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To: Councillor Kevin Stewart, Convener; Councillor Fletcher, Vice Convener; and Councillors Cassie, Cormack, Crockett, Dean, Dunbar, Farquharson, Graham, Kiddie, Laing, Leslie, McCaig, John West and Yuill.

Town House,
ABERDEEN 9 June, 2010

FINANCE AND RESOURCES COMMITTEE

At the request of the Convener, these papers have been made available **online only** in connection with the meeting of the **FINANCE AND RESOURCES COMMITTEE** to be held here in the Town House on **THURSDAY, 17 JUNE 2010 at 2pm**.

JANE G. MACEACHRAN
HEAD OF LEGAL AND DEMOCRATIC SERVICES

BUSINESS

4. PERFORMANCE MANAGEMENT AND CORPORATE GOVERNANCE AND OFFICE OF CHIEF EXECUTIVE SERVICE ISSUES

- 4.2 Corporate Governance Business Plan 2010/11-13 and Management Structure (Pages 1 - 32)

Should you require any further information about this agenda, please contact Rebecka Steven, tel. 522869 or email rsteven@aberdeencity.gov.uk

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Modernising Services

Corporate Governance

Service Business Plan 2010-13



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1 Executive Summary

The Directorate of Corporate Governance (the Directorate) Business Plan covers a three year planning cycle from 2010-2013, with a focus on 2010/11, and will be subject to annual review and update in line with the development of the Corporate Business Plan.

The Directorate's Business Plan identifies factors which influence service needs, development and delivery. It outlines the activities and initiatives which the Directorate will undertake in order to achieve the Council's key strategic objectives which reflect the National Priorities set by the Scottish Government, the Concordat and the Single Outcome Agreement.

The Action Plan contained within Section 6 expands upon our Directorate priorities and outcomes and is supported by operational plans for the service sectors of the Directorate:

Regular reporting across all areas of the Directorate on progress against our key priorities will be made to the Corporate Policy and Performance; Finance and Resources; and Audit and Risk Committees.

We are committed to improving our services, making best use of resources by embedding an approach of continuous improvement and seeking to modernise the way we work. Self evaluation is an important element in achieving this and over the lifespan of this plan there will be a focus on increasing our capacity to self evaluate, taking an evidenced approach, building upon good practice already in place and learning through benchmarking against best practice.

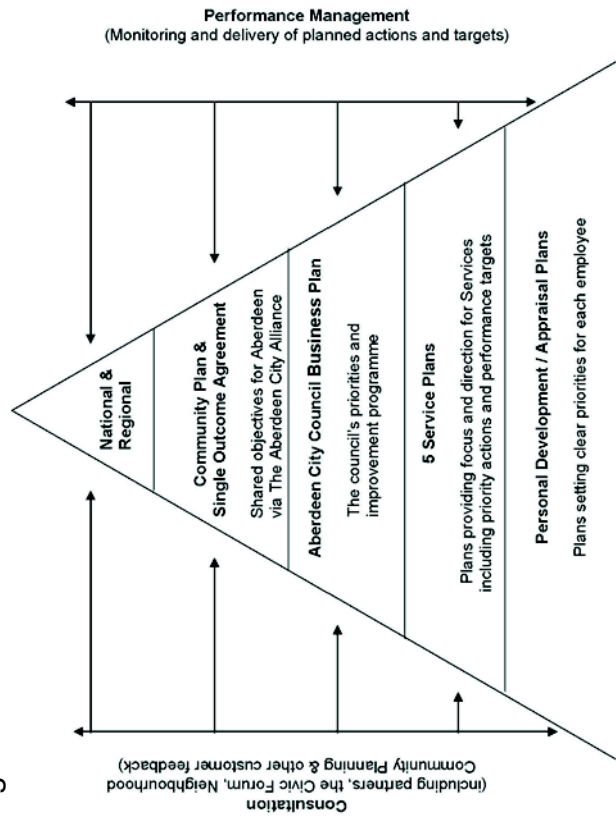
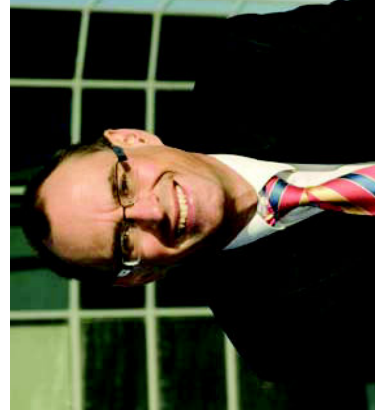


Fig 1.



Stewart Carneth.

Director of Corporate Governance

2. Vision and Strategy

Our Vision is to support the modernisation of the Council's services by providing high quality, cost effective services which put the customer at the centre. In order to achieve this we will require a highly skilled and motivated workforce, committed to a clear set of values:-

- Excellence
- Customer focused
- Teamwork
- Respecting others
- Openness and honesty
- Upholding the reputation of Aberdeen City Council

Strategy

Our priorities for the Directorate encompass the activities and initiatives which we will undertake in order to achieve the Council's key strategic priorities expressed in the Interim Business Plan 2010-13, which reflect the National Priorities set by the Scottish Government, the Concordat and the Single Outcome Agreement.

The Directorate contributes in some way to each of the local outcomes within the Interim Business Plan 2010-13. However, it has a lead role in delivering, or facilitating delivery of, the following:

- We make best use of the financial resources available to us, delivering improvement in our service priorities in the most cost effective manner;
- We have a flexible, skilled and motivated workforce;
- We listen to, and are responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed; and
- We work closely with our partners, including local communities, to deliver a single set of outcomes for all the citizens of Aberdeen.

Our action and financial plans, in this year and beyond, are built on the delivery of these priorities. We will measure our performance in terms of our success in their achievement.

3. Service Overview

3.1 What Services Do We and Will We Deliver?

The Directorate employs over 750 staff working across the city delivering services across five sectors. It has an annual net budget of £28M which represents 6.3% of the Council's total expenditure.

- **Legal and Democratic Services** The team provides legal services to the Council and partners, including advice, information assurance and the statutory licensing functions. Additionally, registration, archives, committee administration and democratic services fall within the team's remit. The team provides the Council's elected members with support services. The Head of Legal and Democratic Services is also the Council's Monitoring Officer.



- **Human Resources and Organisational Development** The team is responsible for the provision of a range of HR services including: Training and Development; Personnel; Workforce Planning; Health, Safety and Wellbeing; Payroll and Organisational Development. The team also has responsibility for Corporate HR Strategy and will operate a shared HR Service Centre to provide all HR transactional services.



- **Procurement** (shared with Aberdeenshire) The procurement team provide policy and advice to services and manage and develop the Council's procurement strategy. Management of suppliers and contracts and delivering benefits through effective business relationships are important functions. The team represents the Council's interests through the Scotland Excel North East Regional Hub.



- Finance** Finance has responsibility for strategic and operational financial advice to the Council. The Corporate Accounting Team provides monthly revenue and capital monitoring, production of Annual Accounts, efficiencies monitoring and administration and monitoring of the Common Good Fund. The Service Accounting Teams are aligned to each of the Directorates and strive to support the Directors in delivery of effective and efficient service provision and consequently financial balance. The Finance function incorporates Revenues and Benefits encompassing collection of all local taxes and business rates, administration of council tax and benefits and administration and collection of all other sources of income to the Council. The Pensions Team sits within Finance and manages the Pensions for Aberdeen City Council and partner organisations. The Infosmart Project also forms part of the Finance function and is critical in the delivery of savings through a central creditors team.



