans (SAPs) and by extension the Portfolio Holder Statements. These updates provide an opportunity for the Scrutiny Committees to consider whether project delivery milestones are being achieved and if not, to hold the Executive to account as the body with strategic responsibility for the delivery of the change programme.
- 3.2.2 Through monthly briefings, Shadow Portfolio Holders are apprised as to SAP progress and queries and concerns can be addressed on an ongoing basis. However, this report enables a much broader scope of Council Members to understand how the Council is performing. The need to ensure that the Council understands its performance was raised through the Peer Challenge and Officers would welcome ideas from Members on what else needs to be put in place – if anything – to respond to this

issue. Members will wish to note that the Overview & Scrutiny Committee will be inviting each of the Portfolio Holders (on a rolling basis) to attend its meeting so that a detailed examination of Service Area progress can take place.

3.2.3 Members will be aware that the Council has established a FFF Achievement Award which will reward both officers and Portfolio Holders should two outcomes be achieved. The first outcome relates to the amount of savings achieved via the FFF projects and an update on this aspect is detailed in Section 5. The second is about progress against SAP milestones. Not only does this outcome inform the FFF Achievement Award but it is a good proxy indicator as to overall progress against delivery of the FFF programme.

3.2.4 Each of the Portfolio Holders has agreed 3 key milestones for their Service Area and progress can be seen in the table below:

Service Area	Agreed Milestones	Progress as at October 2012
Corporate & Community Services	1. Review of C&CS structure due to complete June 2012, ongoing savings of £65k per year. 2. Website visitor numbers - overall trend increasing 3. Replace Customer Relationship Management system used by the CSC and OSS - milestone is tender out for new system by March 2013 (possible savings and customer service improvements)	1. Completed 2. current trend increasing 3. on track for tender being out March 2013 – procurement manager supporting / advising on process
Cultural Services	1. Increased footfall in the Leisure Centres 2. New structure implemented at Spa Centre and Town Hall (revised date - by end March 2013) 3. Events experiment commenced on schedule and Christmas Light Switch Ons successfully delivered in December 2012 in partnership with Town Centre Development Officers	1. Apr-Jun 2011 = 143,275 Apr-Jun 2012 = 149148 2. Initial proposals for launched for consultation 1 st Oct; Employment Committee for Jan 2013 3. Experiment launched August 2012 as per Employment Committee report Plans for Christmas Lights Switch Ons and other events on schedule
Development Services	1. Draft Local Plan – submission to Inspector before the end of the financial year (target Feb 2013) 2. Completion of service area intervention - by Feb 2013 with report on outcomes by March 2013. (realising £200k in increased income and/or savings plus improved performance) 3. Completion of Economic Development Strategy (as part of the Jobs, Skills and Economy Delivery Plan) - by December 2012	1. Submission is now likely to be May 2013 2. on target 3. Exec in Jan 2013 rather than Dec 2012
Environmental Services	1. 'Broadly compliant' food businesses - Maintained at or above 85% 2. Planned food safety interventions	1. Achieved 2. Currently 92%

	completed - Maintained at or above 90% 3.Implementation of interim Health Scrutiny arrangements by the end of December 2012	3. on target, currently 62% of annual target completed
Finance	1.Finance Restructure - Milestone – Employment Committee September 2012 2.Insurance renewals -Milestone - new cover in place November 2012 3.Local Council Tax Rebates scheme - Milestone – scheme publicised February 2013 (after Council agreed final scheme)	1. Report agreed by September Employment Committee, changes currently being implemented 2. Following procurement exercise, terms agreed for new contracts from 1 November 2012. 3. Following public consultation, scheme due to be confirmed by Council in December.
Housing & Property Services	1.Procurement of Housing & Property Contracts project 2.Conversion of corporate properties and dwellings to biomass heating systems project 3.Void Rent Loss – performance of this measure to remain the same or improve	1. on target for March 2013 2. on target for March 2013 3. 0.83% at end of Sept and within plan of 1.08%
Neighbourhood Services	1.Car Park Income - £2,370,000 12/13 2.Recycling Income (including credits) - £900,000 12/13 3.Percentage of customers receiving response within 2 working days	1.on target at Oct 2012 2.reduction in commodity prices is likely to result in a £65k shortfall for 12/13 3.97% Oct 2012
Community Protection	1.Prevent the level of ASB incidents across the District from increasing 2.Mitigating Flooding to parts of Cubbington through the construction of the Mill Lane Project 3.Olympic Torch Route planning for the resilience implications on the District for a Safe and Secure event	1.ASB down from last year by 4.3% at end of Sept 2. Application submitted in June and public exhibition held in July. 3. Safe and successful event delivered 1 st July.

