



REPORT TO: CORPORATE COMMITTEE ON 30 AUGUST 2022

SUBJECT: IMPROVEMENT AND MODERNISATION PROGRAMME

BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND ORGANISATIONAL DEVELOPMENT)

1. REASON FOR REPORT

- 1.1 To inform the Committee of the progress made in developing the projects set out in the Council's Improvement and Modernisation Programme (IMP).
- 1.2 To ask the Committee to consider and note the outcome of the reviews of IMP work, governance and resulting actions and to consider extending the post of Project Leader (Transformation).
- 1.3 This report is submitted to Committee in terms of Section III (A) 2 of the Council's Scheme of Administration relating to considering Capital and Revenue Budgets and long term financial plans.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee reviews and notes:
 - i) progress on the projects set out in the Council's Improvement and Modernisation Programme (IMP);
 - ii) the outcome of the reviews of IMP work and governance and resulting actions;
 - iii) the review of project governance arrangements including Transforming Boards set out in paragraphs 3.20-3.23.
- 2.2 It is also recommended that the Committee agrees to extend the post of Project Leader (Transformation) for an additional 12 months and notes that funding for that will be included in a later report to Council regarding the use of capital receipts to fund transformation projects.

3. **BACKGROUND**

- 3.1 The Council has established an Improvement and Modernisation Programme to deliver transformational change across the authority, which was first approved by the Council on 12 December 2018 (para 5 of the minute refers).
- 3.2 Reports to the Council on 12 May 2021 and to the Corporate Committee on 15 March 2022 expanded and adjusted the IMP programme of work. A comprehensive statement of the total programme of work now comprised within the IMP is set out in **Appendix 1** with an update on the current position for each area of work.
- 3.3 Key points of progress to note from the update in **Appendix 1** are:
- Learning estate is progressing well with options appraisals and public engagement having taken place to inform the proposals for Leip 3, for reporting to committee (working towards special ECLS on 14 September). Preparatory work for the revision of the repairs and maintenance plans is also now moving on.
 - Education Well-being/ASN workstream is proving challenging to advance in the face of operational pressures, with increasing demand and Covid impacts to be managed and this has been escalated to red in terms of progress. Consideration is being given to enhanced resourcing to address the additional areas of work emerging.
 - Digital Education – work has advanced to inform the report being prepared for council to determine direction and investment in this workstream.
 - Customer Service – establishment of Information Hubs in Libraries is proceeding to implementation with the new services coming on stream from mid-September.
 - Children’s Services – practice improvements and, roll out of evidenced models to support assessment have moved forward. The service is currently undergoing change in the social work model with reinvestment allowing for increase in staff to support priority areas and two new commissioned services. There is also development of some policy driven agendas, e.g. Scottish Child Interview Model. Concerns have been raised regarding the current temporary Project Leader (Transformation) post and need for continuity, therefore, a request for extension is included in section 4 (c) and 4 (e) below.
 - Climate Change – progressing well in the early stages. Given the scale of this work it is proposed that this is established as a distinct programme of work outside of the IMP.

