

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 4 March 2013  
**Report for:** Information  
**Report of:** Executive Member for Transformation & Resources

### Report Title

**TRANSFORMATION PROGRAMME & BENEFIT REALISATION 2012/13**

### Summary

**This report provides**

- **An update on Transformation Team activity across 2012/13**
- **A financial summary of all initiatives being monitored by the Board**
- **Information about the Transformation Programme for 2013/14.**

**100% of all Transformation savings have now been achieved. Overall the forecast is that the savings will be £7.230m, which is £0.014m over budget.**

### Recommendation(s)

**The report be noted.**

Contact person for access to background papers and further information:

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Extension: x1222

Relationship to Policy Framework/Corporate Priorities	The successful delivery of the Transformation programme and savings will positively impact on the delivery of the corporate priorities.
Financial	This report presents the latest position on the Transformation savings and wider MTFP savings for 2012/13
Legal Implications:	Not applicable
Equality/Diversity Implications	Not applicable
Sustainability Implications	Not applicable
Staffing/E-Government/Asset Management Implications	This report outlines the current position of the Transformation Team's capacity
Risk Management Implications	This report outlines the transformation programme for 2013/14 and how the remaining capacity in Transformation Team will be utilised to deliver this.
Health and Safety Implications	Not applicable

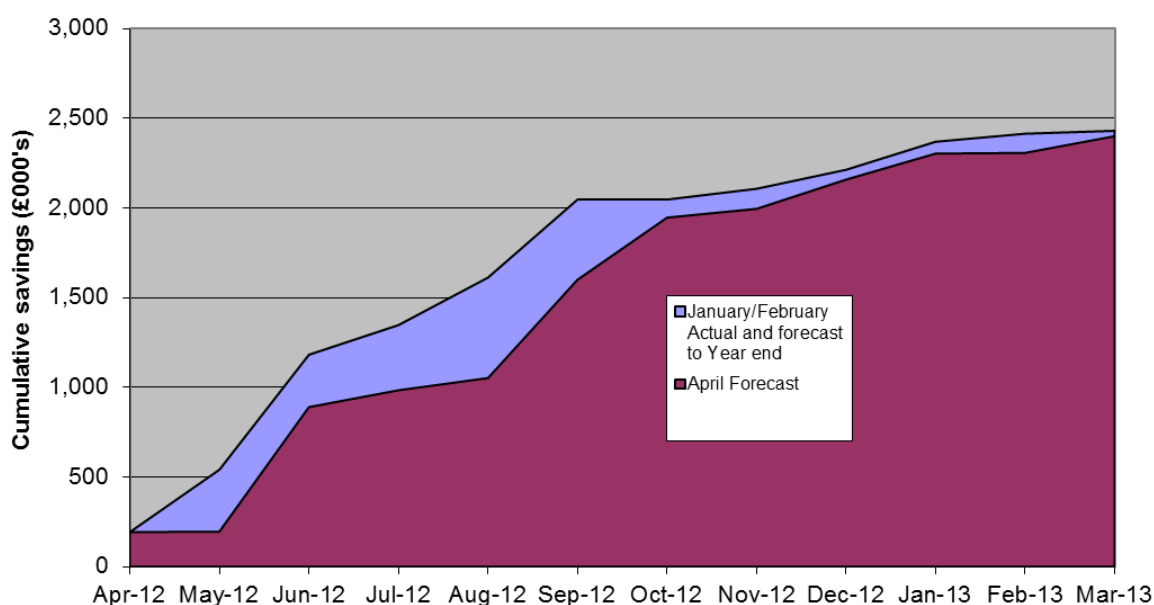
## 1. Update on Transformation Team activity across 2012/13

