

20th July 2010

Name of Cabinet Member:

Cabinet Member (Policy, Leadership and Governance) - Councillor Mutton
Cabinet Member (Strategic Finance and resources) – Councillor Duggins

Director Approving Submission of the report:

Assistant Chief Executive

Ward(s) affected:

Not applicable

Title:

Transformation Programme - Partnership Progress Report 2010

Is this a key decision?

No

Executive Summary:

The Transformation Programme was launched in June 2009. The purpose of this report is to set out what has been achieved in the last twelve months, what is planned as the Council moves into year two of the Transformation Programme, and how the Programme, moving forward, can contribute to the significant challenge of service transformation that lies ahead.

Recommendations:

The Cabinet is recommended to:

- a) note the progress that has been made in delivering specific reviews in the Transformation Programme,
- b) affirm its commitment to the continuation of the Programme, and its contribution to the service transformation challenge, and
- c) approve the Programme of review work for year two, commencing in September 2010, as set out in Appendix One.

List of Appendices included:

Appendix 1: Draft Year Two Transformation Programme

Appendix 2: PwC comments on the success of the Partnership from their perspective,

Other useful background papers:

None.

Has it or will it be considered by Scrutiny?

Yes

Scrutiny Co-ordination Committee on 28th July 2010

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Transformation Programme - Partnership Progress Report 2010

1. Context (or background)

- 1.1 In 2007 the Cabinet approved the creation of a Value for Money (VfM) Partnership with PricewaterhouseCoopers, to help the Council deliver service improvements and cost reductions. In October 2008, the Cabinet received a progress report on the work of the Partnership, and since that time the Cabinet Member with responsibility for Finance and the Scrutiny Co-ordination Committee have received quarterly progress reports, initially on the Value for Money Partnership Programme, and latterly on the Transformation Programme.
- 1.2 The VfM Partnership was established to meet the internal and external challenges being faced by the City Council in 2007, in common with many other local authorities. Internal challenges included:
- a) The corporate policy agenda which demanded that we undertook a continuous review of services to ensure they are achieving the outcomes the Council wants;
 - b) The Medium Term Financial Strategy which identified significant financial pressures, both on revenue and capital resources, which would require careful management over succeeding years;
 - c) The need to plan for, and manage the City's growth and regeneration agenda, with its impact on services and spending; and
 - d) The need to invest in the modernisation of services, including further use of new technology, where such investment would deliver service improvement and better quality services for customers.
- 1.3 At the same time a number of external challenges were also identified:
- a) The response to the Government's White Paper "Strong and Prosperous Communities" which posed particular challenges for councils in relation to, for example, tougher efficiency targets, a drive for shared services, the potential for increased competition in service delivery, and a new performance management regime;
 - b) The outcome of the City Regions debate and the debate about the shape and role of local government; and
 - c) Working with Government, partner agencies and local people to create 'sustainable communities'.
- 1.4 The purpose of the Value for Money Partnership was made clear from the beginning; specifically to achieve the following outcomes for the Council:
- deliver specific service improvements to meet the changing needs of its customers, and the future demand for its services,
 - achieve sustainable efficiencies and cost reductions to meet the financial challenges it faces,

- ensure members and officers benefit from external challenge and experience from outside the authority, and
 - give staff the opportunity to learn new skills.
- 1.5 Since that time, the Council has continued to develop its value for money agenda and launched its Transformation Programme in June 2009. It recognised that, whilst the Council was rated as a four star authority by the Audit Commission, a new and radical approach to the way we work was required to continue to improve services.
- 1.6 The financial situation is even more difficult than it was in 2007. The current economic conditions are expected to continue over the medium term which will impact greatly on the funding relationship between the City Council and central government. This situation represents a significant risk to the City Council's financial position. The level of resources that the Government is likely to make available to the Council in the next few years are certain to be significantly less generous than has been the case in recent years. The previous Government's view had been that Councils would be able to manage within this reduced resource envelope without detriment to the overall level of service provision by achieving efficiency savings, and all three main parties in the run up to the 2010 election stressed the need for public sector efficiencies. Notwithstanding our recognition of, and commitment to the achievement of such savings, it is clear that their delivery will be a significant challenge to us over the medium term.
- 1.7 Council taxpayers are – quite rightly – expecting more from their Councils, and Councils, like other public sector organisations, are facing up to the very difficult financial pressures which is creating a unique opportunity to make changes to the way services are delivered. The poor economic conditions mean there are more demands on Council services, and at the same time Councils are expected to deliver even greater efficiencies. Standing still in the current financial climate is not an option – and the Council has committed itself to finding new ways of making progress.