- 3.4 As work has developed on various projects and workstreams, the interdependencies and links between them have become clearer. Therefore, it is proposed to bring together the projects below to ensure that the work is closely aligned and benefits are maximised. This will be reflected in future reporting.
- i) PAMA and Flexible Working: the overarching approach to the property asset management (PAMA) work was agreed by the council in March 2022. As this stage is concluded, the heading will now be removed as an active area of work. The remaining PAMA work is, therefore, the office review and a review of depots and stores with shared community hubs being incorporated into planned developments as noted on **Appendix 1** and below until there is scope to revisit this. Flexible working has no direct cashable savings attached to it but is an enabling project for the alternative use and release of office space. Therefore, the flexible working project is being aligned with the office review and they will be reported in tandem in future.
 - ii) ASN Review/Well-being: As noted below, the current investment in well-being is principally to support the current system while the ASN review work to change and transform the service is progressed. The work is already very closely aligned and so it is proposed to combine these projects to report via the ASN review Programme Board and to report the projects together.
- 3.5 Where work has progressed to enable the clarification of financial benefits, updated figures are shown on **Appendix 1** with the earlier estimated figures shown with a strikethrough. The refinement of costs and benefits is a normal part of the project management process and is an expected outcome from each stage of the project.
- 3.6 As noted in the report to the Corporate Committee on 16 March 2022, the next stage of work was to consider the IMP in the context of the financial challenges that the council will face in future years and to consider how the programme of transformation can contribute more strongly to the forecast requirement to reduce the council's operating costs. Therefore, in addition to work on the currently defined projects within the IMP, progress has been made on a review of project governance arrangements, support to improve consistency of project management and a further review of the programme of IMP work as part of ongoing programme management to ensure that the IMP continues to be aligned to council priorities and to evolve and develop as a live programme of work.
- 3.7 The IMP update review was undertaken firstly in the context of financial pressures to ensure that current and new improvement and modernisation projects are focussed on delivering the required outcomes to support financial sustainability; and secondly, relating to the Best Value audit findings, to consider how pace could be addressed in relation to assurance of on time delivery and scope to increase and sustain the pace of progress on transformation projects.

Current IMP Content: Financial Sustainability

- 3.8 In relation to the financial context, the original purpose, methodology and prioritisation of the IMP is of note in that the programme has always had financial sustainability at its core. Therefore, many of the projects are already aligned to this. The IMP programme of work was prepared to support the priority of having a financially stable council that provides valued services to our communities. Areas of work aimed at improving the financial sustainability of council services were identified using the Reform Matrix, which has headings of: Transformation, Redesign of Services, Redefine Service, and Income Generation and Commercialisation.
- 3.9 The overall direction of the IMP work was considered as set out in the Design Principles for the programme, which set out the guiding principles and incorporate drivers for change which are directed towards financial sustainability and prioritised resourcing, including disinvestment to enable this. These broadly reflect the main drivers of change that might be expected in local authority transformation work and it was not considered that revising these further at this mid-stage would add value to the programme.
- 3.10 In terms of the focus on financial sustainability, current projects have been reviewed to identify those with:
- a) Cash saving
 - b) Efficiency saving - Demand management
 - c) Service enhancement/improvement
- 3.11 The projects that have had a cashable saving set against them from inception are customer service redesign; sports and leisure Les Mills; service efficiency and school business support. These meet the criteria of being focussed on delivering outcomes to support financial sustainability and so will continue to be included in active IMP work, until they are concluded and unless projects with greater savings emerge in the future financial planning process that require a selection of savings projects in order to match resources.
- 3.12 The remaining projects are summarised below. For a number of these projects there are local and national political drivers to be taken into account e.g. poverty, climate, attainment, and well-being and for others they are key enablers of change (e.g. flexible working). Failure to make progress in these areas will carry risk and in some areas potential penalties or lack of access to funding. These projects have been considered by the Corporate and Senior Management team (CMT/SMT) and the resulting recommendations for each of the projects taking account of their wider contribution to change and priorities are below. This can be cross referenced to **Appendix 1**

