

**ANGUS COUNCIL**

**SCRUTINY & AUDIT COMMITTEE – 10 MARCH 2015**

**TRANSFORMING ANGUS PROGRAMME UPDATE**

**REPORT BY THE STRATEGIC DIRECTOR – RESOURCES**

**ABSTRACT**

This report provides a progress update in relation to the Council's Transforming Angus change programme.

**1. RECOMMENDATION**

It is recommended that the Scrutiny & Audit Committee scrutinises the content of the report in relation to the various aspects of the Council's Transforming Angus change programme, including the financial update in relation to the Transforming Angus Change Fund.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/ SINGLE OUTCOME AGREEMENT/ CORPORATE PLAN**

2.1 The outcomes associated with this report will contribute to the Angus Community Plan and Single Outcome Agreement 2013 - 2016 by underpinning the projects identified through the Council Plan 2014 – 2017 and Transforming Angus change programme.

**3. BACKGROUND**

3.1 At its meeting of 27 March 2014, the Council approved Report 155/14: the Council Plan 2014 – 2017 and Directorate Improvement Plans 2014/15. The Council Plan clearly sets out how the Transforming Angus programme will further develop over the next three years to align delivery of efficiencies with Council priorities and outcomes for citizens.

3.2 Reference is also made to Report 200/14, considered by the Council at its meeting on 8 May 2014, which duly authorised the Strategic Director – Resources to procure the services of a Strategic Partner to support the Council's Transforming Angus change programme on the basis set out in that report.

3.3 As part of that authorisation, members requested the Strategic Director – Resources to provide this committee with quarterly progress updates. This report is the first progress update thereby providing the start-up phase of the programme with sufficient time to be developed and progressed so that members are provided with a substantive update, linked to previous policy information.

**4. TRANSFORMING ANGUS CHANGE PROGRAMME: OVERVIEW**

4.1 Members may recall that the Council Plan 2014 -2017 included the strategic vision that:

*“Changing the way we work and the work that we do is both necessary and challenging. We must be willing and able to change, to adopt different service models and new ways of working and to deliver services with fewer resources.*

*Through our transformation programme, Transforming Angus, we will plan and manage the key areas where organisational change is needed, to improve performance, address service priorities and reduce costs.”*

4.2 In addition, Appendix 1 of the Council Plan set out the strategic implementation context that:

*“Our transformational programme, Transforming Angus, will further develop over the next three years to align delivery of efficiencies with Council priorities and outcomes for citizens. There are key work-streams being developed each of which focuses on the Council priorities.”*

4.3 These key work-streams are identified as:

- Angus Digital;
- Improved Business Processes;
- Improved Customer Experience; and
- Agile Working and Estates Review.

The four work-streams are the key enabling areas required to deliver the Council's strategic vision. Therefore, in principle, specific programmes and projects will be aligned to one of these themes. Members may recall that a number of these projects are referred to in Appendix 1 of the Council Plan (this has also been included as Appendix 1 of this report for ease of reference). Details of all the current programmes and associated projects are included in Appendix 2 of this report.

4.4 Members will be aware that the Council's entire business - delivered through the Chief Executive, Communities, People and Resources Directorates - is encompassed within the transformational change programme.

4.5 The management of the operational arrangements to support the implementation of the overall transformational change programme are being progressed by the Transforming Angus Programme Office, while working closely with the Corporate Improvement team; the Organisational Development team; and the LEAN team, in order to promote a 'one council' approach to improve the integration across the range of change programmes and projects.

4.6 The inter-relationship linking the Council's vision to service delivery is illustrated in Appendix 3 of this report.

## **5. GOVERNANCE ARRANGEMENTS**

### **5.1 Governance Structure**

5.1.1 Governance arrangements for programme and project delivery are being implemented in accordance with the principles of best practice guidance (refer to section 6 below). This is to ensure that appropriate resources and arrangements are in place to direct, manage and deliver the programmes and projects in a controlled manner. Details of the overall governance structure are illustrated in the organogram in Appendix 4 of this report.

### **5.2 Transforming Angus Programme Board**

5.2.1 The Transforming Angus Programme Board has been established as the main governance body, providing direction to the overall TA programme. This body is chaired by Cllr Murray and also comprises the Chief Executive, Strategic Directors – Communities, People and Resources, Service Manager (Transforming Angus), Service Manager (Governance) and the Communications Manager. A representative from the Council's Strategic Partner, EY (refer to section 7 below), is also invited to attend meetings of the body, albeit EY representatives are excluded from the meeting where they have a commercial interest.

