

To: City Executive Board

Date: 9th September 2009

Item No: 4(2)

Report of: Value and Performance Scrutiny Committee

Title of Report: OVERVIEW OF KEY BENEFITS OF THE TRANSFORMATION PROGRAMME

Summary and Recommendations

Purpose of report: To advise the City Executive Board of the Scrutiny Committee's recommendation that the corporate target to reduce the office footprint should be more challenging to match the rapid reduction in the number of staff.

Key decision - No

Executive lead member - Councillor Price

Report approved by:
Councillor Goddard – Chair of Value and Performance Scrutiny Committee

Policy Framework: Transform Oxford City Council by improving value for money and service performance

Recommendation(s):
That the City Executive Board should confirm the need to set a more challenging target to reduce the office footprint to match the rapid reduction in the number of staff.

Introduction and Background

1. At its meeting on 23rd June 2009, the Value and Performance Scrutiny Committee considered the report (appended as Annex A) of the Head of Business Transformation which provided an overview of the key benefits of the Transformation Programme with details of how each benefit is being monitored, and to provide an update on progress to date.

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2. The Head of Business Transformation spoke about the ongoing work being carried out to achieve targets set in relation to efficiency savings up to the end of March 2009. He explained that efficiency savings were on target as demonstrated by the benefits shown against improved value for money and increased efficiency savings.
3. The Committee discussed an element of the progress being made, as set out in the report, which stated that the Council had met the target set for reducing the workforce. The report also stated that The Business Transformation Team was using a recognised good practice approach to managing and realising benefits and as a result, had confidence in The Team's ability to continue to achieve the targets set.
4. The Committee noted from the information set out in the Appendix to the report that the benefit in relation to workforce reduction had exceeded the total three year target. As a consequence of this, Members said that the target to reduce the office footprint should be more challenging to match the rapid reduction in the number of staff and agreed that this recommendation should be made to the City Executive Board. The Committee's minute on the subject forms Annex B to this report.

Recommendations to City Executive Board

5. That, as a consequence of the workforce reduction exceeding the total three year target, then the corporate target to reduce the office footprint should be more challenging, to match the rapid reduction in the number of staff.

Comments from the Board Member

6. The Board has agreed with the Head of Asset Management that the target for the period to March 2011 should be a 20% reduction in the accommodation footprint. This target will be kept under review as the service transformation programme rolls forward and opportunities for disposing of office accommodation emerge. The disposal of Northway has secured a 12% reduction in the current year.

Comments from the Strategic Director

7. The corporate target to reduce the office footprint will be increased to achieve further savings taking into account the reduction in the number of staff and our need to use office space more efficiently and effectively.

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Legal Comments

8. There are no legal comments.

Finance Comments

9. No comments received by the agenda print deadline

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Version number:2

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To: Value and Performance Scrutiny Committee

Date: 23rd June 2009

Item No:

Report of: Head of Business Transformation

Title of Report: Overview of key benefits of the Transformation Programme

Summary and Recommendations

Purpose of report: This report aims to provide an overview of the key benefits of the Transformation Programme with details of how each benefit is being monitored, and to provide an update on progress to date.

Report Approved by:

Finance: Penny Gardner, Finance

Legal: James Pownall, Legal Services

Recommendation: It is recommended that the Committee notes the report and suggests any further comments.

Introduction

1. The Council's Transformation Programme is supported by a Business Transformation Strategy which details 13 key benefits. This report describes how these benefits are being managed and progress to date.

Progress

2. The attached benefit report lists the 13 key benefits, together with an identified owner, measure, baseline and target.
3. The report highlights the following key achievements to date:
 - i. Customer satisfaction has improved relative to the average for other councils, based on initial estimates from the Place Survey.

- ii. We have achieved our £3.5m savings target for 2008-9 and are already on track to exceed our target of a further £5.6m savings by March 2012.
- iii. We have achieved our target for reducing carbon emissions by 800 tonnes during 2008-9 and have been noted as an exemplar authority by the Carbon Trust.
- iv. We have reached level 2 on the Audit Commission's Use of Resources assessment.
- v. We have met our target for reducing our workforce.

