
Report To:	Policy & Resources Committee	Date:	17 November 2009
Report By:	Corporate Director Improvement and Performance	Report No:	POL/55/09/PW
Contact Officer:	Paul Wallace	Contact No:	01475 712700
Subject:	Implementation of the Future Operating Model – Progress Report		

1.0 Purpose

- 1.1 The purpose of this report is to provide members with an update on progress with the implementation of the Future Operating Model.

2.0 Summary

- 2.1 Policy and Resources Committee approved a report in May 2009 which set out how the Council would implement the Future Operating Model (FOM).
- 2.2 This report was the culmination of a development process which included the Customer Service Review, the Value Chain Analysis Project and, ultimately, the establishment of Phase 2 of the Modernisation and Efficiency Programme.
- 2.3 The report approved by members in May 2009 identified that there were significant opportunities for the Council to improve service delivery and to secure ongoing efficiencies by implementing a new operating model that included the establishment of new customer service and operational support functions.
- 2.4 In order to secure the improvements in service delivery and ongoing efficiencies members approved a package of recommendations that would facilitate the development and delivery of the Future Operating Model – these included the establishment of a core project team, the development and implementation of a new Customer Service Centre and appropriate funding arrangements.
- 2.5 Over the last four months significant progress has been made in delivering Phase 1 of the Future Operating Model – this culminated with the launch of the Council's new Customer Service Centre on 19 October 2009.
- 2.6 However, in the intervening period, the environment within which the Council operates has changed significantly.
- 2.7 Members have already been advised of the serious financial challenges faced by the Council over the next few years – there have also been major developments with regard to the management structure of the organisation as well as the finalisation of proposals with regard to office and depot rationalisation.

- 2.8 Given these developments the CMT have reflected on the progress made in implementing the Future Operating Model, the lessons learned from the delivery of Phase 1 and the impact of the various changes in the operating environment.
- 2.9 The CMT believe that the Council should progress with the development and implementation of Phase 2 of the Future Operating Model, which will focus on constructing an effective platform for operational support, in line with the recommendations approved by Committee in May 2009.
- 2.10 In May 2009 the Committee agreed an interim property solution through to Autumn 2010 for Phases 1-3 of the Future Operating Model which located the new Customer Service Centre on the ground floor of Wallace Place and operational support in the Municipal Buildings and 7/8 Clyde Square. The duration of this interim solution is currently being reviewed as part of the development of detailed asset management proposals.
- 2.11 The successful implementation of Phase 2 will deliver the savings currently attributed to the Future Operating Model in the 2010/2011 Budget of £261,000.
- 2.12 However, in addition to progressing Phase 2, the CMT believe that there is a need to undertake further detailed work to ensure the effective integration of the Release Schedule for the FOM with the overall Budget Programme, particularly the new management structure and asset management proposals.
- 2.13 It is recommended that the Committee agree that the Council should proceed with the development of Phase 2 of the Future Operating Model, as agreed in May 2009, but that work is undertaken over the next few months to ensure the effective integration of the FOM within the overall Budget Programme.

3.0 Recommendations

- 3.1 It is recommended that the Committee:
- a. note the progress made by the Core Project Team in delivering Phase 1 of the Future Operating Model over the last four months including the successful launch of the Council's Customer Service Centre;
 - b. agree that the Council should develop and implement Phase 2 of the FOM, as agreed in May 2009, and note that implementing Phase 2 will result in the delivery of savings identified in the 2010/2011 Budget of £261,000;
 - c. agree that further work is undertaken to ensure the effective integration of the Release Schedule for the FOM with the overall Budget Programme, particularly the new management structure and asset management proposals; and
 - d. agree that a further report on progress with the implementation of the FOM is submitted to a future meeting of the Committee.