3.3 Leadership and Organisational benefits

- 3.3.1 The focus of the Organisational Development team (previously Improvement and Performance) has moved to giving project management and systems thinking support to projects and teams within each service. The priority for staff resource is determined by ranking the benefits as defined by the Programme. This ensures that valuable resources are deployed where most needed across the organisation.
- 3.3.2 The joint management of the Human Resources and Organisational Development teams means that work can be approached holistically using both knowledge streams to the benefit of the service project.
- 3.3.3 The Senior Management Team has been working to clarify what culture is needed at WDC and how we can achieve it. Feedback from the Corporate Peer Challenge and Investors In People was reviewed. The values we aspire to and the behaviours associated with them have been drafted and shared with teams across the Council. Feedback from staff using Focus Groups will be used to

confirm the values and behaviours we need. An Action Plan to support staff and members will then be produced.

- 3.3.4 A number of actions are already underway including training courses, leadership development work, coaching support and "back to the floor" by senior managers. Some of the more visible signs of cultural change are the Senior Managers moving out of their individual offices and working within their teams.
- 3.4 The Corporate Peer Challenge was an assessment undertaken in July 2012 by peer assessors under the LGA's approach to sector led improvements. They looked at four broad areas – political and managerial leadership, financial planning and viability, governance and decision making and organisational capacity. The peer assessors were asked specifically to comment and feedback on the FFF programme and in particular to answer if FFF was delivering what WDC wanted it to deliver, was there leadership and sufficient capacity to deliver it and does it continue to meet the Council's future needs. Members received comprehensive feedback at the October cycle of meetings and were advised that an Action Plan had been put in place to respond to the Peers' findings.
- 3.4.1 Updates on the Peer Challenge Action Plan where they relate to People/Culture Change will be reported and monitored by the People Strategy Steering Group. Highlights from this will be reported to Executive within the FFF updates on a six monthly basis.

3.5 **Lessons Learnt - from the FFF Programme**

- 3.5.1 Services are refining their collection and use of data which is one of the key principles of Systems Thinking; the use of good data enables better decision making that leads to better services for customers.
- 3.5.2 The constant review of projects and deliverables ensures that FFF programme stays on track. The early identification of projects that are not viable and the replacement with realistic alternatives for delivering objectives is done by each service, at SMT and through scrutiny roles.
- 3.5.3 The 'One Council' approach at the Olympic Torch Relay proved successful and has helped inform planning future events between WDC and the Police.
- 3.5.4 The scale and importance of the FFF Programme means that strong project management skills are required to successfully deliver. Each service has recognised this and this has subsequently meant better utilisation of staff to work on projects has been made available, expertise and knowledge has been valued and grown, learning new skills has been adopted and responsibility to adapt to these new requirements has taken place. This has been part of the cultural shift seen across the organisation.
- 3.5.5 Through reflection and capturing 'lessons learnt' from individual projects across the Programme, a strong correlation can be seen between good working relationships, clear communication channels and the successful delivery of projects. This learning has been applied to subsequent projects.

4. **POLICY FRAMEWORK**

4.1 **Policy Framework** – the report does not bring forward any changes to the policies listed below but gives an up to date position on progress with the Fit for the Future Programme:

- Development Plan Documents
- Fit for the Future
- Food Law Enforcement Service Plan
- The plan and strategy which comprise the Housing Investment Programme

4.2 **Fit for the Future** – the Fit for the Future policy framework was approved by council in October 2010 and the FFF Change Programme was agreed at council in February 2011 and revised in April 2012. The Programme was established to manage the organisational and service improvements required to meet the challenges of decreasing finances, increasing expectations and increasing / changing demands.