2. Options considered and recommended proposal

As this is a progress report there are no options for consideration. The information set out below describes the progress that has been made.

2.1 The abc Programme

2.1.1 The **abc** Programme - A Better Council for A Bolder Coventry – was launched in June 2009, and will affect all the services the Council delivers over the next few years. The Programme recognises that, in the future, the Council has to be more flexible, and responsive to the opportunities to make changes in its delivery of services. It anticipates that in future the Council will operate with a smaller workforce, based in fewer locations, and will harness the power of technology to work more flexibly and efficiently. With council taxpayers expecting more from the Council, the need to review all services to identify how service improvements can be made and how costs can be reduced remains paramount.

2.1.2 The overall objectives of the Transformation Programme are:

a) to achieve better value for money, measured by reductions in the costs of delivering services

b) to provide better and consistent customer services, measured by a reduction in avoidable contacts

c) to develop and deliver real culture change across every level of the organisation, to equip the Council for the challenges ahead, and

d) to invest in new technologies where appropriate to support service delivery.

2.1.3 To support the delivery of the Programme's objectives, a methodology for fundamental service reviews has been developed, and a five year programme of such reviews set in motion. The methodology is designed to deliver service improvement and cost reduction, and in so doing ask fundamental questions about a service's purpose, objectives, current performance and design.

2.2 Progress in undertaking VfM reviews

2.2.1 A number of reviews were commenced under the former VfM Partnership Programme and have been completed in the last 12 months, prior to the development of the fundamental service review methodology. These are summarised in the table below:

<u>Projects Completed</u>	<u>Total PwC Fees Paid</u> <u>£000</u>	<u>Savings taken from budgets</u> <u>£000</u>	<u>Comments</u>
Operational/Support Services – a pilot review of the front office/back office arrangements in City Services, and a Council wide analysis of front office/back office activities	248	326	• End to end review savings in 2009-10 budget
Fees and Charges	20	1,028	• Additional income included in 2009-10 budget
Human Resources	0	350	• Savings of £200,000 were delivered from phase 1 of implementation and a further £150,000 is forecast from 2010
Services for Young People	67	360	• Savings deducted from 2009-10 budget
Children's Transport	88	0	• Cost reductions anticipated from 2010-11 to reduce budget pressure
Debt Management and Income Collection	105	200	• £160,000 deducted from 2009-10 budget • Savings of £40,000 to be delivered in 2010-11.
Value Added Tax	267	N/A	• £1.854m repaid to date, on which PwC fees of £0.267m have been paid
Procurement	56	827	• £327,000 deducted from 2009-10

<u>Projects Completed</u>	<u>Total PwC Fees Paid</u> <u>£000</u>	<u>Savings taken from budgets</u> <u>£000</u>	<u>Comments</u>
			budget from quick wins • Savings of £0.5m deducted from 2010-11 budget – further savings anticipated in future years.
TOTAL	851	3,091	Ongoing savings; excludes one off VAT reclaims

2.2.2 In addition, there are 11 Transformation Programme reviews running at the current time, together with the Migration project (Customer First), and a summary of progress to date is set out below:

2.2.3 **A22 Customer First:** This enabling review comprises the Consolidation project (to make the Contact Centre fit for purpose to deliver those services whose front office work is already performed by the Contact Centre, which went live on 7th September 2009), and the project for the migration of other front line services (called Customer First), which is in progress. A programme of service migrations is in place, covering the "Blue Badge Team", Registrars, Parks, Trees, Gullies, Commercial Waste, Environmental Health and Council Tax. Blue Badges, Trees and Gullies will go live at the end of May. Dates for remaining services are subject to review as a consequence of the CRM system implementation.