PROJECT	PROPOSAL
1. PAMA – Office Review (incl Area Office Review): Efficiency linked to review of offices. Potential for saving if can close or re-use buildings. Some savings have already been achieved in Forres and others have been identified and are being progressed.	Continue
2. PAMA – Depot and Stores Review Savings – savings anticipated and whilst initial estimate is available, actual figure will be confirmed following options appraisal.	Continue
3. Property Asset Mgmt. Stage 2 – Shared Community hubs for public/3 rd sector: potential high effort for unknown return. Keep on hold and consider as review/develop major assets.	Incorporate into developments
4. Building Information Model (BIM): Savings expected but not yet defined. Take to stage of defining return on investment and assessing effort/risk of delivery	Review at OBC
5. Museums Trust: Efficiency – Heritage priority rather than efficiency or saving. Political direction needed related to future budget provision and level of priority that is possible for heritage and culture in current financial context alongside other demands. Training and further budget information will be required to enable prioritisation to be assessed.	Remain on hold
6. Review and Expansion of Flexible Working: Enabler for office review – establishing ICT infrastructure. Need to continue to future proof working arrangements and enable other projects (Pama). Align with office review.	Continue
7. Organisational Design and Mgmt. Structure: Project to be closed. Suggest organisational structure (inc management structure) is included in service reviews	Incorporate into service reviews
8. Organisational Design and Governance Review: substantially complete but requires final decision from Council.	Close - remaining action monitored through Best Value updates
9. Sponsorship: purpose to Generate income from advertising, sponsorship and other commercial opportunities. Focus has shifted and currently working Buckie Harbour (Offshore and renewables project) and other opportunities	Re-focus – to be progressed
10. Schools for the Future: Service improvement – current learning estate not suitable condition/capacity Essential that capacity is addressed	Continue
11. Raising Attainment - Well-being#: Service improvement – in support of ASN change below. Temporary support to system under pressure. Mounting pressure and demand in service and schools, some Covid related would add to the risks previously expressed and for which this budget was provided. Therefore, limited scope to reduce planned spend in this area given the challenges of changing a live operational service	Continue

PROJECT	PROPOSAL
<p>12. ASN Review# : Demand management –effort to contain future service demand which continues to increase</p> <p>Service improvement – from unsustainable current position. Risk of doing nothing high given pressures in service – Covid impact and pattern of national increase in numbers</p> <p># These two projects were initiated separately but have developed very closely and overlap in that 10 is supporting the current system while 11 is developed. In future these 2 projects will be reported as part of one overarching programme of work.</p>	Continue
<p>13. Raising Attainment: Well-being Pastoral Care in Primary: Improving Outcomes for Learners and Early Years Intervention (All Groups)</p> <p>Service improvement and management of future demand via prevention. Considerable issues emerging and this would be a prevention approach. Solution may not be what was originally envisaged but principle of investment in this area is sound and should be reviewed in due course if stopped at present</p> <p>Project not started so could put on hold. Need council approval for change. Report in preparation for ECLS Committee November 2022 cycle</p>	Review
<p>14. Education Project B: Raising Attainment - Curriculum breadth Moray (Virtual Innovation Academy and Schools Digital Devices):</p> <p>Service improvement and preparation for future – Scottish Government commitment to provide devices.</p> <p>Planned to review how to proceed once report received from advisers – report to Committee Nov 22</p>	Consider at Outline Business Case stage (Nov 22)
<p>15. Children’s services Service Review: anticipated both avoided spend and cash savings, with cash savings of £53k taken in 2021/22, £800k cash savings identified for 2022/23 and a further £245k cash savings anticipated during each of 2023/24, 2024/25 and 2025/26.</p> <p>Opportunities for further progress and savings but require project management support, current project lead post due to end 31/3/23.</p>	Continue
<p>16. Commissioning: Commissioning services have improved and a more focussed outcome based model is being developed. Service Manager is now in post to oversee this change. All contracts now up to date and monitored more effectively</p>	Continue

PROJECT	PROPOSAL
<p>17. Climate Change Consultancy: Service improvement – political imperative Requirement to progress to some extent and pace is issue re statutory deadlines and corporate targets. Need to establish essential investment.</p> <p>Review inclusion in IMP – major programme of work in its own right that is business as usual within service although funding was provided through this route for some early work.</p>	<p>Remove from IMP to be standalone</p>
<p>18. Poverty: Reducing Inequalities £: Service improvement – political imperative</p> <p>Team not fully recruited. However, pressure re child poverty duties and meeting statutory requirements and responding to identified issues so may need to consider resourcing within planned spend. Consideration of further resourcing will be linked to the direction from committee following planned report on strategic approach. (working to November)</p>	<p>Monitor</p> <p>Potential to limit to essential statutory and minimum resourcing</p>
<p>19. Mainstreaming Participatory Budgeting in Moray: Service improvement – requirements set but limited take up from services. Likely will not meet 1% target but could accept and cut resource</p>	<p>Review longer term following development of PB plan</p>