- Customer Services and Performance** The team's remit covers the management and implementation of the Council's Customer Service Strategy along with delivering operational customer service via the contact centre, planned customer service centre at the new corporate headquarters and customer access points at various locations in the city. The provision of ICT falls within the team as does business improvement and knowledge management. The performance, audit and risk function covers public performance reporting, the corporate commitment to Best Value, risk management, continuous improvement and the provision of the internal audit service. The team also has responsibility for maintaining and developing the Council's community planning commitments and the Single Outcome Agreement for the delivery of the Council's goals. The Council's research and information staff are based within the team. The Programme Management Office signals development of projects led by the Council's business requirements and provides assurance and governance.



The delivery of these services is based on the six following principles:

- **Customer Services Management** - Consistent, high quality customer experience through a range of chosen access channels that are tailored to the needs of our different customer groups in order to embrace a council-wide customer service culture.
- **Intelligence-Led Organisation** - Efficient and consistent gathering and sharing of knowledge and information across the organisation to inform strategic decision making.
- **Partnership Working** - Working with our partners to deliver a range of corporate and transactional services.
- **Workforce Planning and Development** - Developing high performing employees through a joint commitment to development between employees and employer.
- **Financial Management** - Challenge our ways of working to ensure we deliver value for money by exploring ways in which new methods of working and organisational arrangements will further improve services and reduce costs.
- **Business Processes** - Streamline and standardise high volume processes in order to fully integrate back office functions and to increase efficiency and effectiveness in the way the council operates.



3.2 How Will We Deliver?

The Council is committed to delivering a five year costed business plan and the Directorate will be heavily involved in leading this significant project. The outcome of this work, including priority based budgeting, will inform what services the Directorate will deliver in the future.

It is highly likely that over the next three years the delivery of the services within the Directorate will change significantly. As we respond to the changing demands of other services, increasing financial constraints, a greater understanding of customer requirements and emerging technological advances, the type, level and shape of service will be altered to meet these demands.

The Directorate will be restructured and a comprehensive review of our team's capacity and capability will be undertaken through workforce planning. A key element of this transformational change will be a comprehensive review of internal processes. The purpose of reviewing our key corporate processes is to drive out inefficiencies, particularly, though not exclusively, in conjunction with the implementation of IT projects which make up the Directorate's capital programme.

The Directorate will also be at the forefront of any move towards the external delivery of support services, alongside partners in the public sector, the private sector and the third sector. This is another powerful reason for reviewing internal processes, as it is important that the Council makes the gain on eradicating inefficiency. The business case for the external delivery of services will be developed during 2010/11 for 2011/12 and 2012/13 in parallel to the move towards the internal shared service centre model, and is being driven by a desire to improve quality and meet the financial constraints which will be faced by the Council in the future.

We will also develop an approach based on "Total Place", which has been adopted in England, and through collaboration with our partners deliver services on a city-wide basis based on an audit of existing services, costs of delivering those services and strategic use of information.

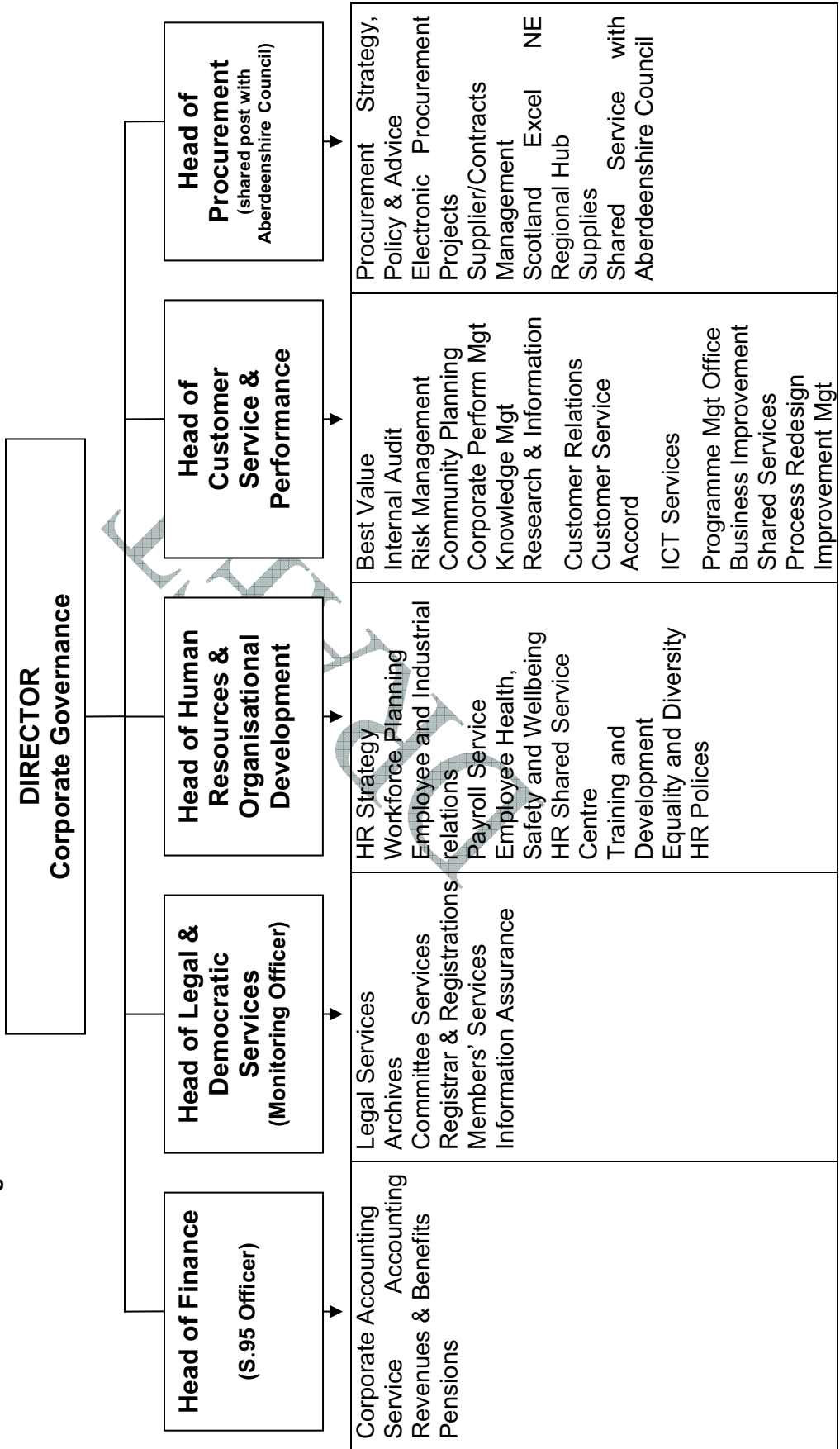
In order to deliver, we will move from a project to a programme based approach, which will encompass only those projects in all services that are contributing to the new delivery model for the Council. Our performance indicators will be more meaningful and will provide a focus for the delivery of the Business Plan.

All of this activity will have a major impact on staff, and with this in mind we will put in place systematic engagement with staff in order that they are informed and involved in the design, development and delivery of services.

The financial pressures on the Council mean that timescales for delivery are short and the business case for the delivery of our work will be achieved in 2010/11 to strategically position us 2011/12/13.

