

# Public Document Pack



To: Councillor Laing, Convener; Councillor Lumsden, Vice Convener; and Councillors Boulton, Flynn and Yuill.

Town House,  
ABERDEEN, 14 November 2018

## **STRATEGIC TRANSFORMATION COMMITTEE**

The Members of the **STRATEGIC TRANSFORMATION COMMITTEE** are requested to meet in **Committee Room 2 - Town House** on **THURSDAY, 22 NOVEMBER 2018 at 2.00pm.**

FRASER BELL  
CHIEF OFFICER - GOVERNANCE

### **B U S I N E S S**

#### **DETERMINATION OF URGENT BUSINESS**

1.1 No urgent business at this stage

#### **DETERMINATION OF EXEMPT BUSINESS**

2.1 No exempt business at this stage

#### **DECLARATIONS OF INTEREST**

3.1 Declarations of Interest (Pages 3 - 4)

#### **REQUESTS FOR DEPUTATION**

4.1 No requests at this stage

## **MINUTE AND BUSINESS PLANNER**

- 5.1 Minute of Previous Meeting of 27 September 2018 - for approval (Pages 5 - 6)
- 5.2 Committee Business Planner (Pages 7 - 8)

## **GENERAL BUSINESS**

### **MONITORING AND CONTROL**

- 6.1 Transformation Portfolio Highlight Report - GOV/18/295 (Pages 9 - 16)
- 6.2 Transformation Portfolio - Budget Update - RES/18/294 (Pages 17 - 22)

## **EXEMPT / CONFIDENTIAL BUSINESS**

- 7.1 No exempt/confidential business at this stage

EHRIAs related to reports on this agenda can be viewed [here](#)

To access the Service Updates for this Committee please click [here](#)

Website Address: [www.aberdeencity.gov.uk](http://www.aberdeencity.gov.uk)

Should you require any further information about this agenda, please contact Martyn Orchard on 01224 523097 or email [morchard@aberdeencity.gov.uk](mailto:morchard@aberdeencity.gov.uk)

# Agenda Item 3.1

You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether reports for meetings raise any issue of declaration of interest. Your declaration of interest must be made under the standing item on the agenda, however if you do identify the need for a declaration of interest only when a particular matter is being discussed then you must declare the interest as soon as you realise it is necessary. The following wording may be helpful for you in making your declaration.

I declare an interest in item (x) for the following reasons .....

*For example, I know the applicant / I am a member of the Board of X / I am employed by...*  
and I will therefore withdraw from the meeting room during any discussion and voting on that item.

**OR**

I have considered whether I require to declare an interest in item (x) for the following reasons ..... however, having applied the objective test, I consider that my interest is so remote / insignificant that it does not require me to remove myself from consideration of the item.

**OR**

I declare an interest in item (x) for the following reasons ..... however I consider that a specific exclusion applies as my interest is as a member of xxxx, which is

- (a) a devolved public body as defined in Schedule 3 to the Act;
- (b) a public body established by enactment or in pursuance of statutory powers or by the authority of statute or a statutory scheme;
- (c) a body with whom there is in force an agreement which has been made in pursuance of Section 19 of the Enterprise and New Towns (Scotland) Act 1990 by Scottish Enterprise or Highlands and Islands Enterprise for the discharge by that body of any of the functions of Scottish Enterprise or, as the case may be, Highlands and Islands Enterprise; or
- (d) a body being a company:-
  - i. established wholly or mainly for the purpose of providing services to the Councillor's local authority; and
  - ii. which has entered into a contractual arrangement with that local authority for the supply of goods and/or services to that local authority.

**OR**

I declare an interest in item (x) for the following reasons.....and although the body is covered by a specific exclusion, the matter before the Committee is one that is quasi-judicial / regulatory in nature where the body I am a member of:

- is applying for a licence, a consent or an approval
- is making an objection or representation
- has a material interest concerning a licence consent or approval
- is the subject of a statutory order of a regulatory nature made or proposed to be made by the local authority.... and I will therefore withdraw from the meeting room during any discussion and voting on that item.