3.13 Consideration has also been given to possible new areas for change work, although there is some risk about the impact new projects could have on capacity to deliver current projects. If new opportunities were identified these would be assessed to rank their relative priority and the whole programme would require to be re-prioritised to ensure it remained manageable and that pace and progress could be maintained. Possible areas for future transformation work included:

- (i) Short Term – removing avoidable demand – better accessible information; engaging customers; accessibility of services (bring to community)
- (ii) Medium term - redesigning around customers – integrating services, redesigning interactions
- (iii) Long term – proactively remove cause of demand – engage high risks groups early, inter-disciplinary cross service working; increase independence
- (iv) Consider Digital – whether scope for further areas of work and generation of reduced costs. Further work would be required to more fully assess any new opportunities and this is in the early stages of preparation.
- (v) Shared services – perhaps not an immediate priority given limited benefits and considerable effort from previous experience. May be useful to explore appetite at national level and so informal contact has been made with the Improvement Service
- (vi) Service review programme - to ensure and provide consistent assurance that services are aligned to priorities and are contributing effectively to the overall sustainability of council services as a whole (e.g. digital, workforce, efficiency, assets, partnership, income)

3.14 For IMP content, it is concluded that the review of current projects per para 3.12 above suggests some possible refocus but in the main the current programme of work has financial benefits or underpins changes that would be required to deliver financial or efficiency gains (e.g. flexible working). Therefore, it is proposed to review and refocus IMP projects as summarised in para 3.12

- 3.15 For future opportunities, the short, medium and long term headings above have greatest potential in people based services which in Moray predominantly fall within the management of Health and Social Care Moray (including children's services). These have less scope for significant impact in many of the remaining council services and so these have not been identified as a priority to add to the IMP at this time. However, this will continue to be monitored as a potential future area of work.
- 3.16 The main area considered for development at 3.13(vi) above was a rolling process of service reviews by e.g. adding a local dimension to a quality system such as the Public Sector Improvement Framework (PSIF). In order to be manageable this would potentially be a 3 or 5 year programme akin to previous best value reviews, European Foundation for Quality Management process or PSIF but with a specific focus on sustainability. The Corporate and Senior Management team concluded that there could be benefits other than cashable savings such as evidence to demonstrate best value and a consistent approach to various areas assessed in the reviews that would help drive culture change and embed changes from transformation work. Therefore, while reviews were less likely to drive a cash savings agenda, they could contribute to the overall focus on sustainability of services and evidence best value approaches. Therefore, an approach to service reviews will be explored further with the Leadership Forum (of senior service managers) to consider a clear purpose related to continuous improvement, sustainable services/council and to develop a methodology that would deliver results in a proportionate and manageable way taking account of service pressures and available resources..

IMP PACE

- 3.17 A combination of factors influence the success of project and change work, including governance, leadership, engagement, resourcing and interpersonal skills. As the pandemic has evidenced, when there are pressures in the system it is essential and unavoidable that operational services are prioritised. This inevitably impacts on capacity to drive and deliver change.
- 3.18 Although specific project resources can be and are allocated, the expertise of service specialists and the decision making and guidance of senior service managers are essential components to the projects aiming to deliver change. These resources are finite and cannot be rapidly flexed, especially in a small authority. The current financial climate constrains scope to provide flexible capacity beyond essential core service demand, which might otherwise be considered as a means to create capacity for long term transformation management and projects. It is also of note that the current buoyant recruitment market has restricted options for supplementing the permanent workforce with dedicated project and transformation resources as the number of candidates for vacancies can be very limited and temporary appointments can conclude earlier than planned.