2.2.4 **A09 Administration and Business Support:** The purpose of this review, building on the work already done in the review of Operational/Support Services, is to create a professional administration and business support function across the Council, reducing duplication and introducing standardisation of key processes in order to improve efficiency. The business case setting out the detailed design of the new administration service has been approved by the Transformation Programme Delivery Board, and the detailed build/ implementation of release 1 (City Centre based staff), including the establishment of a Council wide administration service, headed by the post of Administration Services Manager, is now in progress.

2.2.5 **A12 Grounds Maintenance and Street Cleansing:** An integrated grounds maintenance and street cleansing service, comprising multi-skilled, area based teams covering the north east, north west and south of the city is being implemented in stages. The north east area was implemented in April 2010. The remaining areas of the City were implemented in June. A partnership steering group has been established to manage the relationship between customer Directorates and the in-house service provider, and monitor service performance – the group will report to Members on an ongoing basis.

2.2.6 **A19a Operational Property:** The "Our Space" project is reviewing the Council's use of office workspace to identify how to improve customer access, optimise service delivery and generate revenue and capital benefits from the rationalisation of the current office portfolio. The first stage of the Our Space Review - the baseline analysis – has been completed and has found that our office space was largely not fit for current purposes, and that overall the City Council is occupying too many buildings and too much space when compared to other private and public organisations. The current stage of the review is considering the feasibility of options to improve both the use of space and ultimately reduce the number of buildings that we occupy.

- 2.2.7 **A19b Facilities Management:** The review's aim is to define and implement a new method of delivering facilities management, determined in part by the proposals for office workspace. The work so far has highlighted that, despite having a large maintenance backlog, the Council is underspending on maintenance, whilst our cleaning costs are higher than similar public and private sector organisations. The review has also identified that some premises support services are provided by separate Directorates - duplicating the resources needed to organise and provide them.
- 2.2.8 **A18 Catering:** This review aims to identify a long term vision for the service, and it is encompassing all aspects of catering across the Council. The review aims to ensure that the Council receives excellent value with regard to the food and goods it purchases as well as identifying how we can best use resources in order to operate a flexible service. The review team has completed its review of baseline information, and has developed a vision for the service and high level service design and is now moving its attention to potential future service delivery options.
- 2.2.9 **A17 Corporate Transport:** This review is looking across the whole of the Council's transport and plant requirements to assess the opportunities for more efficient and effective working. The review has now completed its baseline work and high level service re-design, and has identified a two staged process to deliver a new service delivery model – first for the operational fleet and then for passenger transport.
- 2.2.10 **A23 Printing and Paper:** This project is looking at consolidating the Council's two print facilities, reviewing the way we provide postal deliveries and collections across the Council, exploring how we can improve the procurement of print across the organisation and provide a more efficient and effective solution to our print and design work. The experiment in delivering post in a different way for a number of the Council's buildings has been working well and efficiencies have been identified, and the review is now moving into the detailed design of a new model for service delivery.
- 2.2.11 **A24 ICT:** The primary purpose of this review is to position ICT as an enabler of the Transformation Programme, reducing costs and improving performance and customer satisfaction. It has now completed its baseline work – so there is now a much clearer view on the way the service works, its costs and the challenges that need to be tackled over the next few months. The review of our ICT services has moved into the implementation of new ways of working. Priorities will be developing a detailed exit plan to ensure bringing the service in-house and ending the Serco contract goes smoothly, and implementing the new service delivery model, which includes a new structure for the service. The first stage of this is implementing the leadership roles and progressing with the agreed portfolio of ICT projects.
- 2.2.12 **A08 Personalisation:** This project is seeking to give social care customers greater choice and control, and supporting them to maintain their maximum level of independence. Governance arrangements are in place and the programme plan and workstream briefs have been completed, and work is in progress.
- 2.2.13 **A13 Financial Management:** This is a review of the way we manage our finances to make sure that we have the right financial systems, processes and future investment in place to help us perform the financial management role effectively and efficiently. This review will look not only at the Financial Management Division, but also all financial activity across the City Council – from the i-procurement system (FIS) to budget monitoring. The baseline report has been completed, and the work to define the future service vision and the high level new service design has been finalised.