- i. The total Transformation savings realised up to the end of 2012/13 have been wide-ranging and amount to over £20m, many of which have been supported by Transformation Team:
  - SWITCh (£2m cost avoidance across the 3 councils),
  - CCTV installation at GMP (£67k)
  - Finance review (£500k, over 2010-13); training review (£160k); libraries (£231k)
  - Welfare Reforms: Council Tax, & Social Fund (£1.4m reduced budget pressure)
  - Long term accommodation (£5m)
- ii. In addition, the team has also been supporting the delivery of savings for 2013 – 2015, for example:
  - Council wide service reviews: Revenues and Benefits (£50k); Enforcement (£62k); Information & Advice (£250k); CYPs/CWB Integration (£240k)
  - Stockport (£15k), NHS Integration (£300k), Libraries (£173k)
  - LGG mutualisation (£112k)
- iii. The value added and outcomes of benefit to the council facilitated by the Transformation team include:
  - Increased, specialist capacity to deliver the programme, at a time of risk to service quality & delivery
  - Increased internal capabilities and capacity
  - Robust programme governance yielding benefits realisation ahead of schedule for 2011/12 & 2012/13
  - Objective challenge and support to push innovative thinking
  - Team costs delivered through project savings
  - Skills & culture transfer
  - Senior managers now see transformation activity as an integral part of their business as usual, enabling the Transformation Team skill set to be exploited to deliver the Councils Vision for 2015
  - Council project management methodology & lifecycle
  - Visibility and accountability of programme in its entirety to internal and external stakeholders; thereby reducing duplication, managed interdependencies and collaboration opportunities maximised.
- iv. As stated, the Transformation Team has supported the monitoring/delivery of over £20m in recurring savings since 2010, at a cost of c.£1.1m/year; expressed on a cumulative basis the total savings are £44m whilst the cost of the team has been £3.3m over the same period. Funding from the earmarked reserve, which was set up in 2009 for Transformation, has only been drawn on this year to help fund the team.

## 2. Financial summary of all initiatives being monitored by the Transformation Board

- v. The total 2012/13 savings target is £12.161m being split between Transformation, £7.216m, and 'other business changes' (OBC) £4.945m.
- vi. A significant proportion of the savings (£4.816m) were achieved by the start of the financial year and a further £2.414m has been realised from April 2012 to February 2013. There have been £7.230m Transformation savings realised cumulatively.
- vii. Savings to date are £0.066m ahead of forecast as action to achieve savings has been completed ahead of plan. The following chart shows actual savings to date compared to forecast and the revised profiling forecast.

**Movement in Savings Profile**



- viii. The total Transformation savings in the financial year will amount to £7.230m. This is £0.014m above budget. The 68 different OBC savings are not individually profiled and monitored on a monthly basis. However if any major OBC saving (over £50k) is not being achieved, an exception report is provided. OBC savings already achieved as at 1<sup>st</sup> April 2012 were £2.541m. Progress to date is shown in the table below:

### Transformation Breakdown by Directorate

	Jan 13		2012/13 Forecast			
	12/13 MTFP Budget Savings (£000's)	Savings to Date (£000's)	12/13 One-Off Savings (£000's)	12/13 Part Year Effect (£000's)	Total Savings (£000's)	12/13 Surplus/ (Shortfall) (£000's)
CYPS	1,660	1,660	0	1,660	1,660	0
C&WB	3,959	3,973	0	3,973	3,973	14
ETO	875	875	0	875	875	0
EGP	206	206	86	120	206	0
T&R	516	516	50	466	516	0
C-W	0	0	0	0	0	0
<b>Sub-Total</b>	<b>7,216</b>	<b>7,230</b>	<b>136</b>	<b>7,094</b>	<b>7,230</b>	<b>14</b>
Jan/Feb	7,216	7,216	136	7,094	7,230	14
Movement	0	14	0	0	0	0
<b>OBC</b>	<b>4,945</b>	<b>4,544</b>	<b>0</b>	<b>4,945</b>	<b>4,945</b>	<b>0</b>
<b>Total</b>	<b>12,161</b>	<b>11,774</b>	<b>136</b>	<b>12,039</b>	<b>12,175</b>	<b>14</b>

- ix. There are 3 projects which had savings at risk in the last quarter of 2012/13, but action has been taken to ensure the full transformation savings target is met:

Project	Savings at risk & reason	Mitigation
Additional income from locally determined application fees	£86k the legislation change required for the original saving has been delayed indefinitely nationally	Alternative savings have been found in 2012/13 and a 15% national increase in fees from November 12 will ensure the savings are fully achieved in 2013/14.
Offer CCTV to other organisations	£50k Only £10k additional income has been achieved in the year.	It is expected that additional income will be achieved in 2013/14. Other savings within T&R have offset the 2012/13 shortfall
Home To School Transport	£45k CYPS anticipate that of the total saving of £250k, the outstanding funding of £45k will still be found from project activity, but could be realised later than expected.	The funding has been identified from an alternative source to cover any shortfall if required.

- x. The projects listed below have been fully realised and completion has been agreed during April 2012 to February 2013; savings total £2.414m.

<b>Projects fully realised and agreed complete</b>	<b>Project savings</b>
I205 Personalisation	150
T206 Home to School Transport	500
T207 Market Management	200
T218 CWB IBU Management & Back Office review	120
T217 New models of service in Learning Disabilities	314
T213 Physical Disabilities Direct Payments and Reablement	100
T214 Safer Stronger Community Hub - Staffing restructure	32
T214 Safer Stronger Communities Business Support Officer restructure	65
T221 Review of operational services for Education	70
T225 Review of Public Protection	195
T16 Adoption of a Corporate Landlord approach across the Organisation	100
T220 Reduction in Community Lettings team (Management)	20
T219 Additional income from locally determined application fees	86
T226 HR Phase 2 Structure saving	175
I201 Review of library strategy	177
T228 CCTV Commercialisation	60
T227 Trading Services HR	50
<b>TOTAL</b>	<b>2,414</b>

- xi. In conclusion the overall Transformation position is forecast to be £14k favourable to budget although there are three projects where all or part of the savings will be made from alternative methods than those in the MTFP.

### 3. Information about the Transformation Programme for 2013/14

- xii. As a result of budget proposals, the team capacity will reduce by 11 FTE from 1<sup>st</sup> April 2013, and further reductions are proposed for 2014/15:

	Forecast 2012/13 £000's	Budget 2013/14 £000's	Budget 2014/15 £000's
Employee costs	1,164	742	392
Other Running Costs	13	11	7
Gross Expenditure	1,177	753	399
Project Recharge income	(470)		
Transformation Reserve*	(650)	(753)	(399)
Net Budget	57	0	0
Staff FTE - % Staff Reduction	26.8	16.0 (40%)	8.0 (70%)

- xiii. Scrutiny reviewed the budget proposals for the Transformation Team reductions in Nov 2012 and raised concern that the Council is losing the capacity for change at a time when adapting to a new and potentially unknown future is so crucial.
- xiv. The Transformation Programme for 2013/14 will therefore focus on addressing the challenges post 2015 and the need to make significant organisational changes in preparation for this; the remaining capacity within the Transformation Team will support the tasks involved.
- xv. Project activity which the Transformation Team will support includes:
- New organisational delivery models (e.g. shared service, trading, mutualisation)
  - Locality Working
  - Customer Strategy
  - Corporate Landlord Strategy
  - Public Service Reform
  - Local Welfare Assistance Implementation
  - Partnership and council wide Information & Advice Review
  - Waste Management (contract re-tender)
- xvi. The team will deliver the Programme through a themed approach covering
- Engagement & Change leadership
  - Financial & Data Analysis
  - Assessment Criteria & Service Review
  - Realisation Support

### 4. Conclusion

- xvii. The Council has continued to deliver a dynamic Transformation Programme and deliver savings ahead of schedule and this year also exceeding the target. Cumulative savings have been £44m. The support from the Transformation Team continues to provide value for money and the resource remains essential, in order to assist where necessary in the delivery

of a further £6m in transformation savings in the coming financial year and to enable the Council to successfully manage the financial challenges beyond 2015.