5.2.2 The TA Programme Board only has the authority to act within its delegated powers in terms of the respective Chief Officer remits included in the Council's Financial Regulations and Standing Orders, together with approvals emanating from specific committee reports. However, it is an important body to provide the necessary strategic direction and control over operational activity. Members should note that any required approvals/ decisions that fall out-with the scope of the above authority, shall be reported to an appropriate committee for consideration.

5.2.3 The TA Programme Board generally meets on a six weekly cycle and considers Highlight Reports reflecting progress for each of the programmes, together with risks, communications and specific items/ issues requiring direction.

### **5.3 Programme/ Project Boards**

- 5.3.1 Programme and Project Boards (as applicable) have also been established to provide direction and governance to specific programmes and projects. These bodies are also illustrated in the organogram in Appendix 4 of this report. These will be reviewed during the life-span of the relevant programme/ project to ensure that representation is appropriate and properly aligned to the relevant stage.
- 5.3.2 It should also be noted that Trade Union representation has also been invited to attend the specific Programme and Project Boards.

### **5.4 Corporate Governance/ Audit Input**

- 5.4.1 It has also been identified that the Transforming Angus programme would benefit from the involvement of officers from corporate governance, risk management and audit. This expertise will provide additional 'critical friend' challenge, independence and wider governance-related advice and support. Involvement of this nature is consistent with good practice as it provides an opportunity for positive contribution at an early stage.
- 5.4.2 To facilitate this, arrangements have been included in the overall governance structure as follows:
- The Service Manager (Governance) is included on the Transforming Angus Board; and
  - An Internal Audit representative will have the option to sit on the board of each of the work-streams.

The roles and responsibilities of each representative are outlined in Appendix 5 of this report.

### **5.5 Transforming Angus Change Fund**

- 5.5.1 Governance arrangements have also been established to ensure that appropriate controls are in place to administer the Transforming Angus Change Fund (refer to section 9 below). These arrangements have been agreed by the Policy & Budget Strategy Group and provide that:
- The Strategic Director – Resources is the designated accountable manager for the change fund;
  - The Transforming Angus Programme Board are responsible for assessing proposals for funding and determining any funding allocation;
  - The Service Manager (Transforming Angus) is responsible for monitoring and reporting progress and benefits realisation on approved programmes/ projects/ reviews; and
  - Update reports on the progress of the Transforming Angus programme will be submitted to the Scrutiny & Audit Committee at periodic intervals during the course of the financial year.

## **6. TRANSFORMING ANGUS PROGRAMME OFFICE**

- 6.1 The Transforming Angus programme is the most significant transformational change programme the Council has initiated since its inception in 1996. It involves large numbers of staff and will impact on every service function within the Council.
- 6.2 Accordingly, the programme will generate a substantial amount of information which requires the implementation of co-ordination/ control measures which will ensure that it provides value to the organisation and delivers the required outcomes/ benefits.
- 6.3 Internal audit report 12-32 relating to the Transforming Angus programme, also recommended the use of programme management arrangements to ensure the development, monitoring and measurement of success.
- 6.4 To support delivering the Transforming Angus programme and achieving the above, the principles of best practice guidance produced by the Office of Government Commerce (OGC) are being applied, including reference to OGC's Managing Successful Projects with PRINCE2; and Managing Successful Programmes (MSP).

