

HISTORIC SCOTLAND BOARD, 26 FEBRUARY 2008

CONTINUOUS IMPROVEMENT PROGRAMME UPDATE

Purpose

1. To update the Board with progress on our continuous improvement programme, including a report on progress against key targets, operational targets and other important measures. This is an interim report. We will report on final out-turns for the full corporate plan period (2005-08) in June.

Background

2. Continuous improvement is one of the Agency's five aims set by Ministers in the Framework Document and is a key objective in the Corporate Plan 2005-08. These sit alongside the overarching duty on all public bodies to secure best value. In support of delivery we have a continuous improvement programme This sets out a range of projects and other initiatives as well as tracking progress on our key performance targets, operational targets and other important measures, all as set out in the corporate plan. We use a 'traffic lights' system to highlight the status of each entry in the programme.

Progress Report

3. Key points from the updated programme are:

Key Performance Targets – We are on track to meet all ten of our key performance targets. We anticipate exceeding the earned income target of £24.237 million by some £387,000.

Continuous Improvement Programme (CIP) – The Board will see that we are making steady progress with projects in the CIP. Almost all of the projects are green. The three exceptions are:

- Complaints (amber CIP 3) – this project has been re-programmed for January – June 2008 due to resource constraints.
- Time-releasing savings of £1 million 2005-08 – this appears in red in both the CIP 25 and operational targets OP 50. We reported £0.3 million in time-releasing savings up to 31 March 2007. Much of this came from our new image management system, revised stocktaking procedures and our new annual staff reporting systems. We will update the figure to reflect the full corporate plan period after 31 March and report again in June.
- Implementation of vehicles review (CIP 31)- an Action Plan will be published in February that should put the project back on track with a new realistic Target Date.

Operational Targets and Other Important Measures were reviewed and updated at the April 2007 Board meeting. The reds, which have been discussed at previous board meetings, cover:

- Information on listed building consent applications for total demolition referred to Scottish Ministers – see OIM 17 for full explanation;
- Information on conservation area consent applications for demolition referred to Scottish Ministers – as above, see OIM 17 for full explanation;
- Exploring the possibility of establishing academic chairs in Scottish Conservation – not progressed; and
- No new traditional material supply sources coming on to the market place in 2007-08.

The ambers cover:

- Two earned income components (OPs 35 and 37). However, these are buoyed by strong admissions income and aggregate upwards to green for the overall key performance target;
- Historic land use assessment (OP 15) – 72.5% coverage against target of 75%;
- Completion of national interpretation strategy by 31 March 2008 (OP 28) – subject to appointment of new head of Interpretation Unit; and
- Shortfall of one craft skills fellowship (OP 43).

4. The Board will also wish to note that work is well advanced with our review and options appraisal of finance and human resources. Consultants will soon be appointed and the report is expected in June 2008. The review of TCRE has also been initiated. This review is being carried out in-house and a report anticipated in the spring.

Efficiency – Wider Outlook

5. The Spending Review 2007 commits the public sector in Scotland to annual efficiencies of 2%. We will be required to find 2% recurring, cash releasing efficiency savings annually. In cash terms we must find the following:

2008 – 2009	£1 million
2009 – 2010	£2 million
2010 – 2011	£3 million

6. By cash releasing efficiency we mean delivering the same outputs for less cash resource. Against that background, there can be no let up in the drive for efficiencies within Historic Scotland. In broad terms our framework for delivering efficiencies has comprised three main mechanisms:

- ◆ procurement activity
- ◆ best value reviews
- ◆ business improvement projects
- ◆ income efficiency

This approach will be re-visited and discussed more fully in the context of developing our next corporate plan for the period 2008-11 and we will report regularly to the Board on this.

Conclusion

The Board is invited to comment on progress with the continuous improvement programme and to note that we will:

- Report again in June 2008 on final out-turns for the current corporate plan period 2005-08; and
- Discuss separately with the Board in April our future approach to delivering against the new and demanding efficiency agenda.

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Director of Finance
13 February 2008