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## STRATEGIC TRANSFORMATION COMMITTEE 27 September 2018

ABERDEEN, 27 September 2018. Minute of Meeting of the STRATEGIC TRANSFORMATION COMMITTEE. Present:- Councillor Lumsden, Vice Convener in the Chair; and Councillors Boulton, Flynn, Grant (substituting for Councillor Laing) and Yuill.

**The agenda and reports associated with this minute can be found [here](#).**

**Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.**

### **MINUTE OF PREVIOUS MEETING**

1. The Committee had before it the minute of its previous meeting of 31 May 2018.

#### **The Committee resolved:-**

to approve the minute.

### **COMMITTEE BUSINESS PLANNER**

2. The Committee had before it the committee business planner as prepared by the Chief Officer - Governance.

Councillors Flynn and Yuill asked a number of questions in connection with the proposal to remove the Total Facilities Management Business Case and Fleet Business Case items, which were responded to by the Director of Customer, and the Senior Accountant in relation to the finances involved.

#### **The Committee resolved:-**

- (i) to delete the item on the Housing Review, noting that a service update had been issued;
- (ii) to delete the items on the Total Facilities Management and Fleet Business Cases, noting that they would be taken forward as part of the corporate wide transformation portfolio, and to instruct the Director of Customer, in conjunction with the relevant Chief Officers, to provide further information to members of the Committee with regard to the project deliverables that had taken place; and
- (iii) to otherwise note the content of the business planner.

### **TRANSFORMATION PORTFOLIO HIGHLIGHT REPORT - GOV/18/173**

3. The Committee had before it a report by the Chief Executive which presented a high-level view of progress to date with the Transformation Portfolio.

STRATEGIC TRANSFORMATION COMMITTEE  
27 September 2018

**The report recommended:-**

that the Committee note the highlight report appended to the report.

**The Committee resolved:-**

to approve the recommendation.

**TRANSFORMATION PORTFOLIO - BUDGET UPDATE - RES/18/172**

4. The Committee had before it a report by the Director of Resources which provided an update on the budget available and committed for the transformation portfolio.

**The report recommended:-**

that the Committee -

- (a) note the content of the report; and
- (b) agree the virement of funding between headings within the Transformation Fund as detailed in the Commitments for Approval in Appendix 1.

**The Committee resolved:-**

to approve the recommendations.

- **COUNCILLOR DOUGLAS LUMSDEN, Acting Convener.**

	A	B	C	D	E	F	G	H	I
1	<b>STRATEGIC TRANSFORMATION COMMITTEE BUSINESS PLANNER</b> The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
3			<b>22 November 2018</b>						
4	Transformation Portfolio Budget	To provide an update on the budget available and associated benefits realisation arising from transformation		Sandra Buthlay	Finance	Resources	1, 3 and 4		
5	Transformation Portfolio Highlight Report	The purpose of this report is to present the Committee with a high-level view of progress to date of the Transformation Portfolio.		David Leslie	Chief Executive	OCE	2 and 3		
6			<b>7 March 2019</b>						
7	Transformation Portfolio Budget	To provide an update on the budget available and associated benefits realisation arising from transformation		Sandra Buthlay	Finance	Resources	1, 3 and 4		
8	Transformation Portfolio Highlight Report	The purpose of this report is to present the Committee with a high-level view of progress to date of the Transformation Portfolio.		David Leslie	Chief Executive	OCE	2 and 3		
9			<b>April 2019 Onwards</b>						
10	Annual Committee Effectiveness Report	To present the annual effectiveness report for the Committee.	May-19	Martyn Orchard	Governance	Governance	GD 7.4		
11									
12									
13									

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## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Strategic Transformation Committee
<b>DATE</b>	22 November 2018
<b>REPORT TITLE</b>	Transformation Portfolio Highlight Report
<b>REPORT NUMBER</b>	GOV/18/295
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Fraser Bell
<b>REPORT AUTHOR</b>	David Leslie
<b>TERMS OF REFERENCE</b>	3

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### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present a high-level view of progress to date of the Transformation Portfolio.

### **2. RECOMMENDATION(S)**

That the Committee: -

- 2.1 Note the Highlight Report appended to this report.

### **3. BACKGROUND**

- 3.1 The Committee considered a report at their previous meeting which gave details of the Transformation Portfolio and programmes of work.