- 6.5 While projects tend to focus on the delivery of outputs, programmes also focus on benefits and outcomes - in many instances recognising that benefits and outcomes will only materialise well beyond the end of the project that enabled them. It is therefore important to embrace that philosophy in the context of a transformational change programme.
- 6.6 The Transforming Angus Programme Office has therefore been established to provide the core element of an effective governance/ programme delivery framework, in accordance with MSP guidance, which will provide the focus to improve the delivery of the transformational change programme to a far greater extent, in comparison to delivery through disparate individual programmes and projects. It will also provide greater opportunity to cross fertilise issues from projects on a programme-wide basis, provide greater potential for the Council to benefit from staff learning/ development, while also making the best use of available resources.
- 6.7 The Programme Office is still at a reasonably early stage of maturity. To date, it has been developed to include a small core staff resource, led by the Service Manager (Transforming Angus), and will primarily rely on input from services' resources to operate within temporary structures (e.g. project boards and project teams) to deliver programmes and projects, while continuing to maintain 'business-as-usual' activity. This is challenging in a context of reducing staff numbers across the Council due to budget pressures, but it is important that the task of transformation and continuous improvement is owned by all members of staff not just those in the Programme Office.
- 6.8 There is a risk to programme and project delivery by adopting the above strategy (we are seeking input from already busy people), therefore resourcing of the overall Transforming Angus programme will be monitored closely by the Transforming Angus Programme Board. However, there are also benefits to this approach as the Council can develop a core 'Centre of Excellence' through the Programme Office, while also ensuring that the transformational change programme is percolated throughout the Council, and owned/ embedded into operational services, while integrating good programme/ project management practice into the Council's culture.
- 6.9 The Transforming Angus Programme Board can also call on the Transforming Angus Change Fund where a suitable business case is made to enhance the programme or project resource. Alternatively, there may be options to re-prioritise programmes and projects to align with resource availability.

## **7. STRATEGIC PARTNER**

- 7.1 Following full Council approval of Report 200/14, providing the authority for procurement of a Strategic Partner, the process was progressed using the ConsultancyONE framework contract.
- 7.2 The outcome from that procurement process was the appointment of EY as the Council's Strategic Partner for the next few years. Members may recall that the intimation of the appointment was shared with all the Council's elected members and staff through a briefing paper issued during August last year. This explained the details of the working relationship between EY and the Council. That briefing paper is included in Appendix 6 of this report for ease of reference.
- 7.3 Subsequent to their appointment, EY colleagues have attended a significant number and variety of meetings with Council officers from a range of services in order to familiarise themselves with the Council's priorities, plans and challenges. These discussions focused on the outcomes the Council wants to achieve to inform and agree EY's initial programme of work.
- 7.4 EY also held specific meetings with the Council's Executive Management Team (EMT), Council Management Team (CMT) and the Transforming Angus Programme Board to provide initial feedback from these earlier meetings to inform the initial programme of work. The outcome from this process identified that EY should progress to develop their potential scope of services to support the Council progress/ initiate the following change projects:

Priority Project	Objectives
Help to Live at Home	To develop the business case and delivery plan ('commissioning strategy') for services to vulnerable adults to live independently in their home.  The business case will: 1. Articulate the services that are required to deliver target outcomes & clarify 'an outcome-based' approach to specifying, managing, paying and reviewing services. 2. Evaluate the options available to deliver the service in the most efficient & sustainable way, in order to improve capacity, and improve efficiency to reduce unit costs. 3. Provide the basis for strategic stakeholders to make a decision on how to proceed, in order to engage with service users, staff and service users to move forwards.
Passenger Transport (inc. green fleet)	1. To assess the opportunity to improve the Council's approach to planning, co-ordinating and commissioning passenger transport requirements. 2. To evaluate opportunities to improve the efficiency of in-house passenger transport services, specifically looking at: <ul style="list-style-type: none"> <li>• Shift patterns to improve productivity aligned to service needs; and</li> <li>• Vehicle management technologies to improve driving efficiency.</li> </ul>
Cultural & Leisure Delivery Model Options	To develop the business case and implementation plan for the most sustainable option to deliver the culture & leisure needs of Angus.
Income Investment & Growth	To develop a shortlist of opportunities to support inward investment to Angus and grow revenues for the Council.
Procurement Review	To provide 'critical friend' support to the project and an assurance and advisory role at key milestones.

7.5 The scope of EY services to support the Council to deliver the first stage of these projects has now been identified, excepting Income Investment & Growth. The costs of the services identified from EY to date, together with a brief summary of the scope of service, are summarised as follows:

Programme/ Project	Summary Scope of Service	Cost
Help to Live at Home	Develop Outline Business Case	£74,240
Passenger Transport (inc. green fleet)	Develop Outline Business Case	£61,550
Cultural & Leisure Delivery Model Options	Develop Outline Business Case	£65,608 <sup>1</sup>
Income Investment & Growth	In development	Not Yet Available
Procurement Review	Project assurance and specialist advice	£33,940
<b>Total Cost of Commissions to Date</b>		<b>£235,338</b>

7.6 Members should note that there is delegated authority to support the development and progression of certain work-streams previously approved, using the services of EY where this is considered to be appropriate and is agreed by the Transforming Angus Board. However, approvals will also be required to progress programmes and projects that are new initiatives and these will be reported to the relevant committee for consideration.