2.2.14 **A 20 Building Control:** This review began as a partnership project, and was then implemented by internal resources. PwC fees were limited to £13,000 as a consequence. The new service model and staffing structure was effective from May 2010, and is designed to reduce service costs and offer an improved service to attract more custom.

2.2.15 At the same time, the City Council's Directorates, at any one time, are undertaking many service reviews, for example to respond to new legislation, or to manage budgetary or customer pressures. Not all of these projects are directly linked to the Transformation Programme, but it is necessary for their inter-relationships to be managed and to ensure that they are aligned to the overall objectives of the Transformation Programme, and consistent with the plan to migrate services to the Contact Centre – such projects include Revenues and Benefits, Commercial Waste, Optimal Care, Highways Maintenance and Building and Consultancy Services.

2.2.16 The table below sets out the current fee commitments and target savings from the current fundamental service reviews in progress.

<u>Projects in Progress</u>	<u>Fees Committed</u>	<u>Full Year Savings Target</u>	<u>Comments</u>
	£000	£000	
Customer First	461	N/A	This project is developing the front office so that back office savings can be delivered in Directorates
Admin and Business Support	618	2,300	Business case forecasts savings by 2011-12
Grounds Maintenance and Street Cleansing	309	470	On target to achieve full year savings
Operational Property	326	200	Interim saving deducted from 2010-11 budget; further savings dependent on future project design
Facilities Management	179	600	Business case forecasts savings by 2011-12
Catering	201	1,072	Target saving not yet fully determined – savings from primary and special school meals forecast to deliver by 2013-14
Corporate Transport	207	1,133	Target saving forecast to deliver by 2013-14
Printing and Paper	14	660	Business case identifies savings by 2012-13
ICT	2,637	5,000	Forecast savings to be delivered by 2013-14
Personalisation	25	2,700	Initial savings deducted from 2010-11 budget – further savings anticipated by 2012-13 (iMPower providing support to this review)
Financial Management	169	350	Forecast savings to be delivered by 2012-13

<u>Projects in Progress</u>	<u>Fees Committed</u>	<u>Full Year Savings Target</u>	<u>Comments</u>
Building Control	13	0	New service design to reduce costs and attract more custom, to keep spend within budget
Neighbourhood Management	N/A	500	Full year savings included in 2011-12 budget
Highways	N/A		Savings yet to be determined
Commercial Waste	N/A	250	Forecast savings by 2011-12
Policy and Performance	N/A		Savings yet to be determined
TOTAL	5,159	15,235	

Note – The figures for the ICT project above include the PwC fees for the implementation of the new ways of working, following the June Cabinet meeting. These costs are being met from ICT capital programme provision, for which revenue funding has already been included in the Budget.

In addition, depending upon decisions taken, there will be further fees, on the above projects and future projects, and progress reports will be presented to Members on a regular basis. For some projects, there will also be in-house implementation costs, which will be managed on a project by project basis.

2.3 Future Work – year 2 of the review programme

2.3.1 The abc Programme anticipates that all services will be reviewed over a five year period. The year two Programme begins in September 2010, and a draft Programme is attached as Appendix 1. The order of reviews seeks, as far as is practicable, to achieve a balance between the need for change and savings, synergies with the migration programme (transfer of service front office to the Contact Centre) and the capacity of Directorates to cope with the review workload and impact.

2.3.2 The draft year two Programme recognises that the financial challenges facing the City Council in the medium term are growing, as the new Government seeks to reduce the fiscal deficit by reducing the cost of the public sector. The Corporate Management Board has sought to package together both the continuation of specific service reviews, and themed reviews which will look across the Council to identify opportunities to:

- Reduce the management overhead, and overheads and support costs generally;
- Re-assess the levels of service being currently provided, both statutory and non-statutory, and bring to Members options for service reductions or service cessations; and
- Reduce the Council's asset base.

2.4 Assessing the Success of the Partnership Programme

2.4.1 Both the City Council and PwC have recognised that the impact of the Partnership ethos – for example, working as one team, asking the fundamental and sometimes difficult questions, evidence based recommendations - on the way the Council operates, and the delivery of Programme objectives, are critical to the success of their relationship, and are working on the basis that the partnership extends beyond a simple transactional arrangement.