The Highlight Report appended to this report provides the Committee with progress made to date since the last meeting.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications arising from the recommendations of this report.

### **5. LEGAL IMPLICATIONS**

- 5.1 While there are no legal implications directly arising from this report, legal advice is being sought on the implementation of the transformation programme as necessary.

## 6. MANAGEMENT OF RISK

- 6.1 There are no direct reputational risks in relation to this Highlight Report. Risks are identified, assessed and mitigated within each programme of work.

## 7. OUTCOMES

- 7.1 As this is a highlight report the recommendations do not specifically relate to the Local Outcome Improvement Plan themes. However, the delivery of better outcomes as envisaged by the Target Operating Model is at the centre of the Transformation Portfolio.

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not applicable
Privacy Impact Assessment	Not applicable
Duty of Due Regard / Fairer Scotland Duty	Not applicable

## 9. BACKGROUND PAPERS

- 9.1 None

## 10. APPENDICES

- 10.1 The Highlight Report is attached as an Appendix.

## 11. REPORT AUTHOR CONTACT DETAILS

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# **Transformation Portfolio**

## **Highlight Report**

### **November 2018**

## Portfolio Update

The move to the transitional structure was completed in June this year. Another key milestone in relation to the recruitment of the senior management structure (tier 1 and 2) has now also been completed.

Supporting this transition was the implementation of the post reduction approved by the Strategic Transformation Committee (STC) in February 2018. This process is now nearing completion, and it is expected that the Council will achieve the target agreed at STC.

An implementation roadmap for the Council's "Being Digital" strategy was approved by the STC at its meeting in March 2018 and further reports were approved by the STC in May 2018. Work towards implementing the digital programme continues.

The tables below provide a further update on the activity that has taken place in relation to the above programmes of work.

The Council is now moving to the next phases of the transformation portfolio.

The Portfolio Management Office (PMO) is reviewing existing programme management arrangements to reflect the transitional structure, the continuing requirement to deliver savings and the Council's aspirations to deliver better outcomes as set out in the Local Outcome Improvement Plan (LOIP). The portfolio will continue to monitor cashable and non-cashable benefits as well as the key milestone delivery, dependencies and resource requirements.

Programme	Deliverable	Status	End Date
<b>Post Reduction</b>	Initial opportunities for change identified	<b>Complete</b>	Feb 2018
	Finalise Case for Change	<b>Complete</b>	Apr 2018
	Consultation Process	<b>Complete</b>	June 2018
	HR Processes	<b>Ongoing</b>	Nov 2018
<b>Latest Update</b>			
<ul style="list-style-type: none"> <li>• Consultation on the Case for Change with Trades Unions and staff impacted by the proposals was completed in June and the Case for Change was finalised.</li> <li>• We are now in the process of completing the agreed HR processes.</li> </ul>			

Programme	Deliverable	Status	End Date
<b>Senior Management Recruitment (Tier 1 and 2)</b>	Recruit Directors	<b>Complete</b>	Dec 2017
	On Board Directors	<b>Complete</b>	Apr 2018
	Recruit Chief Officers	<b>Complete</b>	Sept 2018
	On Board Chief Officers	<b>Complete</b>	Nov 2018
<b>Latest Update</b>			
<ul style="list-style-type: none"> <li>All Director and Chief Officer posts have now been filled and the post holders in place.</li> </ul>			



## HIGHLIGHT REPORT

V 1.0

Programme	Deliverable	Status	End Date
Being Digital	Engage Digital Partner	Complete	Dec 2018
	Being Digital Roadmap	Complete	Mar 2018
	Being Digital Option Appraisal and Skills and Tools Reports	Complete	May 2018
	Implementation of Being Digital Roadmap as approved at STC	Ongoing	June 2019
<b>Latest Update</b>			