<sup>1</sup> Includes £3,000 discount offered by EY at completion of commission

- 7.7 At its meeting on 13 January 2015, the Transforming Angus Programme Board considered the commissioning of EY at a cost of £61,550 to support the Council developing an Outline Business Case in relation to the Passenger Transport (including green fleet) programme. The Board agreed this was a worthwhile initiative to progress, however, as this work-stream is a new initiative, the Policy and Resources Committee, at its meeting on 3 February 2015, was requested to approve that recommendation.
- 7.8 As part of the Transforming Angus Board consideration of projects being presented for support from the TA Change Fund, due consideration is being given to the level of investment required in comparison to the potential payback. Details of payback will be outlined in detail as part of the Business Case development process, along with other qualitative benefits that can be realised from the investment in change. Accordingly, the 'benefits realisation' from the overall Transforming Angus change programme will be identified and monitored, including beyond the end of the projects, to ensure the benefits from the investment are being delivered and sustained.
- 7.9 The Culture & Leisure Delivery Model Options work-stream was the first commission that EY were engaged to progress. EY provided the Council with specialist advice, expertise and resource to deliver the Strategic/ Outline Business Case within a period of 5 weeks (following agreement to progress from the Transforming Angus Programme Board at its meeting on 4 November), facilitating a report to the full Council meeting held on 11 December last year. Feedback from various Council officers involved in the process has highly commended EY in terms of the quality of their work and commitment to deliver to the Council's prescribed timescale. In addition, the learning for officers involved in the process will assist progressing future aspects of the programme. A 'lessons learnt' workshop to identify key learning points has been organised to capture this information.
- 7.10 Out-with the specific project work-streams, and as part of the ConsultancyONE contract, EY's commission also includes for providing support to adopt a more strategic and systematic approach to Council service re-design, together with shaping transformation by creating coherence in the transformational change programme and ensuring it is embedded in the way in which the Council plans and operates in the future.
- 7.11 In addition, EY are contributing to organisational development. For example, EY delivered a presentation and supported a workshop for Senior Managers who attended the Council's Leadership forum on 5 November last year. A survey was carried out after this event to gain an understanding of what attendees thought about things such as: clarity and understanding of vision, effectiveness of leadership, culture and examples of changing culture. While the final report with findings is still to be concluded, the initial feedback indicates a very positive response.
- 7.12 Total expenditure on EY commissions will be reported to committee via future update reports.

## 8. PROGRAMME/ PROJECT UPDATES

- 8.1 Details of all the current programmes and associated projects are included in Appendix 2 of this report. A summary of the current position in relation to the key components of each programme are detailed as follows:

Programme/ Project	Summary of Current Position
<b>Angus Digital</b> <ul style="list-style-type: none"> <li>• Web Estate</li> <li>• Internal Systems</li> <li>• Corporate Systems</li> </ul>	Angus Ahead, Business Angus, Carnoustie Country and angus.govwebsites went live during 2014. Content migration continues for angus.gov site and transaction capability being developed.
	ResourceLink system developed to manage employee related information and provide a number of self-service/ online options. Project for intranet development to be initiated.
	Online Licensing and Online School Payments are part of the National ICT Strategy developments. Proof of concept and scope of the work for Online Licensing is yet to be confirmed across local government. Three suppliers have been adopted onto national framework for online school payment. Initial development of the brief for the Council's Income Management