2.4.1 At the beginning of this report, the objectives for the Transformation Programme were summarised:- to achieve better value for money, to provide better and consistent customer services, to develop and deliver real culture change, and to invest in new technologies where appropriate. It is these objectives against which Programme performance should be judged.

2.4.2 The outcomes of the fundamental service reviews provide the evidence to assess the delivery of service improvement and cost reduction for the Programme. Whilst most of the year one reviews are still in progress, the ambition to achieve Programme objectives is clear:

- The Grounds Maintenance and Street Cleansing review has given an opportunity to the in-house service team to show that it can deliver an area based mixed skill service at lower cost, and the new service is now operational across the City.
- Very quick progress is being made to bring the Council's ICT service back in house and deliver a service which better meets the business needs of the organisation at lower cost.
- A re-designed and streamlined Administration and Business Support service is being implemented – City Centre locations first as stage 1 – to create a corporate administration service, with standard ways of working, and lower costs.
- Feasibility work is being progressed to understand how best the vision for office accommodation – retain the municipal civic centre, create a central administrative centre, flexible, home and mobile working – which supports the wider business and cultural transformation and delivers consistent accommodation standards at lower cost.

2.4.3 The success of the Programme also depends upon it being understood by the Council. A key feature of the Programme since its launch has been a determination to build in the views, ideas and feedback from employees – not everyone might want to make changes, but everyone should have the chance to contribute ideas.

2.4.4 Consultation and staff engagement play a key part in all reviews, and staff have been encouraged to give their views on both the overall programme and specific issues, through a variety of communication tools, including e-mail, intranet, briefings, workshops and seminars, posters, postcards. The **a bit creative** scheme, for example, has to date received over 250 ideas from employees, which are being picked up by review teams and acted upon. In addition, regular employee survey work is planned during 2010, the first of which was held in March. The survey results show there is a very high awareness of the Programme throughout the Council, staff understand its aims, and over 70% of respondents believe that the Council needs to change.

2.4.5 PwC has been invited to comment on the success of the Partnership from their perspective, and Appendix 2 contains their comments.

2.5 The Culture Change Programme

2.5.1 A key element of the Transformation Programme is focused on culture change across the organisation – looking at the behaviours, ways of working and attitudes of employees to develop a new culture which embraces the transformation principles. In the medium term the Council needs to be fleet of foot, flexible and innovative, and its employees need to

embody all these attributes if the Transformation Programme is to succeed. Many employees do recognise the need for change, and many have the appetite to deliver radical change.

2.5.2 A culture change programme is being developed in house, with external expertise used at key points in the programme only. Four development themes have been identified following feedback from employees and senior manager workshops:

- The Coventry Manager – defining and embedding a suite of organisation wide competencies, which signal to employees expected areas and levels of performance;
- Leadership – embedding leadership behaviours throughout the organisation and ensuring they are modelled at all employee levels;
- Communications –improving communications internally and externally at every level so that managers can work more effectively with their teams, employees become more effective advocates for the organisation, and citizens benefit from honest, transparent communication from the Council;
- Customer Service – delivering the employee related elements of the Customer Services Strategy, including customer service standards, and the design of services with the customer in mind.
- Location independent working – for example allowing staff to work in different office/buildings and be able to access IT systems and documents.

2.5.3 The culture change programme is being overseen by the Transformation Programme Delivery Board, and some work-streams are already well under way. There are likely to be in-house costs involved in delivering the culture change programme – at this stage, it is possible that these can be met from existing resources, set aside for management of change activity.

3. Results of consultation undertaken

3.1 The concept of consultation during reviews, with customers and employees, and ongoing feedback from customers about the services being delivered, is an important component of the review methodology being used by the Council.

4. Timetable for implementing this decision

4.1 As this is a progress report there is no decision to be implemented.

5. Comments from Director of Finance and Legal Services

5.1 Financial Implications

5.1.1 The over-riding financial principle for the Value for Money Partnership is that its costs, including PwC fees and the internal Programme Support Team, will be funded in the due course of time from the efficiency savings which it achieves. As most of the savings delivered are likely to be ongoing, whereas the fees paid to PwC are once-off, in the medium term savings will be available to contribute to the Council's financial position.

