

**POLICY REVIEW & PERFORMANCE
SCRUTINY COMMITTEE**

24 October 2012

Transformation Portfolio Update

Reason for the Report

1. To provide Members with a briefing on the Transformation Portfolio, the change programme currently in place to improve efficiency in the delivery of Council services.

Background

2. The Committee's Terms of Reference include responsibility for the scrutiny of efficiency measures proposed as a part of the Council's change programme, currently known as the Transformation Portfolio. The Committee has historically monitored the progress of this programme on a six monthly basis, and last received a briefing on Wave 2¹ projects in January 2012. Throughout its scrutinies of the Programme the Committee has very clearly added its weight to the Wales Audit Office message within the Council's Annual Improvement Report, that the regulators would be looking for this programme to deliver significant savings and service improvement.
3. This scrutiny marks the first opportunity for consideration of the Programme by the newly elected Committee, and the first opportunity to monitor the

¹ The Transformation Portfolio of projects has been delivered in Waves 0,1 & 2. Each Programme contains varying numbers of Wave 0, 1 & 2 projects, as indicated on the Portfolio Highlight Report at **Appendix 1**. Wave 2 represents the latest projects added to the programme.

savings and expenditure incurred at the outturn of 2011/12 and Quarter 1 2012/13.

4. The current 'Transformation Portfolio' consists of nine Programmes prioritising projects that forecast to deliver savings and efficiencies and also aim to maintain or improve services. Attached at **Appendix 1** is an overview of all nine programmes. A 'dashboard' report indicating the projects within each Programme and their status is attached at **Appendix 2**. Each programme has a Senior Responsible Officer and project managers are in place to progress the projects within each programme.

Issues

5. The 2012/13 Budget Strategy Report indicated that the Transformation Portfolio is on track to deliver significant savings over the medium term, but it must be regarded as investing money in order to reduce costs, as both internal and external support as well as expenditure on infrastructure is necessary to ensure that benefits are embedded in the Council's processes and new ways of working. The report indicated that savings from transformation are now expected to reach at least £22 million by March 2013 with further phases of change likely to increase this amount, compared with the previous expectation to achieve £20 million over the medium term.
6. The Committee agreed at its work programming forum in June 2012 to continue monitoring transformation reports on a six monthly basis. The previous Committee's concerns following consideration of the September 2011 six monthly report centred on transformation savings and costs, the pace of change and staff resources. The Committee expressed pleasure at the projected savings of £60 -80 million by 2015, requesting more detailed costing information form a part of the routine six month update.
7. During further consideration in January 2012 Members were pleased to hear that the Executive recognised the benefit of early scrutiny engagement with the new wave of transformation projects; and were advised there is

generally an appetite for change across the organisation, although the fundamental pace of transformational change is slow for a variety of factors. The Committee felt that resourcing transformation was presenting a challenge, but that there was a confidence that resource shortfalls could be met.

8. In earlier scrutinies Members have explored the need for improved Member governance arrangements within the transformation approach and expressed concern that there was an absence of key mechanisms, both for Members to spot the potential for projects to go wrong, and to measure the progress of transformation projects. The Committee had concerns about how future scrutiny of the Programme would measure its progress, and observed that without timelines and targets future scrutiny of progress will be compromised.
9. Attached at **Appendix 3** is the Savings Outturn for 2011/12 and the Savings for Quarter 1 2012/13. At **Appendix 4** is the Expenditure/costs for the portfolio for the same periods. Note that the expenditure at month 3 (Q1) is projected.

Way Forward

10. Andrew Kerr, Chief Operating Officer, and Natalina Cotterill, Operational Manager (Transformation) will attend committee to give a position statement and answer Members' questions.
11. The Cabinet Member (Finance, Business and the Local Economy) has indicated that he wishes to engage with this Committee in the future as proposals for this efficiency programme are developed and considered by the Cabinet.

Legal Implications

12. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

14. The Committee is recommended to note progress in delivering the transformation portfolio, consider whether it wishes to relay any comments

or observations for consideration by the Cabinet, and consider how further scrutiny of transformation should be reflected on the Committee's work programme.

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17 October 2012