Conclusion

- 4. The Business Transformation Team is using a recognised good practice approach to managing and realising our benefits and as a result has confidence in our ability to continue to achieve the targets set.

Name and contact details of author: Ben Brownlee, Head of Business Transformation; 01865 252220

Background papers: Business Transformation Strategy

Version number: 3

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Benefit Report - June 2009							Status (RAG)	
No.	Benefit	Benefit Owner	Measurement	Baseline	Target	Progress	Is there a plan in place?	Are we making progress?
1	Increased customer satisfaction	Peter McQuitty	Place Survey - Q: % satisfaction with the way the Council runs things	50% (06) BVPI survey (BV3) Q: Taking everything into account, how satisfied or dissatisfied are you with the way the authority runs things? N.B. National average for districts was 60%	60% (11/12)	2008/9 Place Survey results now available (although have not yet been released): <ul style="list-style-type: none"> ·Satisfaction with the way the City Council runs things - 48% (of those that expressed an opinion, 71% agreed). ·Agreement that the Council provides value for money - 28% (of those that expressed an opinion, 54% agreed) ·Satisfaction with their local area as a place to live - 83% 	Green	Amber
2	Reduced workforce	Simon Howick	Total number of FTE budgeted posts, excluding staff transferred	1351.10 (May 08) . This excludes 19.7 staff for ICT and 83 for Leisure	1337.59 (Mar 09) 1324.21 (Mar 10) 1310.97 (Mar 11) 1297.86 (Mar 12)	The number of FTE budgeted posts as at 1 st April 09 is 1272.87, which means we have exceeded our total 3yr target.	Green	Green
3	A reduced office footprint of up to 10%, enabling assets to be released	Steve Sprason	Occupied office space in M ² (the target refers specifically to Northway)	7350 M ² (08/09)	6441 M ² (09/10) Target: 10%	The Council's office footprint will be reduced by 12% in August once Northway is released. Other projects have identified opportunities to reduce the office footprint to something in the order of 5000M ² (net internal area).	Green	Green
4	A reduction of the Council's carbon emissions of at least 25% (CPI 5.1)	John Copley	Culmination of the following: <ul style="list-style-type: none"> - Energy and water use from all operational sites and buildings outlined in the baseline scope (all sites/smart metering data) - Energy from on-site renewable energy technologies (monitoring equipment at point of energy source) - CO2 from fleet vehicles (annual fuel and mileage records) - Waste produced from operational sites (waste disposal invoices) 	9829 tonnes (05/6)	28% reduction by Mar 12 (to 7372 tonnes) and 3% year on year thereafter. The annual target is 800 tonnes	The target for reducing carbon emissions for 08/09 has been exceeded (estimated 810 tonnes), although the actual figure is still to be calculated. All planned activity to support this activity has successfully been delivered. Risk: Carbon management is currently embedded at variable levels and new proposals may not be worked up fully in terms of carbon implications. Stronger controls may be required to prevent proposals that will have a negative impact on this target.	Green	Green
5	Improved value for money	Peter McQuitty	Audit Commission Use of Resources and Direction of Travel Statement	Level 1 (06/7) Weak (04)	Level 3 (11/12); A judgement label of either 'significant improvement or 'some improvement'	Level 2 Use of Resources achieved and positive annual audit letter from the Audit Commission during 08/09.	Green	Green

