

PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

19 April 2017

**TRANSFORMATION PROGRAMME 2015-2020 PROGRESS UPDATE
AND CORPORATE DIGITAL PLATFORM****Report by the Depute Chief Executive, Environment (Sustainability, Strategic
and Entrepreneurial Development)****PURPOSE OF REPORT**

This report provides an update on the Council's Transformation Programme. The report also recommends that additional funding of £288,500 be drawn down from the Transformation Reserve, to deliver a Combined Mail Solution as an extension to the current Corporate Digital Platform Transformation Project.

1. BACKGROUNDOverview

- 1.1 This report covers two issues:
- (a) An update on the progress with the Council's Transformation Programme.
 - (b) A request to extend the scope and funding for the Corporate Digital Platform transformation project.
- 1.2 The Council's Transformation Strategy 2015-2020 was approved by Council. The transformation programme is focused on continuing our proactive approach to public service reform, and embracing change that keeps Perth and Kinross Council in a position of strength, to meet the significant challenges ahead. This report gives an update on the progress of the programme.
- 1.3 On 15 June 2016 the Strategic Policy and Resources Committee approved a request for funding from the Transformation Reserve of £231,000 to provide capacity and support for the delivery of the Corporate Digital Platform Project (CDP) ([report 16/268](#)). This report proposes that this project be expanded to include a Combined Mail solution which will create efficiencies and recurring cost savings of £137,000 per annum in respect to outgoing mail.

2. PROPOSALS

Transformation Programme

2.1 Progress on the Transformation Programme has been reported to The Strategic Policy and Resources Committee on:

- 2 December 2015, (report number [15/155](#)),
- 10 February 2016 (report number [16/50](#)),
- 20 April 2016 (report number [16/186](#)),
- 15 June 2016 (report number [16/268](#)),
- 21 September 2016 (report number [16/405](#)), and to Council on
- 22 February 2017 (report number [17/82](#))

2.2 Appendix 1 to this report details the most recent update on progress.

Corporate Digital Platform

2.3 The Corporate Digital Platform (CDP) project is necessary to implement a cost-efficient solution for the management of the significant quantity of unstructured and unquantified records and data currently held, in both electronic and paper form, across the organisation. This solution will enable the Council to transfer existing paper files and incoming mail to a systematic and structured digital form which is a key element of compliance with our statutory Records Management Plan, and support modern ways of work such as mobile working.

2.4 The current CDP Project was scoped and costed on the basis of a four year implementation programme, ending in March 2021. The possibility of re-scoping this to reduce the implementation period to three years, (ending in March 2020) has now been explored. A three year implementation plan will align better with other corporate transformation projects, better support a move to more flexible working and help deliver on the Council's digital objectives. The current proposals contained within the scope of the existing CDP project have also been re-evaluated to ensure that they remain the most efficient and effective option for the organisation should a "combined mail" solution be adopted (see section 2.3). The in-house solution, proposed as part of the original CDP project, remains the best option, but additional costs have been identified connected with an increase in the cost of scanners and a significant increase in off-site storage costs.

2.5 While undertaking the CDP project, additional opportunities for modernisation and cost efficiencies were identified in respect of digitising outgoing mail. With this proposal, daily routine outgoing mail which is currently produced, processed and sent out by Council staff in the form of physical letters, would instead be created on the user's desktop computer. It is then sent electronically directly to the Contractor's printing facility, where, through an automated process, it is printed, enveloped and delivered to the addressee. The Contractor provides the appropriate software solutions to allow the secure transfer of documents from staff desktop computers. This reduces the upfront

costs to the Council in maintaining mail systems, services and facilities, as well as the back-end labour costs of operating the Council's current mail system.

- 2.6 This option has now been evaluated in terms of basic costs and adopting the new solution could reduce the Council's mail spend by at least 28% per annum. The actual reduction is dependent upon mail volume but based on the spend for 2015-16, this reduction equates to a sum of £137,000 per annum.
- 2.7 In respect of the original CDP programme, the delivery costs have increased as a result of unanticipated costs in respect of;
- the procurement of the mail scanners ;
 - offsite storage arising from the final phase of the Perth Office Programme
 - adjustments to the cost of the Programme Manager through the job evaluation process
- 2.8 These additional costs amount to £83,500.
- 2.9 Total additional investment of £288,500 is now sought to:
- Deliver the Combined Mail solution as part of a wider Corporate Digital Platform programme by 2020 (rephased timescale from four years to three years) (£205,000);
 - Meet unavoidable increased costs associated with original CDP programme as detailed in para 2.7 above (£83,500)
- 2.10 As stated in section 2.3, this investment will ensure that the wider CDP programme is delivered one year earlier aligning with other key transformation projects and will deliver the projected savings of £137,000 per annum by 2020.

3. CONCLUSION AND RECOMMENDATION

- 3.1 The transformation programme is progressing well against the projected spend and approved savings targets. It is recommended that the Strategic Policy and Resources Committee:
- (i) Notes the progress made with the Transformation Programme, as detailed in Appendix 1.
 - (ii) Agrees to the release of additional funding in sum of £288,500 (comprising £205,000 project support costs and unavoidable increased costs of £83,500) from the Transformation Reserve for the expansion of the Corporate Digital Platform Project to include a Combined Mail solution within a re-phased reduced timeframe.

Author

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Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive	6 April 2017

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement/Corporate Plan

- 1.1 This report supports the delivery of the Strategic Objectives within Community Plan/ Single Outcome Agreement 2013-23 and Corporate Plan 2013-18.

2. Resource Implications

Financial

- 2.1 This report seeks additional investment in the Transformation Programme in the sum of £288,500. This sum is proposed to be allocated to fund a wider Corporate Digital Platform Programme including a Combined Mail solution.

Workforce

- 2.2 This report seeks to increase the establishment by recruiting three members of staff for a temporary period of three years to support the delivery of the project/programme.
- 2.3 The Corporate Digital Platform will also contribute to the delivery of the Customer and Business Support Services Review.

Asset Management (land, property, IT)

- 2.4 The Corporate Digital Platform and Combined Mail proposal will enhance the electronic data storage abilities, which will in turn reduce the need for physical storage accommodation.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 This report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- Assessed as not relevant for the purposes of EqIA

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. No further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.5 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Legal and Governance

- 3.6 Not applicable.

Risk

- 3.7 Not applicable.

4. Consultation

Internal

- 4.1 The Head of Legal and Governance Services, The Head of Community Planning, Strategic Commissioning and Organisational Development, The Head of Finance & Support Services (Housing and Community Safety), and the Head of Performance and Resources (The Environment Service), have been consulted in the preparation of this report.
- 4.2 The revised Business Case for the Corporate Digital Platform (including Combined Mail) was approved by the Executive Officer Team on 14 February 2017.

External

- 4.3 No external consultation was required.

5. Communication

- 5.1 Not applicable.

2. BACKGROUND PAPERS

Reports to Strategic Policy and Resources Committee on:

- 2 December 2015, (Report Number [15/155](#)),
- 10 February 2016 (Report Number [16/50](#)),
- 20 April 2016 (report Number [16/186](#)),
- 15 June 2016 (report number [16/268](#)),
- 21 September 2016 (report number [16/405](#)),

Reports to Council on:

- 22 February 2017 (report number [17/82](#))

3. APPENDICES

Appendix 1 - Progress Report on Phase 1 and Phase 2 Transformation Reviews