3.3 The Team to Deliver

Our vision sets out the need for a highly skilled and motivated workforce which will deliver high quality, cost effective and customer centric services. Building on the knowledge and ability which we already demonstrate, we are committed to learning from others and developing our skills further. The Directorate will take a lead on workforce planning and will apply this across the Directorate. The management structure of the Directorate is shown in Fig 2. below together with areas of responsibility. During 2010/11 a review of the structures within each of the Directorate's departments will be completed to ensure our resources are best matched to deliver our vision. Fig 2.



4. Corporate Governance Sector Analysis

Figure 3. below shows a high level analysis of issues which will impact on Aberdeen City Council and the Directorate throughout the period of this Plan.

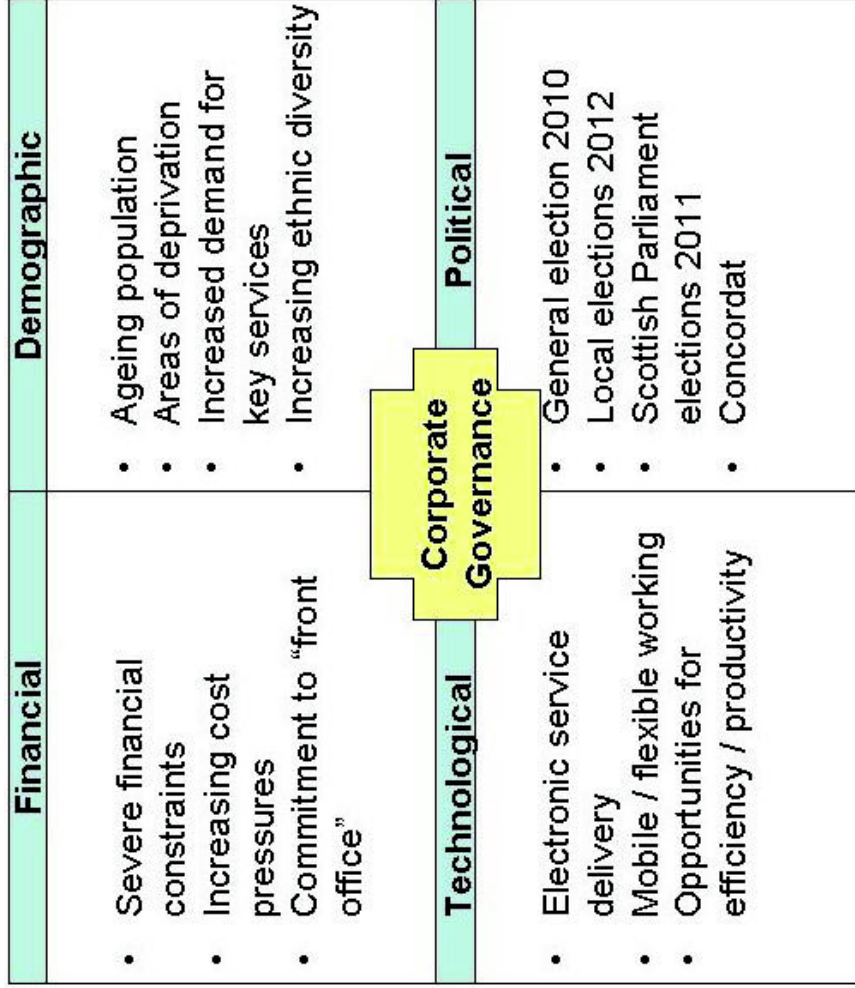


Fig 3.

The Directorate has a key role in meeting each of these challenges. In terms of the financial environment, as well as managing our direct costs, the Directorate will also support prioritised budgeting across the Council and the work with colleagues to improve our processes, projects and procurement. We will take a strategic lead on the use of new technologies which support both efficiency and customer focused services. We will also tackle the differing needs of customers and communities both at a local level, through local planning and delivery with our partners, and for communities of interest.

5. The Voice of the Customer

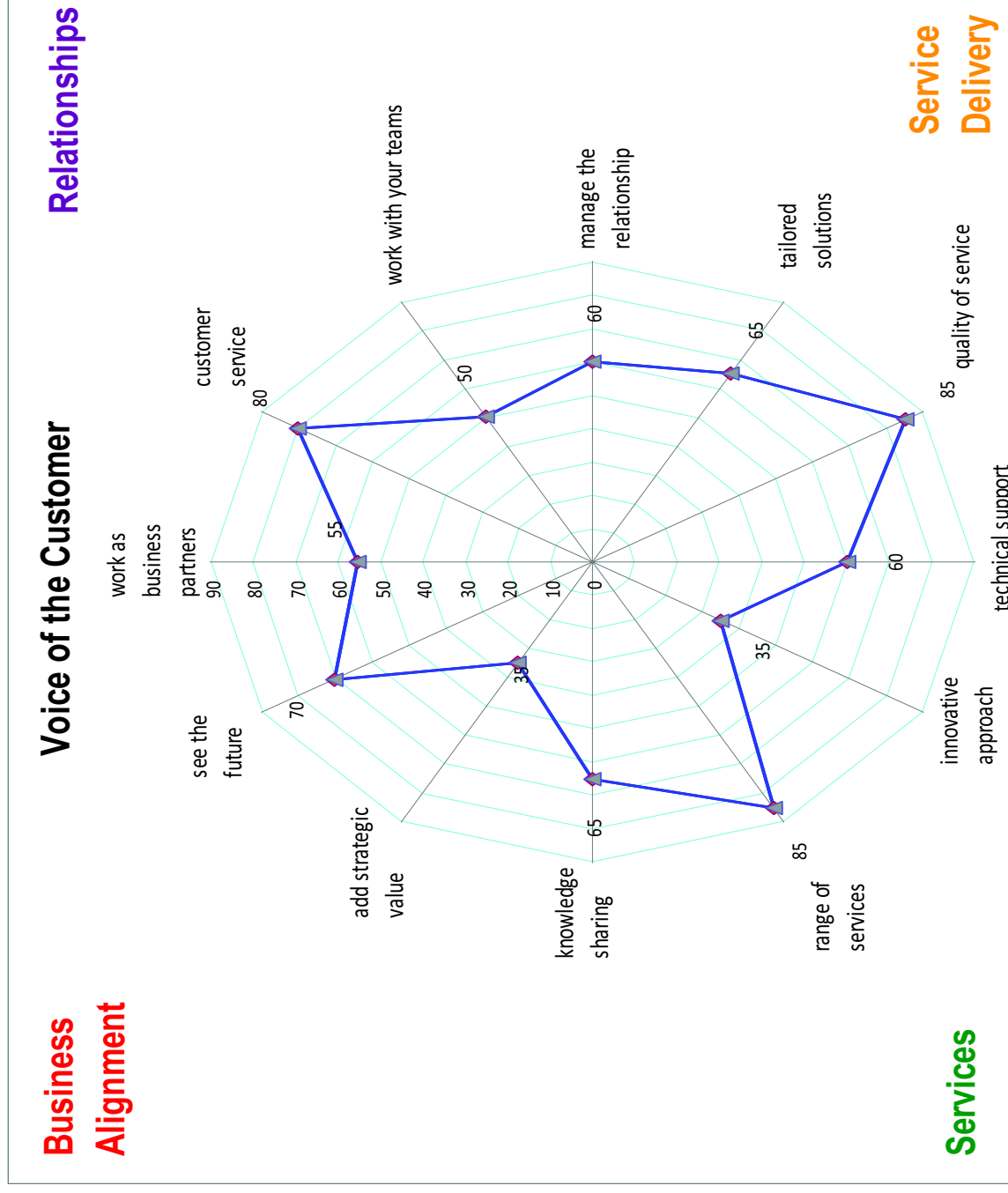
5.1 What do users think of our services?