- 3.19 At present, the solution to this is careful prioritisation and shifting resources to the most pressing priorities, which can affect progress overall. Work is underway to capture information on the range of new demands that stem from out with the authority and options will be considered on how to address these, particularly where external funding may be available as a means to provide additional resilience around the balancing of service, new developments and transformation priorities. Reporting and monitoring arrangements are also being enhanced as part of the review of governance arrangements referred to below with more regular oversight through CMT/SMT of overall progress and cross cutting issues and interdependences to ensure these are identified and addressed as early as possible.
- 3.20 In order to support the pace and progress of the IMP transformation work, a review has been undertaken for the council's programme governance arrangements. The current arrangements approved by the council in June 2016 still largely reflect sound project management governance and remain fit for purpose. Some opportunities for improvement have been identified and refinements are being made to the procedures and guidance to ensure that the processes for project initiation and management are clear and effective. In particular, a single project gateway board is being clarified with CMT/SMT fulfilling this role, Transform Boards will be revised to focus on programme management functions and methodology and enhancements are being made to stakeholder engagement, including elected members.
- 3.21 To improve the consistency of project documentation and enable consistent consideration of the business case for projects, a team of project management experts from across the council has been drawn together to create simple clear core requirements and to identify and share project management techniques and tools for wider sharing across project teams. They will also provide a forum for peer support and challenge and an ongoing network of project experts within the council.
- 3.22 The above two points aim to provide additional assurance around governance and leadership, ensuring that for each project direction is set that makes it clear what is to change with clearly expressed benefits and key success factors and linked to that, that all involved understand what needs to happen to make the change and the critical factors for success. Engagement is a further key influencer of project success and actions are being developed to enhance communication and information sharing to ensure that this can underpin effective engagement of stakeholders consistently across projects. This is being supported by the Communications team working with senior responsible officers.
- 3.23 As part of the council's leadership development programme, further consideration will be given to ensuring that suitable training and tools are available to support effective interpersonal skills for project leaders, for example communication, leadership, adaptability and problem solving. Project management training and updates will also be made available.

4. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Improvement and Modernisation Programme is the development of the commitment in the Corporate Plan to a programme of modernisation and improvement to contribute to a financially stable Council.

(b) Policy and Legal

None.

(c) Financial implications

This report acknowledges the previously agreed financial implications indicated below. There are a number of areas where the planned financial allocation has not yet been utilised fully. Where there is scope to revisit this (see also para 3.12 above) reports will come forward to relevant committees to seek direction. If it is possible to reduce spend on Transformation projects which are not anticipated to yield financial savings this would release reserves for other purposes if required including to balance the budget for 2023/24 and beyond.

Description	Capital Receipts (2021/22 only) £000's	Transformation Reserves £000's	Potential to Review
Investment	290 (indicated by * below)	3,594	(see notes on projects below)
Contingency		1,200	yes
Transformation Team		1,340	Yes - some

Investment proposal

Description	Revenue (One-off)	Capital (One Off)	Recurring Annual revenue Costs	Cash-able saving	Potential to Review
Reducing Poverty	264				Possible - to consider as work develops
Internal Transformation*	145		60	200	No
Participatory Budgeting			107		Yes
Service Efficiency*	121	10		250	Possible - to consider as work develops
Raising Attainment- Well Being/ASN Review	3,200				No
Climate Change Consultancy	130				No - expended
Building Information Model (BIM)	20				No – expended; future investment proposals TBC

Description	Revenue (One-off)	Capital (One Off)	Recurring Annual revenue Costs	Cash-able saving	Potential to Review
Sports and Leisure * (completed and now business as usual)	24	50	23	24	No

The cost of continuing the post of Project Leader (Transformation) for the Children's services transformation work for a further 12 months as noted in paragraph e) below would be £61,000 including on-costs

(d) Risk Implications

All risks associated with the IMP are and will be managed through the relevant programme boards and overseen by CMT/SMT.