- Digitisation of customer processes – the team have been engaging with services across the council to digitise customer contact. The project has added to the existing customer contact forms on the Council website and by mid-November over 40 additional forms are planned to be live.
- A bookings system has been procured and work is underway to start developing online bookings capability. The team is working with Communication & Marketing to ensure customers are made aware of the new online forms. The project is working with services to enhance online offering through existing and new portals.
- Office 365 – Over 9000 Outlook mail accounts have been migrated to the cloud which provide additional storage and will allow for on premise servers to be decommissioned. Plans are being developed for the Customer Function to pilot the migration of data from existing file share to Sharepoint.
- The CoreHR system (Human Capital Management) is in the user acceptance testing phase, which is due for completion by the end of November. A parallel run is planned for January and go-live in February, allowing the existing PSe system to be decommissioned in March.
- Identity and Access Management – the new Microsoft technology for creating and managing user accounts has been set up and is being tested with ACC data with planned go live in December.
- The procurement process for the Master Data Management (MDM) is nearing conclusion with a view to preferred supplier being selected in November.



## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Strategic Transformation
<b>DATE</b>	22 November 2018
<b>REPORT TITLE</b>	Transformation Portfolio – Budget Update
<b>REPORT NUMBER</b>	RES/18/294
<b>DIRECTOR</b>	Steven Whyte
<b>CHIEF OFFICER</b>	Jonathan Belford
<b>REPORT AUTHOR</b>	Sandra Buthlay
<b>TERMS OF REFERENCE</b>	1, 3 and 4

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the budget available and committed for the transformation portfolio.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee note the contents of this report

### 3. BACKGROUND

- 3.1 The establishment of a £15 million transformation fund, through the reallocation of existing earmarked reserves, was agreed by Council at its meeting on 23 August 2017, on the basis that this investment will be “refunded” as part of the transformation portfolio within 5 years.
- 3.2 Commitments against this fund were considered and approved by the Strategic Transformation Committee at its previous meetings.
- 3.3 Appendix 1 provides details of the current approved commitments (£9.661m), commitments for approval and the resultant total commitments (£9.661m). The appendix also provides details of actual and forecast spend.
- 3.5 Appendix 1 also provides details of progress against the savings approved by this committee at its meeting on 9 February 2018, as adjusted by Council at its budget setting meeting on 6 March 2018.
- 3.6 It should be noted that the savings achieved to date figures reflect what has been posted to the financial ledger and will be updated as implementation of the transitional structure continues to be implemented. It is anticipated that savings will be achieved in full.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 A £15 million transformation fund has been made available on the basis that the investment realises financial benefits which will effectively refund that investment within 5 years.
- 4.2 This report provides an update on commitments against the transformation fund and progress on related approved savings.

#### 5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

#### 6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Financial</b>	Every organisation must manage the financial risks inherent in the operation of large and complex budgets.	L	Regular review of financial information by services and corporately by Elected Members.
<b>Legal</b>	n/a	n/a	n/a
<b>Employee</b>	n/a	n/a	n/a
<b>Customer</b>	n/a	n/a	n/a
<b>Environment</b>	n/a	n/a	n/a
<b>Technology</b>	n/a	n/a	n/a
<b>Reputational</b>	n/a	n/a	n/a

#### 7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
<b>Prosperous Economy</b>	Investment in the City will have a positive impact on the economy.
<b>Prosperous People</b>	Robust management of the council's finances will ensure that council services can continue to be provided.
<b>Prosperous Place</b>	Investment will enhance the place by creating a better and more vibrant city in which to live.

<b>Enabling Technology</b>	Investment in digital technology is a key element of the transformation portfolio.
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This report does not directly impact on the design principles of the Target Operating Model.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	Not required
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