Customer Feedback

The Directorate has an extensive programme to engage with and listen to the views of our customers. These include:-

- a city wide resident survey to gauge satisfaction on a variety of quality of life issues and the services provided by the Council;
- a customer survey of ICT services;
- a high profile open day where each section of the Directorate engaged with stakeholders;
- a Council Tax and Benefits customer survey;
- a facilitated World Café event to discuss priorities with internal customers.

The measures plotted here indicate the current status of twelve customer voice themes. Data has been drawn from a range of survey sources and is informed by self evaluation. Areas for improvement, including strategic value, innovative approach and working with teams are reflected in the Action Plan. During 2010/11 we will conduct a Directorate wide Customer Survey. Fig 4.



5.2 Who Are Our Customers?

The Directorate provides a service to a broad range of internal and external customers. Fig 5. below shows the nature of relationships with our customers.

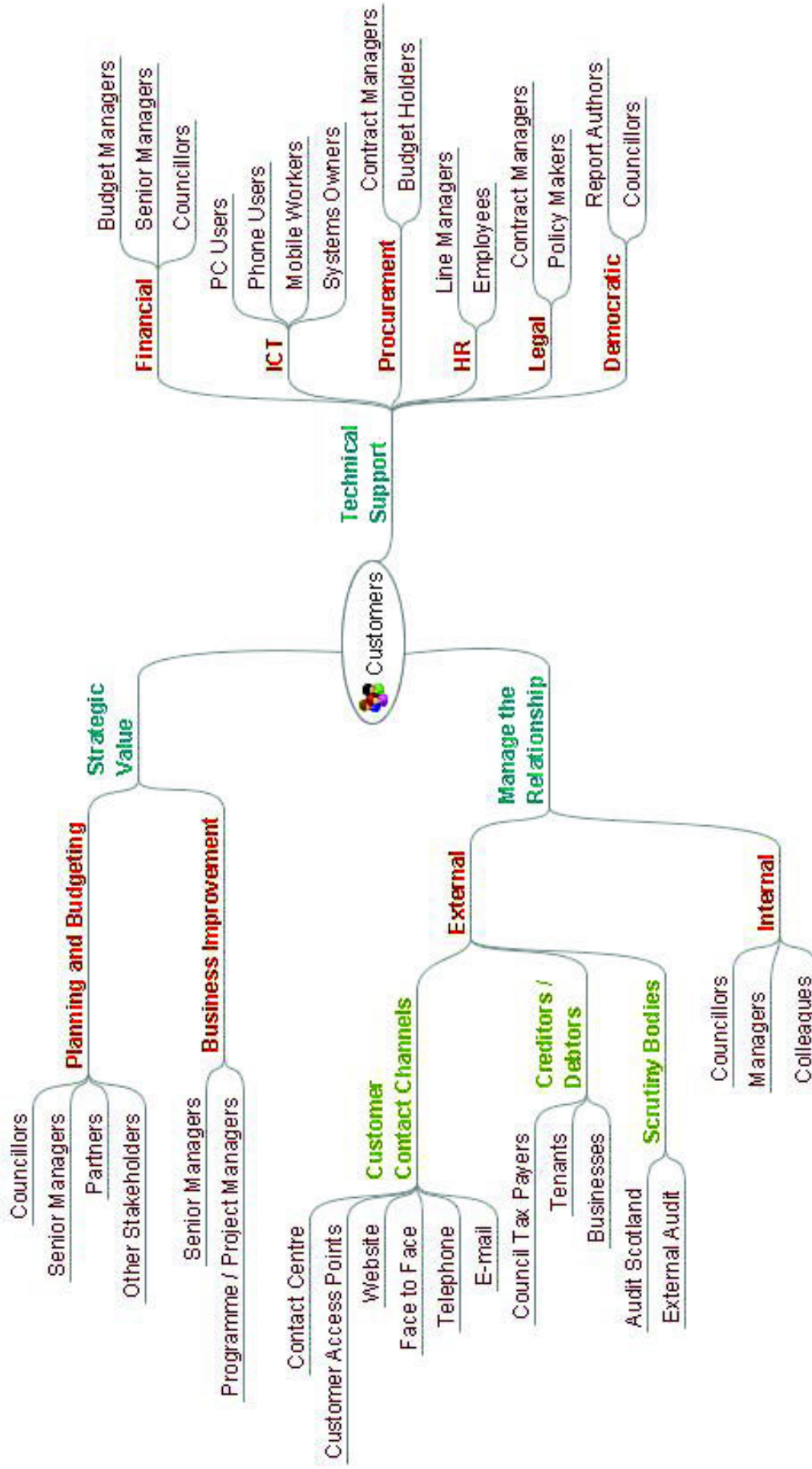


Fig 5.

5.3 Partnership Working

We are working towards increasing partnership working and moving towards partner delivery of our services where this represents the greatest value for our customers. We will continue to consult with partners and service users to work with them to develop how we deliver our services in the future. Fig 6. below shows a representation of our external partner. The Directorate, of course, works in partnership with each of the other Council Directorates.