5.1.2 Cabinet acknowledged at its meeting in August 2007 that it would be some time following the commencement of the Partnership before the flow of benefits began to arise, and as a consequence, agreed to establish an initial pump-priming fund by the temporary transfer of £0.7m from the Risk Management and Insurance Reserve. It was agreed that as savings and other cashable benefits are achieved, sums taken from this fund would be re-

paid. In practice, savings identified so far have been taken from budgets to reduce the Council's "bottom-line", so the Insurance Reserve has not yet been repaid.

- 5.1.3 The fees paid to PwC for completed reviews total £851,000, and fees paid/committed to date for fundamental service reviews in progress are £5,159,000. These costs are being funded from the combination of the Insurance reserve, the VAT sums reclaimed, the ICT Capital Programme, a contribution of £175,000 from Improvement and Efficiency West Midlands for the Customer First project, and the ongoing Programme revenue budget. (From 2010-11, an ongoing provision of £1m has been made in the Council's revenue budget to support the Programme).
- 5.1.4 As the tables in paragraphs 2.2.1 and 2.2.16 above demonstrate, savings have been built into the Council's 2009-10 and 2010-11 budgets, and there is an expectation that significant further savings will be delivered over the medium term, which will both pay for all the costs incurred and make a significant contribution to delivering a balanced medium term budget. The table below summarised the current understanding of the medium term financial position, and the savings forecast from the Programme. **It must be noted, however, that the table below has been prepared in advance of the Government's Emergency Budget; the impact on the public sector in general and local authorities in particular is still emerging.** For this reason, and to provide a contingency to protect against the risk of some savings not being achieved within the estimated timescale, the current strategy is to set a target savings figure of £5m more than that needed to balance the bottom line.

	2011-12	2012-13	2013-14
	£m	£m	£m
Initial Budget Gap	8.1	15.8	26.4
Additional Spending Pressures	7.5	13.3	16.1
Technical Savings and Cost Reductions	(7.4)	(8.7)	(12.0)
Revised Budget Gap	8.2	20.4	30.5
Future Projected Transformation Programme savings	(9.7)	(14.9)	(16.2)
Programme Spending over and above £1m budget provision	0.4	(0.4)	(0.5)
Additional Savings to be planned	(3.9)	(10.1)	(18.8)
Budget Gap/(Surplus)	(5.0)	(5.0)	(5.0)

5.2 Legal Implications

There are no legal implications arising from this report.

6. Other implications

The programme of review work has, and will have implications for many or most aspects of the Council's services and activities. Business cases are drawn up for each review which address all relevant implications.

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The Transformation Programme is crucial to the improvement of services to customers and the reduction of costs which will enable the Council to manage its medium term financial position.

6.2 How is risk being managed?

The Programme in total, and specific projects within the Programme, are subject to a number of key risks, which need to be managed. Risk management arrangements have been put in place, and are regularly monitored.

6.3 What is the impact on the organisation?

Full consultation is taking place with employees and trades unions about any service redesign issues and the Security of Employment Agreement will apply where appropriate..

6.4 Equalities / EIA

The implications are being considered on a project by project basis.

6.5 Implications for (or impact on) the environment

The implications are being considered on a project by project basis.

6.6 Implications for partner organisations?

The implications are being considered on a project by project basis.

Report author(s):

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Cllr Mutton			11.06.10	24.06.10
Cllr Duggins			11.06.10	18.06.10

This report is published on the council's website:

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Draft Year Two Transformation Programme