5. **BUDGETARY FRAMEWORK**

5.1 In August of this year, Members received the Quarter 1 Budget Review Report. This forecast an on-going deficit of some £275,000 by 2016-17, after taking into account the £1,276,000 Fit for the Future Savings planned for 2012-13 and 2013-14 (detailed in the April 2012 Fit for the Future Executive Report).

5.2 As part of the 2013-14 Budget Setting and Service Planning Process, Service Area Managers have reviewed their progress towards achieving these targets and updated their projections. It is now expected that this Council will have achieved a total of £1,333,000 in savings from Fit for the Future projects, of which £15,000 is non-recurrent, total recurrent savings of £1,318,000 by 2013/14.

5.3 The following table shows the FFF Savings Targets broken down into the 2 financial years and also indicates separately savings for 2013-14 which have already been achieved. The Revised Figures for both financial years will be brought to the December Executive for Member Approval as part of 2013-14 budget setting process.

<u>FFF Savings Targets</u>	£'000's November projections	Already Achieved	Outstanding Target
<u>2012-13</u>			
Original as per April 2012 Executive Report	442		
Revised September/October 2012	523	472	51
<u>2013-14</u>			
Original as per April 2012 Executive Report	834		
Revised Per Head of Service Plans 2013-14	810	440	370
<u>Total 2012-13 and 2013-14</u>			
Original Total April 2012	1,276		
Revised Total September/October 2012	1,333	912	421

- 5.4 Members will note that in 2012-13, savings of some £472,000 have already been achieved and taken out of Service Area Budget lines. This is £30,000 in excess of the original target of £442,000, approved by members as part of the April Fit for the Future Report.
- 5.5 The February Budget Report outlined proposals for the Chief Executive to enter into local negotiations with the Unions. The Fit for the Future Achievement Award was subsequently agreed, with the final agreement being set out alongside the Budget Review report to the August 2012 Executive. The Achievement Award is to be made when the required level of on-going savings for that year is made in each of the next 4 years. When the Council set its Budget for 2012-13 the required level of savings for this year is £334,000. As Members will see, savings achieved to date (472,000) are £138,000 in excess of this target. The Achievement Award will be funded from the Transformation Reserve.
- 5.5 At the time of writing this report, a total of £1,672,000 has been requested from the Service Transformation Reserve, leaving a balance of some £997,000. To date a total of £290,000 of the £565,000 included outlined in Table 1 of the April Executive Report for these projects has been drawn down, leaving a further £290,000 yet to be formally requested as part of business cases to the Executive, alongside a further £64,000 additional requirements identified as part of the 2013-14 Service Planning Process. On the basis that this £354,000 will be approved, the residual balance on the Reserve would be £643,000.
- 5.6 The revised Fit for the Future figures will be built into the **Medium Term Financial Strategy** alongside other known changes to future years including the 2012-13 and 2013-14 Budgets. The latest 5 year projections The Quarter 2 Budget Review Report provides more detail on these projections and also the associated risks.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 The option to not continue with the FFF programme in this format would be the alternative but as this is agreed by the Council as its preferred approach to achieving the benefits then this is not an option that has been considered.

7. **BACKGROUND**

- 7.1 The Executive Report in September 2011 brought forward an update on the Programme at that time and noted the extension of the Programme to 2016/17 and aligned it with the Medium term Financial Strategy. Executive agreed that it would have strategic responsibility for the Programme making key decisions on scope, benefits and significant changes but delegating the day to day Programme management to the Council's Senior Management Team.
- 7.2 The Executive Report in April 2012 approved changes to the Programme to be delivered via Service Areas Plans and detailed these together with Corporate and Locality projects. It also outlined in detail the budget update.
- 7.3 The Executive Report in July 2012 was the full year update on the previous year for Service Area Plans as taken from the Portfolio Holder Statements; this had a recommendation to note the update on Service Area Plans with measures, outcomes and lessons learnt by Service Area.