<ul style="list-style-type: none"> <li>Information Management &amp; Governance</li> </ul>	<p>Strategy progressed.</p> <p>Project group established to commence work-stream.</p>
<p><b>Cultural/ Leisure ALEO</b></p> <ul style="list-style-type: none"> <li>Develop Outline Business Case</li> </ul>	<p>Outline Business Case developed, identifying Trust approach as preferred option, and approved at the Council meeting on 11 December 2014. Burgh briefings to 255 employees completed prior to Xmas.</p>
<ul style="list-style-type: none"> <li>Phase 2 Development</li> </ul>	<p>Phase 2 planning progressed, identifying key milestones and lead officers/ work-streams, with report being submitted to full Council on 12<sup>th</sup> February 2015.</p>
<p><b>Agile Working/ Estates Review</b></p> <ul style="list-style-type: none"> <li>Agile Working Strategy</li> </ul>	<p>Strategy paper to be submitted to P &amp; R Committee for consideration on 3<sup>rd</sup> February 2015.</p>
<ul style="list-style-type: none"> <li>Agile Working Implementation</li> </ul>	<p>Pathfinder project working styles assessed and preparing requirements for internal space design (ground floor Bruce House and 2<sup>nd</sup> floor Angus House).</p>
<ul style="list-style-type: none"> <li>Estates Review</li> </ul>	<p>Recommendations for a service led review of property requirements for all Council estate via Hubco.</p>
<ul style="list-style-type: none"> <li>Estates Review Rationalisation</li> </ul>	<p>Project not yet progressed.</p>
<p><b>School Estate</b></p> <ul style="list-style-type: none"> <li>Arbroath Schools Project</li> </ul>	<p>Timmergreens PS demolition complete and Timmergreens and Warddykes new build works now due to commence February 2014.</p>
<ul style="list-style-type: none"> <li>Brechin Community Campus Project</li> </ul>	<p>Phase 1 of constructing the new community campus facilities progressing on site.</p>
<ul style="list-style-type: none"> <li>Forfar Community Campus Project</li> </ul>	<p>Procurement phase is near Financial Close. Works commenced on site in January 2015 via advance works contract.</p>
<ul style="list-style-type: none"> <li>School Estate Review</li> </ul>	<p>Project not yet progressed.</p>
<p><b>Procurement Review</b></p> <ul style="list-style-type: none"> <li>Strategic Sourcing</li> </ul>	<p>Outline Business Case developed and scope of service required from EY agreed by Transforming Angus Programme Board at meeting on 13<sup>th</sup> January 2015.</p>
<ul style="list-style-type: none"> <li>Purchase to Pay</li> </ul>	<p>Outline Business Case developed and scope of service required from EY agreed by Transforming Angus Programme Board at meeting on 13<sup>th</sup> January 2015.</p>
<p><b>Communities/ FM Services</b></p> <ul style="list-style-type: none"> <li>Fleet Services/ ACROP</li> </ul>	<p>Tender documentation currently being finalised for new facility. Work ongoing regarding Fleet Management system and Maintenance Agreement.</p>
<ul style="list-style-type: none"> <li>Residual Waste</li> </ul>	<p>OJEU notice issued and awaiting expressions of interest from potential contractors.</p>
<ul style="list-style-type: none"> <li>Grounds Maintenance Service</li> </ul>	<p>Project not yet progressed.</p>
<ul style="list-style-type: none"> <li>Waste Collection Service</li> </ul>	<p>Project not yet progressed.</p>
<ul style="list-style-type: none"> <li>Janitorial and SCP Service</li> </ul>	<p>Project complete (service has transferred to Tayside Contracts).</p>
<p><b>Help to Live at Home</b></p>	<p>Scope of service required from EY to support this project agreed by Transforming Angus Programme Board at meeting on 19<sup>th</sup> December 2014.</p>
<p><b>Passenger Transport (including green fleet)</b></p>	<p>Scope of service required from EY to support this project agreed by Transforming Angus Programme Board at meeting on 13<sup>th</sup> January 2015.</p>
<p><b>Income Investment &amp; Growth</b></p>	<p>Project in development.</p>
<p><b>Business Support</b></p> <ul style="list-style-type: none"> <li>Service Reviews</li> <li>LEAN Reviews</li> </ul>	<p>Corporate Improvement team and LEAN team developing full overview of all ongoing reviews.</p>

8.2 Further information in relation to the scope of LEAN reviews and Service Reviews, together with other budget saving initiatives which would benefit from being progressed in a project controlled environment, will be included in future update reports to provide a comprehensive overview of transformational change activities.

8.3 It is also proposed that update reporting will be available through performance monitoring reports which are also considered by this committee at regular intervals. Development work between the Programme Office and Corporate Improvement team is currently ongoing to establish an information base that will support and expand the use of Covalent as a robust management tool.

## **9. FINANCIAL IMPLICATIONS**

9.1 The Transforming Angus Change Fund has been established to:

- Provide a resource to meet some operational costs associated with delivering the Transforming Angus Programme, including establishing the Programme Office; and
- Provide a resource to fund the change programme, including any one off investment in e.g. technology infrastructure or one-off ER/VR costs to deliver significant savings for future years.