Paul Wallace
Corporate Director
Improvement and Performance

4.0 Background

- 4.1 Policy and Resources Committee approved a report in May 2009 which set out how the Council would implement the Future Operating Model (FOM).
- 4.2 This report was the culmination of a development process which included the Customer Service Review, the Value Chain Analysis Project and, ultimately, the establishment of Phase 2 of the Modernisation and Efficiency Programme.
- 4.3 The report approved by members in May 2009 identified that there were significant opportunities for the Council to improve service delivery and to secure ongoing efficiencies by implementing an operating model that included the establishment of new customer service and operational support functions.
- 4.4 In order to secure the improvements in service delivery and ongoing efficiencies members approved a package of recommendations that would facilitate the development and delivery of the Future Operating Model – these included the establishment of a core project team, the development and implementation of a new Customer Service Centre and appropriate funding arrangements.
- 4.5 Over the last four months significant progress has been made in delivering Phase 1 of the Future Operating Model – this culminated with the launch of the Council's new Customer Service Centre on 19 October 2009.
- 4.6 The Customer Service Centre has been in operation since 19 October and delivers a range of services including:
 - All General Enquiries (Switchboard)
 - Revenues and Benefits Service Requests
 - Environmental Services (e.g. Missed Bins, Waste Collection, Pest Control)
 - Roads and Lighting Faults
- 4.7 However, in the intervening period, the environment within which the Council operates has changed significantly.
- 4.8 Members have already been advised of the serious financial challenges faced by the Council over the next few years – there have also been major developments with regard to the management structure of the organisation as well as the finalisation of proposals with regard to office and depot rationalisation.
- 4.9 Given these developments the CMT have reflected on the progress made in implementing the Future Operating Model, the lessons learned from the delivery of Phase 1 and the impact of the various changes in the operating environment.
- 4.10 The CMT believe that the Council should progress with the development and implementation of Phase 2 of the Future Operating Model, which will focus on constructing an effective platform for operational support, in line with the recommendations approved by Committee in May 2009.

4.11 The scope of Phase 2 primarily focuses on the creation of an effective platform for operational support; including:

- Transactional Finance
- Transactional Procurement
- Transactional HR
- Transactional Payroll

Phase 2 also enhances the number of customer facing activities delivered through the Customer Service Centre, including:

- Corporate Complaints, Comments and Compliments
- Licences and Permits
- Development Management and Building Standards enquiries
- Environmental Health enquiries

Phase 2 also includes augmentation of activities remaining from Phase 1 delivered through Customer Service Centre, including:

- Bookings and Appointments
- Blue Badges
- Education Maintenance Allowances

4.12 In May 2009 the Committee agreed an interim property solution through to Autumn 2010 for Phases 1-3 of the Future Operating Model which located the new Customer Service Centre on the ground floor of Wallace Place and operational support in Municipal Buildings and 7/8 Clyde Square.

4.13 The timescale for this interim solution is currently being reviewed as part of the development of detailed asset management proposals.

4.14 The successful implementation of Phase 2 will also deliver the savings currently attributed to the Future Operating Model in the 2010/2011 Budget of £261,000.

4.15 However, in addition to progressing Phase 2, the CMT believe that there is a need to undertake further detailed work to ensure the effective integration of the Release Schedule for the FOM with the overall Budget Programme, particularly the new management structure and asset management proposals.

4.16 It is recommended that the Committee agree that the Council should proceed with the development of Phase 2 of the Future Operating Model, as agreed in May 2009, but that work is undertaken over the next few months to ensure the effective integration of the FOM within the overall Budget Programme.

5.0 Implications

5.1 Finance

The Chief Financial Officer was consulted in the preparation of this Report.

In May 2009 the members approved the use of £1m from reserves to fund the costs associated with Phases 1-3 of the FOM through to March 2011.

From 2011/2012, in addition to the savings of £261,000 referred to in 2.10, further savings of around £300,000 will be required to meet ongoing loan charges and maintenance costs currently being funded from the £1m from reserves.

5.2 *Human Resources*

Officers from Organisational Development and Human Resources are part of the Core Project Team and were actively involved in the development and delivery of Phase 1 of the Future Operating Model.

A high level HR Action Plan has been developed to ensure that the objectives underpinning the FOM are realised. All employee related matters are included in this Plan which helped facilitate the successful implementation of Phase 1.

The Plan also provides a sound platform for future Phases, ensuring a consistent approach to people related issues - including regular communication with management and employees – which will be key to the success of the project.

5.3 *Legal*

There are no direct legal implications arising from this Report.

5.4 *Equalities*

There are no direct equalities issues arising from this Report.

6.0 Consultation

6.1 The CMT and other relevant officers were consulted during the preparation of this Report.