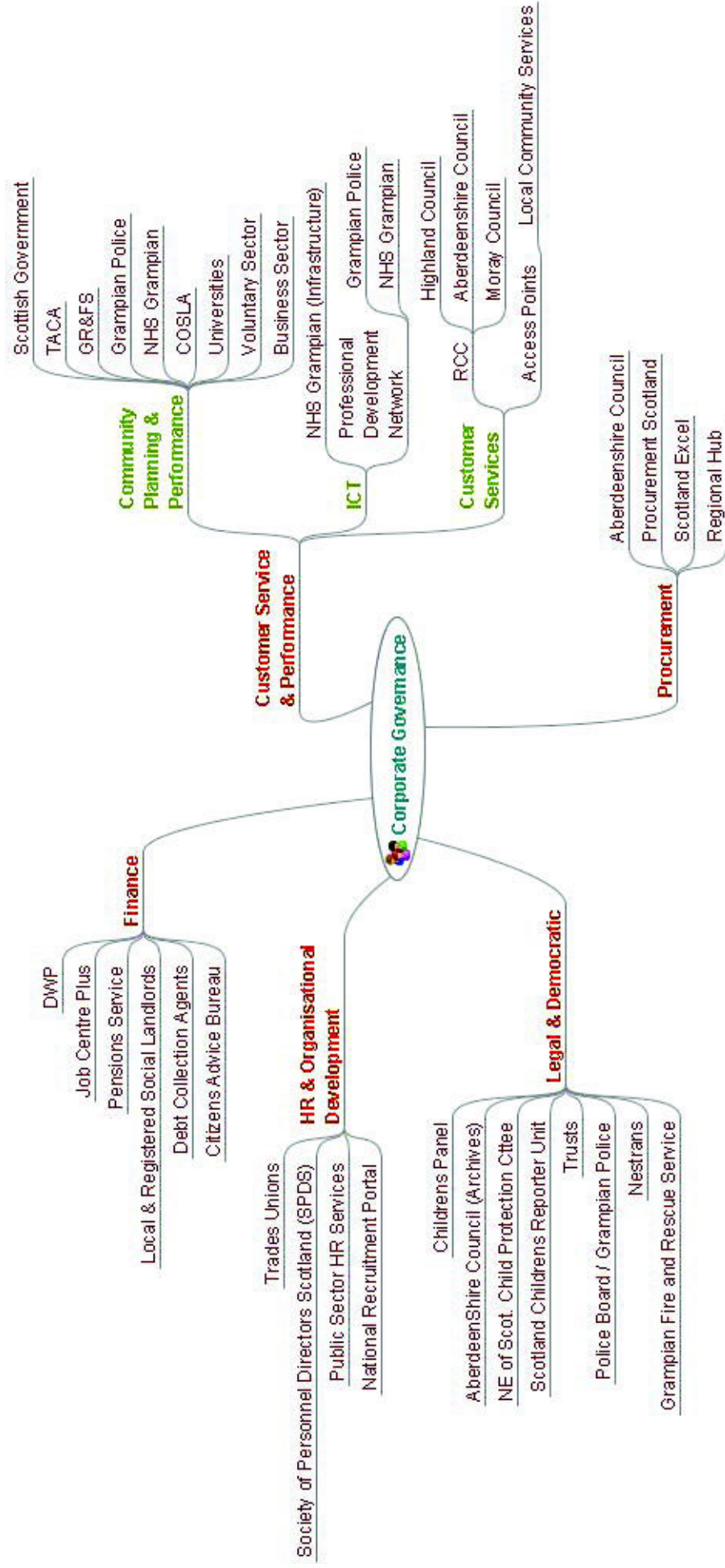


Fig 6.

6. Strategic Priorities and Outcomes – Action Plan

PRIORITY 1: We make best use of the financial resources available to us, delivering improvement in our service priorities in the most cost effective manner

| Action | Performance Measures | Timescale | Lead | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|---|--|-----------|--|--------------------------|---------------------------------|-------------------------|
| a. We will ensure value for money by challenging spend through a Priority Based approach to budgeting and planning. | Prioritised services tailored for the City; Recorded annual efficiency savings; Priority Based Budgeting in place by end of December 2010. | 2010/11 | Head of Finance | • | • | • |
| b. We will market test and benchmark our services against best in class across a range of sectors. | Sector benchmarked unit costs; Customer Satisfaction; Service delivery performance. | 2011/12 | Head of Customer Service and Performance | • | • | • |
| c. We will ensure Best Value in projects through a programme management framework. | Optimal delivery of business benefits through the programme. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| d. We will review business processes to support delivery to the council's customers | Reduction in support costs % of net council spend; % of residents agreeing they are satisfied with the Council and the services it provides. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| e. We will work with our partners to identify and deliver efficiencies from effective procurement. | Value of efficiencies from improved procurement (Cashable and non-cashable). | 2010/11 | Head of Procurement | • | • | • |

PRIORITY 1: We make best use of the financial resources available to us, delivering improvement in our service priorities in the most cost effective manner

| Action | Performance Measures | Timescale | Lead | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|--|--|-----------|--|--------------------------|---------------------------------|-------------------------|
| f. We will develop and implement an approach to measuring productivity. | No. of key services and processes measuring productivity; Measured increases in productivity. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| g. We will implement and embed a model of self-evaluation across the Council to improve understanding of our business and to co-ordinate our effort for external inspection. | Improvement of rating in "How Good is Our Council?". | 2010/11 | Head of Customer Service and Performance | • | • | • |
| h. We will modernise the Internal Audit function in partnership with an external provider to provide added value through each audit. | Improved customer satisfaction in audit performance; Tangible improvement in service delivery arising from audit recommendations. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| i. We will further develop and improve our risk management policy to better manage risk. | Organisational culture and behaviours which are aware of risks and manage these positively. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| j. We will improve our corporate ICT infrastructure to support the business in cost effective ways. | % customer satisfaction; Reduced costs. | 2011/12 | Head of Customer Service and Performance | • | • | • |
| k. We will implement an HR shared service centre. | Productivity measures; Customer satisfaction. | 2010/11 | Head of HR & OD | • | • | • |

PRIORITY 1: We make best use of the financial resources available to us, delivering improvement in our service priorities in the most cost effective manner

| Action | Performance Measures | Timescale | Lead | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|---|--|-----------|------------------------------|--------------------------|---------------------------------|-------------------------|
| l. We will implement a Finance shared service centre | Productivity measures; Customer satisfaction; The service will be established in 2010/11 with performance measures to be developed as part of its establishment; Payment performance will reach second quartile levels. | 2010/11 | Head of Finance | ● | ● | ● |
| m. We will maintain strong governance and ensure the probity of all actions taken by the Council. | Unsuccessful legal challenges | 2010/13 | Head of Legal and Democratic | ● | ● | ● |
| n. We will engage with other local authorities and public sector agencies to maximise efficiency and income generation. | Recorded annual efficiency savings; Income generation. | 2010/13 | All Heads of Service | ● | ● | ● |

PRIORITY 2: We have a flexible, skilled and motivated workforce

| Action | Turnover; Vacancy level; Levels of staff satisfaction with the council as an employer. | 2011/12 | Head of HR&OD | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|--|--|---------|--|--------------------------|---------------------------------|-------------------------|
| a. We will develop a flexible Corporate Workforce Plan which aligns our workforce with available budget and our priorities. | | | | • | • | • |
| b. We will ensure that all services have effective succession planning in place. | Number of internal candidates appointed to promoted posts. | 2012/13 | Head of HR&OD | • | • | • |
| c. We will review the range of skills on a service by service basis and ensure there are highly skilled and motivated employees. | Vacancy levels; Levels of staff satisfaction with the council as an employer. | 2011/12 | Head of HR&OD | • | • | • |
| d. We will undertake an organisation wide review of the business needs of the new departments and allocate support staff with the right skills to each of the departments. | An equitable allocation of support staff with a reduction in the use of agency staff. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| e. We will develop and implement a flexible Customer Services Model to enable efficient and high quality service delivery, ensuring skilled and motivated employees. | Performance measures to be developed. | 2010/12 | Head of Customer Service and Performance | • | • | • |

PRIORITY 2: We have a flexible, skilled and motivated workforce

| Action | | | | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|---|---|----------------|---|--------------------------|---------------------------------|-------------------------|
| <p>f. We will improve knowledge management and sharing within the Directorate and with our partners.</p> | <p>Metrics for knowledge sharing strategic indicator to be developed.</p> | <p>2010/11</p> | <p>Head of Customer Service & Performance</p> | <p>•</p> | <p>•</p> | <p>•</p> |
| <p>g. We will conduct a systematic review of structures across the component teams of the Directorate, to ensure the design and number of posts properly reflects the needs and priorities of the directorate and our customers and stakeholders.</p> | <p>Customer satisfaction; Reduce costs.</p> | <p>2010/11</p> | <p>All Heads of Service</p> | <p>•</p> | <p>•</p> | <p>•</p> |