6	Increased efficiency savings (CPI 6.1 08/09 & NI179 09/10-11/12)	Sarah Fogden/Penny Gardener and Ben Brownlee	Monthly monitoring pack produced in finance	Total baseline - £49,787,333 (07/8)	£3.5m by March 09 (7.6% of baseline) £5.6m by March 12 (11% baseline)	£3.5m achieved for 08/09. See appendix one for breakdown of new target (10% savings) Risk: Some of the savings were identified before the ICT transfer and the Park and Ride, Leisure partnerships and may not be realised due to a reduction in procurement activity and staff.	Green	Green
7	Increase in the % of contact resolved at first point	Sue Newman	% of customers that contact the Council in any way with a request or query that is resolved at that point	Not yet available (08/9)	50% (11/12)	Baseline and measure still to be identified.	Amber	
8	Increased staff job satisfaction	Simon Howick	Annual staff survey 2005/6 Q: Overall, how satisfied or dissatisfied are you with your present job?	66% (05/6) - % very or fairly satisfied	68% (09/10) 75% (11/12)	Survey currently being developed and will be undertaken in September 2009	Green	
9	Reduce avoidable contact by 10% (NI 14)	Alun Davies/ Sue Newman	NI 14 (% avoidable contact)	31.06% (Mar 09)	27.95% (Mar 10)	Baseline for 08/09 and target for 09/10 now identified	Green	
10	Increase staff attendance (BV12)	Simon Howick	Number of staff attending work as a % of staff reporting sick	95% (Feb 09) = 12 days per employee	96% (09/10) = 10 days per employee	Workshops have taken place to identify some the reasons for the high figures, new reporting arrangements are in place, a new attendance policy has been drafted and training for managers is planned for early summer.	Green	Green
11	Increase in the number of customers that can reach us first time on the councils main service lines	Alun Davies/ Sue Newman	Reverse measure for abandonment rates - Number of calls abandoned as a % of total calls received (Customer Services, City Homes and City Works)	88.4% (08/09)	90% (March 10)	Average abandonment rate for April was 11.7% From May 18, for a four week period, additional back office resources will support the contact centre, to establish future capacity requirements to achieve agreed performance standards. In addition to this, the Capita overflow arrangement was brought to an end in April, and a new external provider has been engaged for a month to support the new working arrangements. This will be reviewed at the end of the month.	Green	
12	Increase the number of transactions (including financial) carried out online	Shey-Cobley	Number of online transactions made on average per month over a year	2156 per month average over 08/09 (of the unintegrated forms)	2264 by March 10 (increase of 5%) 2372 by March 10 (increase of 10%)	The baseline for the entire year has now been calculated. Starting to offer more services online, but publicity has not yet started. The target is not expected to be impacted until Autumn 09.	Green	
13	Reduced cost of goods and services bought in (CPI 6.3)	Jane Lubbock	Additional savings achieved through procurement intervention	£0	£200,000 pa until March 12	On track to achieve 09/10 savings (approx £16k per month) - £26k achieved so far and £40k further planned	Green	Green

**Extract from the minutes of the Value and Performance Scrutiny
Committee of 23rd June 2009:-**

**OVERVIEW OF KEY BENEFITS OF THE TRANSFORMATION
PROGRAMME**

The Head of Business Transformation submitted a report (previously circulated, now appended), which provided an overview of the key benefits of the Transformation Programme with details of how each benefit is being monitored, and to provide an update on progress to date. Ben Brownlee gave an explanation of NI 179 efficiency savings as at the end of March 2009 and said that efficiency savings were on target as demonstrated by the benefits shown against improved value for money and increased efficiency savings

After discussion, the Chair asked questions on the detail of the some of the key benefits, in particular, relating to reducing carbon emissions and workforce reductions.

Regarding workforce reductions, Peter Sloman said that the savings had been made in relation to the restructuring process where targets had been exceeded but were sustainable over the next two years.

On carbon emissions, Ben Brownlee explained that the project was now being taken on and managed at all levels across the Council, with effective training for employees, to ensure ongoing sustainability.

Peter Sloman said that action would be taken to revise the utilities contract when the time came to afford greater benefits to the Council. He confirmed that would be also be greater use of smart meters across the board. More efficient measures were being developed to improve efficiencies.

Members said that the target to reduce the office footprint should be more challenging to match the rapid reduction in the number of staff.

Resolved to:

- (1) Ask Heads of Service to encourage all staff to make every effort to exceed existing targets;
- (2) Inform the Head of Business Transformation that the target to reduce the office footprint should be more challenging to match the rapid reduction in the number of staff, and to advise the City Executive Board accordingly.