9.2 The governance arrangements for the change fund are detailed in section 5.5 above. In addition, criteria for accessing the fund has been established and agreed by the Transforming Angus Board. Other key aspects to note relating to the management of the change fund, which have been agreed by the Policy & Budget Strategy Group, include:

- Consideration has been given to creating an investment payback arrangement to the change fund from savings generated from completed programmes and projects, potentially between 3 to 5 years, however, as it is inevitable that this approach would create a significant additional administration burden, the approach to be adopted is that the savings will be removed from service budgets in the relevant year, thus helping to create headroom within the budget in future years, and therefore reducing the Council's overall net expenditure position;
- Any unspent revenue resources from within the Transforming Angus budget will automatically be subject to a 100% carry forward to ensure these resources are available to fund projects in the following financial year; and
- Ongoing funding requirements for the Transforming Angus Programme will be considered annually as part of each year's budget setting process, alongside other investment bids and Special Funds allocations.

9.3 The Transforming Angus Change fund currently comprises £1.393m identified in General Fund balances, together with a budget allocation of £0.904m for 2014/15. A budget allocation of £0.904m has also been approved for 2015/16 through the budget setting process, resulting in a total budget allocation of £3.201m. Projected expenditure to the end of the current financial year (based on actual expenditure to the end of January), including an estimate of £0.200m payable to EY for services provided by 31<sup>st</sup> March 2015 (refer to section 7.5 above), amounts to £0.399m. This results in a net projected fund balance of £1.898m at the end of the current financial year.

9.4 A more detailed breakdown of current spending and commitments from the Transforming Angus Change Fund is included in Appendix 7 of this report.

## **10. OTHER IMPLICATIONS**

### **10.1 Risks**

10.1.1 There are no specific risks associated with this report. However, it is worth noting that the overall programme is gathering pace, and a key risk that is being addressed by the Transforming Angus Programme Board is the suitable resourcing of programmes and projects in comparison to planned delivery timescales.

**NOTE:** No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

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## EXTRACT FROM COUNCIL PLAN 2014 -2017

**Transformational Change**

Our transformation programme, Transforming Angus, will further develop over the next three years to align delivery of efficiencies with council priorities and outcomes for citizens. There are key workstreams being developed each of which focuses on the council priorities.

These key workstreams are:

**Angus Digital** – we will maximise the potential of digital technologies to improve outcomes and services for all our citizens and employees.

Through Angus Digital we will significantly improve our customers', citizens' and partners' experience of engaging with the council whilst also seeking to reduce our costs.

We will do this by focusing on the following:

- Digital by default –we will implement a digital approach to developing and improving our services and the way we work.
- Mobile first – we will give priority to solutions and innovations that can be delivered through mobile technologies.
- Channel shift – we will maximise the proportion of digital transactions and reduce face to face transactions.

Citizen centric – we will ensure that our citizens are engaged in the design and delivery of services so that the outcomes delivered are the ones that really matter to them.

We will work on the following projects:

- Web estate re-development
- Intranet re-design
- Unified communications
- Resourcelink On-line
- Information management and governance

**Improved Business Processes**

We will review how we do our business and examine opportunities to deliver more effective services and better outcomes for our employees and citizens.

We will do this by focusing on the following:

- Working with our community planning partners and the private sector to examine more effective ways of delivering our services.
- Remove inefficiencies and duplication from our internal processes to ensure our services are lean and deliver value.
- Review our workforce to ensure it is the right size and has the right skills to deliver our services and improve outcomes for citizens.

We will work on the following projects:

- Strategic review of procurement

- Implement outcomes of the staffing section review
- Culture and leisure trust
- Fleet transfer of services
- Adult care services review

### **Improved customer experience**

We will put our citizens at the heart of our service delivery and map our services around their needs.

We will do this by focusing on the following:

- Developing a strategy for service delivery that provides choice on how services can be accessed.
- Provide more services on-line to allow 24 hour access.
- Review our presence on the high street to provide more joined up services
- Streamline the way in which we engage with citizens to ensure that we do things once and do them well.
- Provide our employees with access to systems and data on mobile devices to deliver a better service at point of contact.

We will work on the following projects:

- Channel strategy for customer services

### **Agile working and estates review**

We will review our property estate to ensure we gain maximum value from our buildings and reduce our costs.