PRIORITY 3: We listen to, and are responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed

| Action | | | | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|---|---|----------------|---|--------------------------|---------------------------------|-------------------------|
| <p>a. We will systematically engage internal customers, external customers and our partners, embedding their feedback to shape the services we deliver.</p> | <p>% of residents feeling they have some influence over the issues that concern them in their local area; Various customer surveys.</p> | <p>2010/11</p> | <p>Head of Customer Service and Performance</p> | <p>•</p> | <p>•</p> | <p>•</p> |
| <p>b. We will develop a channel management strategy, to route customer facing services through the most appropriate customer contact channels to demonstrate enhanced customer service and improved efficiency.</p> | <p>% of residents who are satisfied with the Customer Service provided by the Council; % of customer enquiries resolved at the first point of contact; Measurable efficiencies achieved by channel shift.</p> | <p>2011/12</p> | <p>Head of Customer Service and Performance</p> | <p>•</p> | <p>•</p> | <p>•</p> |
| <p>c. We will continue to develop our framework for customer service provision, enabling a shift to a more customer focused culture.</p> | <p>% of customers who are satisfied with the Customer Service provided by the Council; % of customer enquiries resolved at the first point of contact.</p> | <p>2011/12</p> | <p>Head of Customer Service and Performance</p> | <p>•</p> | <p>•</p> | <p>•</p> |
| <p>d. We will manage contracts and supplier performance to ensure we maximize value and efficiency in the goods and services we procure and to ensure they meet the needs of our customers and services.</p> | <p>Utilising contract management balanced scorecard to measure Quality, Price, Time and Service.</p> | <p>2010/11</p> | <p>Head of Procurement</p> | <p>•</p> | <p>•</p> | <p>•</p> |

PRIORITY 3: We listen to, and are responsive to, our customers, shaping our services around their needs and focusing our resources where they are most needed

| Action | | | | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|--|--|---------|--|--------------------------|---------------------------------|-------------------------|
| e. We will engage with our supplier base to effectively manage relationships so that the Council is perceived as an attractive business partner. | Feedback from surveys; Statistics on number of suppliers responding to tender notices and submitting actual bids. | 2010/11 | Head of Procurement | • | • | • |
| f. We will deliver a positive customer experience through a customer service centre at the new corporate headquarters and an improved combined telephone contact centre. | Customer satisfaction surveying. | 2011/12 | Head of Customer Service and Performance | • | • | • |
| g. We will continue to engage with other Services across the Council regarding Government Priorities and embed feedback to shape the Service and focus resources where needed. | Customer satisfaction surveying. | 2010/11 | All Heads of Service | • | • | • |

PRIORITY 4: We work closely with our partners, including local communities, to deliver a single set of outcomes for all the citizens of Aberdeen

| Action | Performance Measures | Timescale | Lead | Single Outcome Agreement | Vibrant Dynamic Forward Looking | Corporate Business Plan |
|---|---|-----------|--|--------------------------|---------------------------------|-------------------------|
| a. We will actively engage with existing community planning partners and build new relationships, to develop an innovative service planning and delivery model based on the Total Place movement. | % of residents feeling they have some influence over the issues that concern them in their local area; % of residents who are satisfied with the Council and the services it provides. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| b. We will implement our Single Equalities Scheme, embedding equalities in all the services we deliver. | % of residents agreeing that they are fairly treated in their contact with the Council (+ no replies). | 2010/13 | Head of Customer Service and Performance | • | • | • |
| c. We will develop an approach to measuring social return on investment and implement this for key investment projects. | Positive ratio of quality to investment. Project measures to be developed. | 2010/11 | Head of Customer Service and Performance | • | • | • |
| d. We will engage with other authorities to investigate the possibility of shared legal and democratic services. | Corporate Governance Service efficiencies / income generation as a percentage of revenue budget. Stakeholder engagement. | 2011/12 | Head of Legal and Democratic | • | • | • |
| e. We will network with professionals in other public and private bodies to share professional research and benchmarking. | | 2010/11 | Head of Customer Service and Performance | • | • | • |

7. Financial Plan 2010/11 to 2012/13

The financial crisis and subsequent recession have placed significant strain on public finances. The UK's public sector net borrowing in 2009/10 and 2010/11 is amongst the highest in the Organisation for Economic Co-operation and Development. It is clear that public spending will be subject to a period of significant constraint in the years ahead and that UK, Scottish Government and Aberdeen City Council budgets will be significantly affected by these pressures throughout the period of this Plan.

While exact details have yet to be announced, analysis from the Chief Economic Adviser to the Scottish Government suggests that the Scottish Government Departmental Expenditure Limit (DEL) may experience five consecutive years of real-terms cuts starting in 2010/11 and it may take a further two years before growth returns to trend. The analysis concludes:—

- reductions averaging approximately 3% a year in real terms between 2011/12 and 2014/15 are likely;
- by 2014/15, the Scottish DEL could be between £3½ and £4 billion lower in real terms than in 2009/10;
- it will take a period of sustained adjustment lasting up to 12 to 15 years before 2009/10 levels of expenditure are reached once again in real terms; and
- over this period, Scottish expenditure could cumulatively forego between £25 and £35 billion in real terms compared to a situation whereby the 2009/10 peak level of DEL remained unchanged. The upper end of this scale is more likely if the UK economic recovery was to be slower than forecast in Budget 2010.

The financial impact on Aberdeen City Council ranges from £87M to a potential £119M of efficiencies / savings to be delivered by 2014/15. The Council has already demonstrated that it is able to deliver significant savings in the region of £100M over 3 years. A greater level of efficiencies will be required and significant changes are needed to the services the council provides and how these are provided. The continued financial challenges will be used as a stimulus to further change the way we work to ensure we deliver the best possible outcomes to the City and its people for the investments that we make.

Current and Indicative Revenue Expenditure To Deliver Action Plan

Fig 7. below shows the projected year on year level of budget reductions which will be required across the Council, assuming a 20% reduction in income (stemming from the analysis of the Chief Economic Adviser to the Scottish Government) combined with additional cost pressures of £50.3M.

| | Reductions | | | |
|--------------------------------|------------|---------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
| Reduced Income (20%) | 7.8% | 3.1% | 5.9% | 3.1% |
| Cost Pressures (£50.3M) | 3.6% | 3.6% | 3.6% | 3.6% |

Fig 7.

Fig 8. below provides an overview of the Directorate's current Revenue Budget and uses the percentage reductions shown at Fig 7. above to show the indicative levels of savings to 2014/15.

| | £'000 | | | | |
|--|-------------------|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Budget 2010/11 | Indicative 2011/12 (11.48%) | Indicative 2012/13 (6.7%) | Indicative 2013/14 (9.5%) | Indicative 2014/15 (6.7%) |
| Directorate | | | | | |
| Customer Services and Performance | 13,098 | 11,594 | 10,817 | 9,789 | 9,134 |
| Finance | 6,149 | 5,443 | 5,078 | 4,596 | 4,288 |
| Human Resources and Organisational Development | 4,550 | 4,028 | 3,758 | 3,401 | 3,173 |
| Legal and Democratic | 2,456 | 2,174 | 2,028 | 1,836 | 1,713 |
| Procurement | 461 | 408 | 381 | 345 | 321 |
| Operational Support Manager | 785 | 695 | 648 | 587 | 547 |
| Corp Rev Investment Fund | 997 | 883 | 823 | 745 | 695 |
| Net Expenditure | 28,496 | 25,225 | 23,533 | 21,299 | 19,871 |

Fig 8.

Whilst the above figures are indicative, the changes outlined in this Business Plan reflect the need to deliver very significant efficiencies as highlighted above.