<u>Review Description</u>	<u>Lead Officer</u>	<u>Indicative PwC Fees</u>	<u>Full Year Indicative Target Savings</u>
		<u>£000</u>	<u>£000</u>
Waste Collection and Recycling	M Morrissey	250	450
Public Safety	S Roach	n/a	150
Cultural Services	A Davey	n/a	400
Revenues and Benefits	H Harding	n/a	250
Emergency Services Unit	M Morrissey	n/a	150
Emergency Planning	C Townend	n/a	?
Private Sector and Strategic Housing	S Rudge	n/a	200
Bereavement Services	M Morrissey	n/a	50
Early Years	C Green	250	1,000
Schools Improvement	C Green	n/a	0
Commercial Property	N Clews	n/a	500
Further Migration of services to the Contact Centre	S Lal	80	Enables savings to be made in direct services
Reductions in the Management Overhead	M Reeves	25	1,000
Advice Services	S Lal	50	to be assessed
Further increases in Fees and Charges	B Hastie	n/a	to be assessed
Further opportunities to reduce the Council's Asset Base	N Clews	n/a	to be assessed
Reductions in Central and Departmental Costs	C West	n/a	to be assessed
Further opportunities to cease/reduce Non-Statutory Services	to be scoped	n/a	to be assessed
Totals		655	4,150

Value for Money Partnership and the Council's Transformation Programme

PwC Commentary on progress to date

PricewaterhouseCoopers LLP (PwC, we) continue to be very proud to be working with Coventry City Council (the Council). Coventry is a key account for us, one that we have invested in to ensure that the abc Programme is a success and an exemplar for PwC on joint working, client engagement, risk sharing and delivering benefits - real savings and service improvement.

PwC is pleased to have worked with the Council to establish risk and reward based fee arrangements and governance with the Council team to deliver recurring benefits for the Council. Broadly speaking, savings for the Council outnumber fees by a factor of about 4 to 1.

We believe that we now have a strong relationship between key Council and PwC people – these relationships are fundamental to making the Partnership a success. We are also pleased with the progress we have made together (the Council and PwC) in some key review areas, in particular the Grounds Maintenance and Street Cleansing review, which is set to deliver savings above target and has transformed the Council's services in this area. This is a good example of where savings can be achieved, but, fundamentally is also about delivering a better service, better aligned with user needs, and delivering better outcomes for Coventry's citizens. We have supported you in implementing the outcome of this review, taking risk, and we jointly expect to achieve savings above the target set and at the same time believe that we have helped to fundamentally improve the quality of the service. This is also a great example of skills transfer to and from the Coventry team.

In addition, we have jointly made considerable progress with the review of Administration and Support Services, the ICT project which is now planning to bring services back in-house; the review of facilities management and transport across the Council. These reviews are all seeking to provide better and more efficient services – delivering more for less and reducing these corporate costs to help preserve and protect front line service delivery.

Reviews that are on-going include: catering and financial management where we're working alongside Council officers to develop a solution that will reduced costs, improve service and again allow officers to focus on front-line service delivery.

We are pleased that the VAT project delivered a significant windfall for the Council with PwC fees charged at one fifth of the benefits from the work delivered – again this self-funding goes to the heart of making the Partnership successful.

The Partnership has in place robust programme and performance management arrangements. However, we have discussed with the Council the need to improve arrangements for the delivery of the review outcomes to ensure that the anticipated benefits are tracked and secured. This should relate to all transformation projects regardless of PwC's involvement. We know that the Council has plans to address this issue and we have agreed additional investment support to ensure that we're supporting the Council in making sure that the benefits are realised – this is ensuring that real savings and service improvement is delivered.

We are very pleased with the level of engagement we enjoy with the Council's Corporate Management Board and officers engaged in the Programme. We very much look forward to opportunities to engage with Members as the Programme moves forward. This engagement is critical to our understanding of your agenda and maximising the effectiveness of our contribution.

Skills transfer has been very effective and we are working with officers to ensure that this is formalised in the Council's annual performance process for Council officers. The year 2 and 3 programme should reflect the Partnership's desire to reduce PwC support (and therefore fees) as the capability and capacity within the Council grows and develops to take on reviews and their implementation to deliver savings. This capacity and capability development is at the heart of abc thinking.

So, to summarise, we see the Partnership as having had a successful second year and an excellent start to the first year of the abc Transformation Programme. The cash benefits identified far exceed the costs. We have established strong foundations based on a common transformation programme. This programme point is critical - abc activity being aligned around a common vision, model and ambition. We now need to jointly progress implementation and benefits realisation and to ensure that there are the resources available to sustain the programme – all aimed at accelerating and assuring the Council's change plans and ambitions, whilst reducing PwC's role over the life of the Programme.