## 9. BACKGROUND PAPERS

None

## 10. APPENDICES

Appendix 1 – Transformation Fund – Budget & Commitments

## 11. REPORT AUTHOR CONTACT DETAILS

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DELIVERY BOARD	BREAKDOWN OF COSTS	PREVIOUSLY APPROVED COMMITMENTS £'000	COMMITMENTS FOR APPROVAL £'000	TOTAL APPROVED COMMITMENTS £'000	2017/18	2018/19	2018/19		Future Years	2018/19		Notes
					ACTUAL SPEND £'000	APPROVED COMMITMENTS AVAILABLE £'000	ACTUAL SPEND TO PERIOD 7 £'000	FORECAST SPEND £'000	APPROVED COMMITMENTS AVAILABLE £'000	PREVIOUSLY APPROVED SAVINGS £'000	SAVINGS ACHIEVED TO DATE * £'000	
<b>OPERATIONS</b>	<b>COSTS</b>											
	Commercial Income Review	100	0	100	100	0	0	0	0	0	0	
	Fleet and Mobility Review	178	0	178	178	0	0	0	0	0	0	
	Facilities Management Review	28	0	28	28	0	0	0	0	0	0	
		<b>306</b>	<b>0</b>	<b>306</b>	<b>306</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>RESOURCES</b>	<b>COSTS</b>											
	Business Support	265	0	265	265	0	0	0	0	0	0	
	Finance Redesign	60	0	60	60	0	0	0	0	0	0	
	HR Redesign	60	0	60	60	0	0	0	0	0	0	
	Assets Review	70	0	70	29	40	0	40	0	737	737	
		<b>455</b>	<b>0</b>	<b>455</b>	<b>414</b>	<b>40</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>737</b>	<b>737</b>	
<b>COMMISSIONING</b>	<b>COSTS</b>											
	Review of Contract Spend / Third Party Spend	229	0	229	151	78	78	78	0	6,810	6,810	1
		<b>229</b>	<b>0</b>	<b>229</b>	<b>151</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>0</b>	<b>6,810</b>	<b>6,810</b>	
<b>ICT / TECHNOLOGY</b>	<b>COSTS</b>											
	Staff Costs	372	0	372	372	0	0	0	0	0	0	
	Digital Roadmap	58	0	58	58	0	0	0	0	0	0	
	Digital Partner & Transformation Resources	4,500	0	4,500	0	4,500	321	721	3,779	0	0	
	Bookings & Payments Digital Pilot	100	0	100	70	30	23	30	0	0	0	
	Transformation Technology (was Being Digital)	2,800	0	2,800	0	2,800	1	924	1,876	0	0	
		<b>7,830</b>	<b>0</b>	<b>7,830</b>	<b>500</b>	<b>7,330</b>	<b>345</b>	<b>1,676</b>	<b>5,655</b>	<b>0</b>	<b>0</b>	
<b>WORKFORCE</b>	<b>COSTS</b>											
	Migration to Interim Transitional Structure	200	0	200	26	174	126	174	0	10,378	9,873	
		<b>200</b>	<b>0</b>	<b>200</b>	<b>26</b>	<b>174</b>	<b>126</b>	<b>174</b>	<b>0</b>	<b>10,378</b>	<b>9,873</b>	
<b>TRANSFORMATION MANAGEMENT BOARD</b>	<b>COSTS</b>											
	Staff Costs	391	0	391	293	98	41	77	21	0	0	
	Initial Set Up Costs	250	0	250	39	211	35	211	0	0	0	
		<b>641</b>	<b>0</b>	<b>641</b>	<b>332</b>	<b>309</b>	<b>75</b>	<b>288</b>	<b>21</b>	<b>0</b>	<b>0</b>	
	<b>TOTAL COSTS/BENEFITS</b>	<b>9,661</b>	<b>0</b>	<b>9,661</b>	<b>1,729</b>	<b>7,932</b>	<b>625</b>	<b>2,257</b>	<b>5,675</b>	<b>17,925</b>	<b>17,420</b>	
	<b>TOTAL BUDGET/COMMITMENT AVAILABLE</b>	<b>15,000</b>	<b>5,339</b>	<b>15,000</b>	<b>9,661</b>	<b>7,932</b>	<b>7,932</b>	<b>7,932</b>	<b>5,675</b>	<b>0</b>	<b>0</b>	
	<b>BUDGET/COMMITMENT REMAINING UNCOMMITTED</b>	<b>5,339</b>	<b>5,339</b>	<b>5,339</b>	<b>7,932</b>	<b>5,339</b>	<b>7,307</b>	<b>5,675</b>	<b>5,339</b>	<b>0</b>	<b>0</b>	

**Notes:**

1. Actual to date figure is under review and thus subject to change for final report.

\* These figures reflect what has been posted to the financial ledger to date. It should be noted that work continues to implement the transitional structure such this figure will continue to change with the full saving expected to be achieved.

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