The following model shows the route map the Directorate will be taking to achieve these whilst maintaining support services and improving quality for customers.

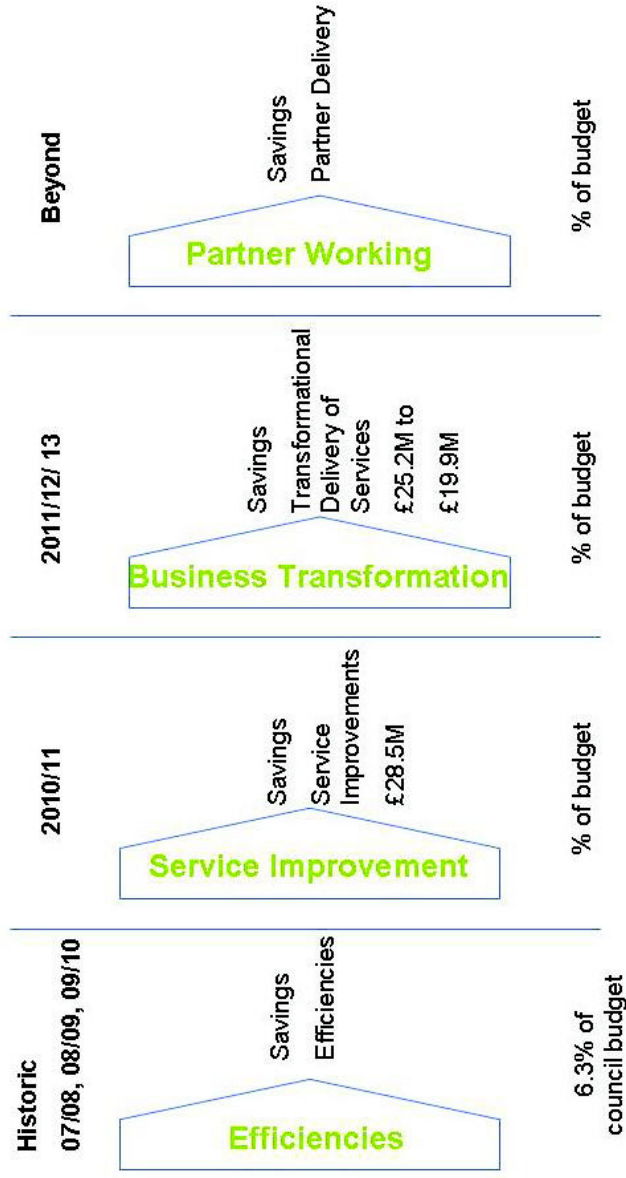


Fig 9.

The journey along this route map will change the services we will deliver, our interaction with customers and the arrangement of staffing resources to deliver the services. In line with our vision to support the modernisation of the Council's services by providing high quality, cost effective services which put the customer at the centre, our Action Plan commits to:-

- reviewing the services we provide based on sound business cases;
- improving processes, including investing in technology, to increase efficiency and improve services to customers;
- market testing our services to ensure we deliver best value;
- implementing a workforce strategy and developing our skills; and
- building new relationships with our partners which support joint planning and delivery.

The outcome of these actions will be a concentration of resource on those services which are priorities for our customers, an increasing focus on customer service and a mixed model of staffing which reduces the number of employees and uses additional / specialist resources in a way which demonstrates best value.

Capital Expenditure

Figure 10 below sets out the agreed planned capital investment over the next 3 years.

Business cases have been agreed for each of these projects. The nature of these projects demonstrate that the investment of capital is directed towards improving access to customer centred services whilst increasing the efficiency of the processes which support those services. Our use of capital money is an important element in delivering our action plan – investing upfront in order to save.

| | Estimated 2010/11 Budget £'000 | Estimated 2011/12 Budget £m | Estimated 2012/13 Budget £m |
|--|--------------------------------------|-----------------------------------|-----------------------------------|
| Mobile Working | 970 | 0 | 0 |
| Customer First Programme - CRM System | 450 | 450 | 442 |
| Customer First Programme - Frederick Street | 2,460 | 70 | 0 |
| Data Centre Move | 4,335 | 400 | 0 |
| Corporate Asset Management System | 112 | 0 | 0 |
| IT Infrastructure Improvements Repairs/Renewals | 1,776 | 1,023 | 1,086 |
| ICT Disaster Recovery Funding | 100 | 100 | 100 |
| E Government Stage 4 Implementation | 150 | 100 | 74 |
| Integrated Document Management | 824 | 200 | 0 |
| Electronic Corporate Performance Management System | 55 | 0 | 0 |
| Application Processing System | 20 | 10 | 10 |
| HR/Payroll | 120 | 400 | 0 |
| Police - Capital Grant | 1,408 | 1,451 | 1,494 |
| Total | 12,720 | 4,204 | 3,164 |

Fig 10.

Annual Efficiency Statement

The following table shows the actual cashable efficiencies delivered in 2009/10 by the Directorate, the cashable efficiency savings agreed for the Directorate's 2010/11 Budget and target figures through to 2014/15.

| | 2009/10 Actual (£'000) | 2010/11 Agreed | 2011/12 Target (11.48%) | 2012/13 Target (6.7%) | 2013/14 Target (9.5%) | 2014/15 Target (6.7%) |
|---|------------------------------|-------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Cashable | Cashable | Cashable | Cashable | Cashable | Cashable |
| Customer Service and Performance | (678) | (886) | (1,504) | (777) | (1,028) | (655) |
| Human Resources and Organisational Development | (267) | (296) | (522) | (270) | (357) | (228) |
| Operational Support | (63) | (60) | (90) | (47) | (61) | (40) |
| Finance | (153) | (1,110) | (706) | (365) | (482) | (308) |
| Legal and Democratic Services | (182) | (281) | (282) | (146) | (192) | (123) |
| Procurement | (2,027) | (1,178) | (53)* | (27)* | (36)* | (24)* |
| Total | (3,370) | (3,811) | (3,157) | (1,632) | (2,156) | (1,378) |

Fig 11.

* The figures for Procurement reflect the target % from the current revenue spend on the function, however, procurement will be a key element of increased efficiency for the Directorate as a whole and across the Council.

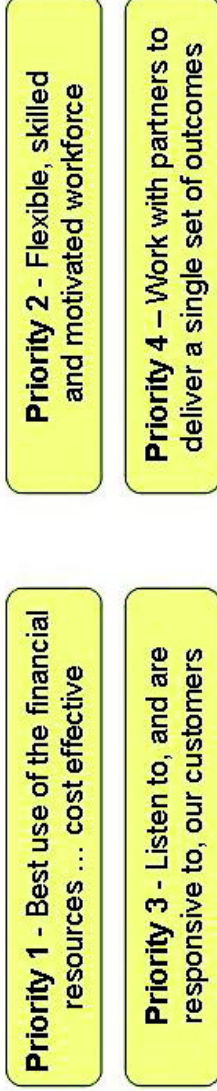
The achievement of more than £7M of cashable efficiencies over a 2 year period is a significant achievement. The Directorate are committed to continuing this level of efficiency on an ongoing basis as a central element of reducing the cost of the Directorate over the period of this Plan, as shown in Fig. 11 above. We will also improve the capture and reporting of non-cashable efficiency savings during 2010/11.

The Directorate has committed to develop measures of productivity and, during the period of the Business Plan, productivity measures will be used to demonstrate the level of non-cashable efficiencies achieved across the Directorate.