The risks associated with change and the success of transformation are well known. Historically, the Council has found it difficult to create capacity for change at scale and pace and this has been noted as a challenge in the follow up best value report. However, the follow up report also noted the progress that has been established since the BV report in 2019. It is planned to continue with the actions and direction set in more recent IMP work that has enabled this progress to be made. That will include continuing with the leadership that is in place for each project and programme of work and ensuring that plans continue to be monitored through project and programme boards where remedial action can be taken to ensure progress. Regular reporting to Transform Boards and committee will also continue so that in combination these actions ensure that pace is maintained and progress continues to be made. This report also addresses points that it is considered should assist in managing this risk.

Investment options were prepared in a short period of time, during Covid-19 Restrictions and pressures and therefore when they were agreed it was noted that some projects required development to an outline business case stage. This is progressing for relevant projects with a view to identifying and managing risks as the projects developed. Pending this work there remains an escalated risk of unknown risks and issues that are emerging nationally and locally. As noted above, improvement work is underway on project specification and governance that should also reduce this risk.

In order to manage these risks, the council will:-

- (i) Ensure that all projects meet a given standard of governance that is proportionate to the change.
- (ii) Ensure there are adequate resources for the overall programme of work and for individual projects
- (iii) Manage the dependencies and interdependencies across the scope of the change and its implications for other areas of prioritised work.
- (iv) Appoint appropriate project resources and failing which, review whether objectives are deliverable and review planned work accordingly.

(e) Staffing Implications

In addition to the agreed Transformation Team, the major staffing implication is securing time from stakeholders involved in a demanding workload. This is a key consideration in terms of membership of project management and stakeholder groups as well as involvement in the tests of change and any pilots. The post of Head of Transformation is currently vacant and given the previous challenge in recruiting to this post, consideration is being given to alternative options to fulfil the requirements of this post, including external support and consultancy. In the meantime, the vacancy is being accommodated within existing resources by reviewing priorities, however, this limits the pace of progress and is not considered feasible longer term as project activity steps up across a range of workstreams.

As noted above and in line with recommendation 2.2, the current post of Project Leader (Transformation) Grade 10 for Children's services transformation is due to expire in March 2023. This project is distinct in that it has already notified savings in the order of £1m and it is vital to continue to support the change process to ensure ongoing delivery. The current employment market raises concerns about turnover in temporary appointments which adds risk to this important service transformation where key changes to practice are being developed to implement both service improvements and savings. Therefore, it is proposed to continue the post of Project Leader (Transformation) for a further 12 months from April 2023.

(f) Property

No direct implications from this report, although property is the subject of one of the workstreams and the issues arising from this will be reported in due course with activity on climate change being progressed as a stand-alone programme of activity.

(g) Equalities/Socio Economic Impact

For the purposes of this report an Equality and a Socio Impact Assessment are not required, however it is acknowledged that various workstreams will identify change that will have an impact on equalities and socio economic considerations and will be reported in due course.

(h) Climate Change and Biodiversity Impacts

There are no immediate climate change implications directly arising from this report. However, flexible working is one of the workstreams and the issues arising from this will be reported in due course.

(i) Consultations

The Corporate and Senior Management team have been involved in the review work referred to in this report and have been consulted on the report. The comments received have been incorporated into the report and project updates.

5. CONCLUSION

- 5.1 The Committee is invited to acknowledge the progress in the projects contained in the Improvement and Modernisation Programme. The Committee is also invited to consider and note the outcome of the reviews of IMP work and governance and resulting actions which aim to ensure the IMP is focussed on council priorities, particularly financial sustainability and to manage risks associated with ongoing pace and progress for the programme of improvement and modernisation aimed at contributing to the future efficiency and sustainability of the council.**

Author of Report: Denise Whitworth, DCE ECOD
Background Papers: Reports updating on progress on Improvement and Modernisation Programme to:
12 May 2021 Full Council (Item 09 [Report](#) and Appendix [A](#) / [B](#) / [C](#) / [D](#) / [E](#))
15 September 2021 Full Council (Item 15 [Report](#) and Appendix [1](#) / [2](#) / [3](#))
15 March 2022 Corporate Committee (Item 13a [Report](#) and [Appendix](#))
Ref: SPMAN-1108985784-771 / SPMAN-1108985784-770