8. Balanced Scorecard

The undernoted Balanced Scorecard (Fig 12.) matches the Directorate's priorities to a core set of strategic indicators against which we will monitor performance. During 2010/11 we will confirm the metrics which will be used to inform these strategic indicators and which relate to our action plan at section 6. above. The listing of PIs which follow the Balanced Scorecard show metrics already collected or in development for the Directorate.

Strategic Priorities



| | |
|---|---|
| Management of Resources <ul style="list-style-type: none"> Realised Efficiencies Support costs % of net council spend Sector benchmarked unit costs | Customers & Partners <ul style="list-style-type: none"> Customer Satisfaction Partner evaluation Added strategic value |
| Processes <ul style="list-style-type: none"> Access to services Technical support Effective relationships | Organisational Development & Learning <ul style="list-style-type: none"> Organisational alignment Core skills Knowledge sharing |

Strategic Indicators

Fig 12.

Business Plan PIs

Explain

| PI Quadrant | | | | | | | | | | | | |
|---|--|--------|--------|-------------|-------|--------|---------|-------------|-------|---------|---------|-------------|
| 1. Management of Resources PIs | | | | | | | | | | | | |
| Performance Indicators | 2007/08 | | | 2008/09 | | | 2009/10 | | | 2010/11 | 2011/12 | 2012/13 |
| | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend |
| How good is our management? Rating (HGIOC) | New Indicator – Baseline being established | | | | | | | | | | | |
| % of council spend that is "support services" | New Indicator – Baseline being established | | | | | | | | | | | |
| Level of staff turnover | New Indicator – Baseline being established | | | | | | | | | | | |
| Vacancy level | New Indicator – Baseline being established | | | | | | | | | | | |
| % spend against Revenue Budget | 104% | 100% | | | 100% | 100% | | | 100% | 100% | | |
| % spend against Capital Budget | 23.9% | 100% | | | 100% | 100% | | | 100% | 100% | | |
| Corporate Governance Service efficiencies as a percentage of revenue budget | 10% | 10% | | | 10% | 10% | | | 11.9% | 11.4% | | |
| Value of efficiencies achieved from Improved Procurement (£000) | Not collected | | | | 2,650 | 2,027 | | | | | | |
| Unsuccessful legal challenges | New Indicator – Baseline being established | | | | | | | | | | | |

| Unit Costs | | | | | | | | | | | | |
|--|--|--------|--------|-------------|-------|--------|---------|-------------|-------|---------|---------|-------------|
| Performance Indicators | 2007/08 | | | 2008/09 | | | 2009/10 | | | 2010/11 | 2011/12 | 2012/13 |
| | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend |
| Cost of overall accountability function per £1,000 of net expenditure | New Indicator – Baseline being established | | | | | | | | | | | |
| Cost of overall human resources function per £1,000 of net expenditure | New Indicator – Baseline being established | | | | | | | | | | | |
| Total Cost of Ownership per ICT workstation | New Indicator – Baseline being established | | | | | | | | | | | |

| Performance Indicators | 2007/08 | | | 2008/09 | | | 2009/10 | | | 2010/11 | 2011/12 | 2012/13 | | |
|---|---------|--------|--------|-------------|-------|--------|---------|-------------|--------|---------|---------|-------------|-----|-----|
| | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | | |
| Internal Audit cost per £1m expenditure | 592 | 1,000 | | | 861 | 1,000 | | | 664 | 861 | | | 800 | 800 |
| Gross administration cost per benefit case | £44.59 | £44.8 | | | £42.5 | £40.0 | | | £36.0 | £36.0 | | | | |
| Cost of collecting council tax per dwelling | £13.52 | £13.6 | | | £13.2 | £13.2 | | | £12.75 | £12.75 | | | | |

PI Quadrant

2. Customers and Partners PIs

| Performance Indicators | 2007/08 | | | 2008/09 | | | 2009/10 | | | 2010/11 | 2011/12 | 2012/13 | | |
|---|---------|--------|--------|---------------|-------|--------|---------|-------------|-------|---------|---------|-------------|-------|-------|
| | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | | |
| How good are Our Key Outcomes? Rating (HGIOC) | | | | | | | | | | | | | | |
| How well do we meet the needs of stakeholders? Rating (HGIOC) | | | | | | | | | | | | | | |
| The percentage of residents very or quite satisfied with the council | | | | Not collected | | | | | 46% | 48% | | | | |
| The percentage of residents who are satisfied with the Customer Service provided by the Council | | | | Not collected | | | | | 67% | 67% | | | 68% | 69% |
| Major computer application uptime | 99.9% | 99.5% | | | 99.9% | 99.5% | | | 99.9% | 99.5% | | | 99.5% | 99.5% |
| % of residents agreeing that they are fairly treated in their contact with the Council (+ no replies) | | | | Not collected | | | | | 91% | 91% | | | 92% | 93% |
| % who feel they can influence what happens in their neighbourhood | 27% | 28% | | | 27% | 28% | | | 26% | 27% | | | 30% | 30% |

| | | | | | | | | | | | | | |
|------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| PI Quadrant | | | | | | | | | | | | | |
| 3. Processes PIs | | | | | | | | | | | | | |

| Performance Indicators | 2007/08 | | | | 2008/09 | | | | 2009/10 | | | | 2010/11 | 2011/12 | 2012/13 | |
|--|--|--------|--------|-------------|---------|--------|--------|-------------|---------|--------|--------|-------------|---------|---------|---------|-------|
| | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Target | |
| How good are our key processes? Rating (HGIOC) | New Indicator – Baseline being established | | | | | | | | | | | | | | | |
| % of customer transactions undertaken online, at customer centre, contact centre, face to face for key processes | New Indicator – Baseline being established | | | | | | | | | | | | | | | |
| % of projects delivered on time, in budget, realising benefits against minimum score / level (SOCITM 3) | New Indicator – Baseline being established | | | | | | | | | | | | | | | |
| % of customer queries resolved at first point of contact | New Indicator – Baseline being established | | | | | | | | | | | | | | | |
| Major computer application uptime | 99.9% | 99.5% | | | 99.9% | 99.5% | | | 99.9% | 99.5% | | | 99.9% | 99.5% | 99.5% | 99.5% |

| | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| PI Quadrant | | | | | | | | | | | | | |
| 4. Organisational Development and Learning PIs | | | | | | | | | | | | | |

| Performance Indicators | 2007/08 | | | | 2008/09 | | | | 2009/10 | | | | 2010/11 | 2011/12 | 2012/13 |
|--|--|--------|--------|-------------|---------|--------|--------|-------------|---------|--------|--------|-------------|---------|---------|---------|
| | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Status | Short Trend | Value | Target | Target |
| How good is our leadership? Rating (HGIOC) | New Indicator – Baseline being established | | | | | | | | | | | | | | |
| % appraisal development needs met | New Indicator – Baseline being established | | | | | | | | | | | | | | |
| % appraisal objectives met | New Indicator – Baseline being established | | | | | | | | | | | | | | |
| % staff satisfaction with the Council as an employer | New Indicator – Baseline being established | | | | | | | | | | | | | | |
| Level of ICT User Competence (SOCITM 10) | New Indicator – Baseline being established | | | | | | | | | | | | | | |
| Implementation of ICT enabled flexible working (SOCITM 19) | New Indicator – Baseline being established | | | | | | | | | | | | | | |

DRAFT

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