We will do this by:

- Promoting a more agile approach to how we work to minimise our property holdings.
- Change the way in which we use our buildings to make better use of our investment.
- Review our schools estate to ensure we deliver a 21<sup>st</sup> century educational experience to our pupils and a community benefit to our citizens and partners.

We will work on the following projects:

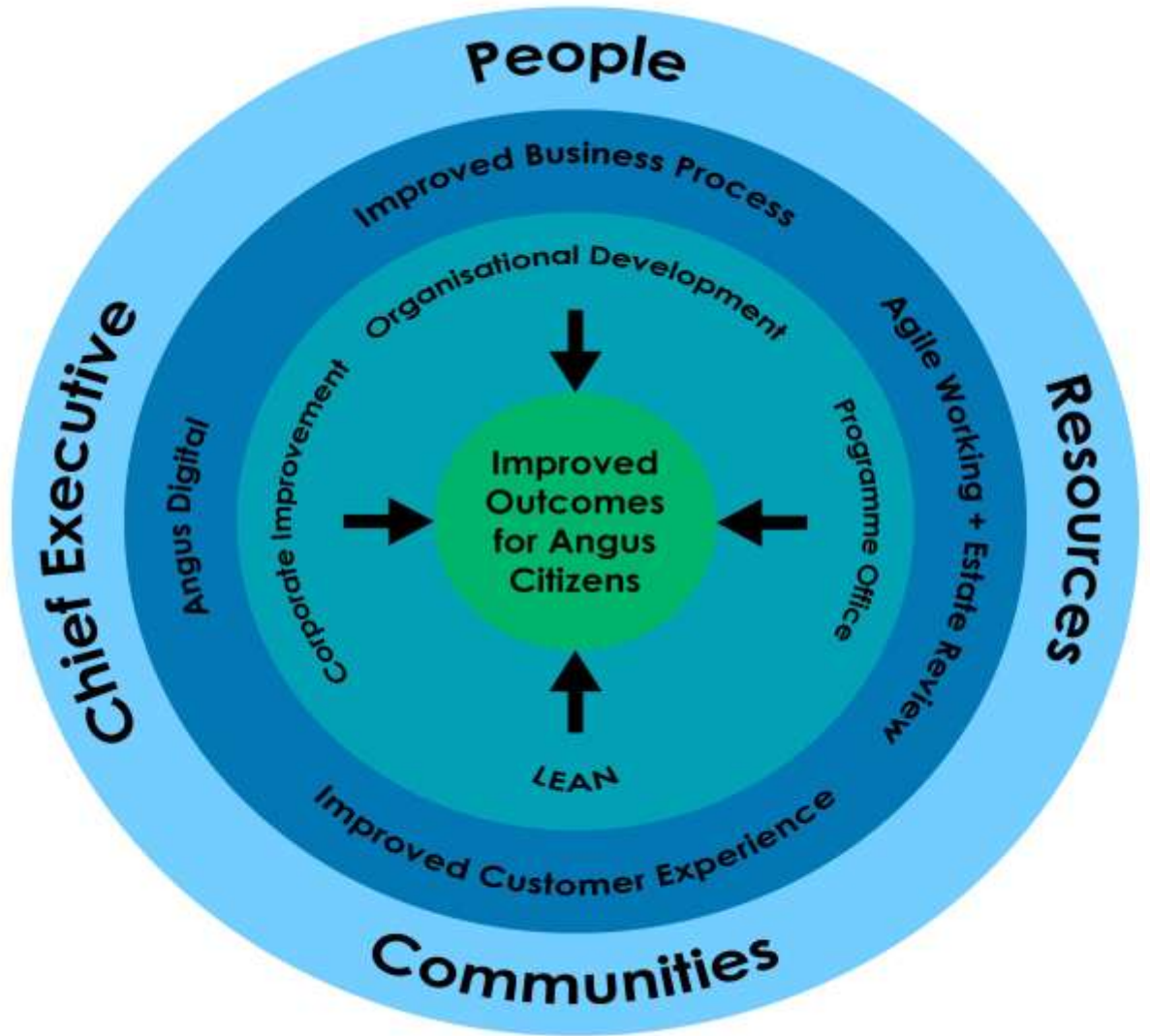
- Corporate estates review, including schools
- Agile working for employees
- Mobile field workers

In addition to the above all services will be required to continually review how services are delivered with a focus on efficient and effective use of services and a focus on better achievement of outcomes.

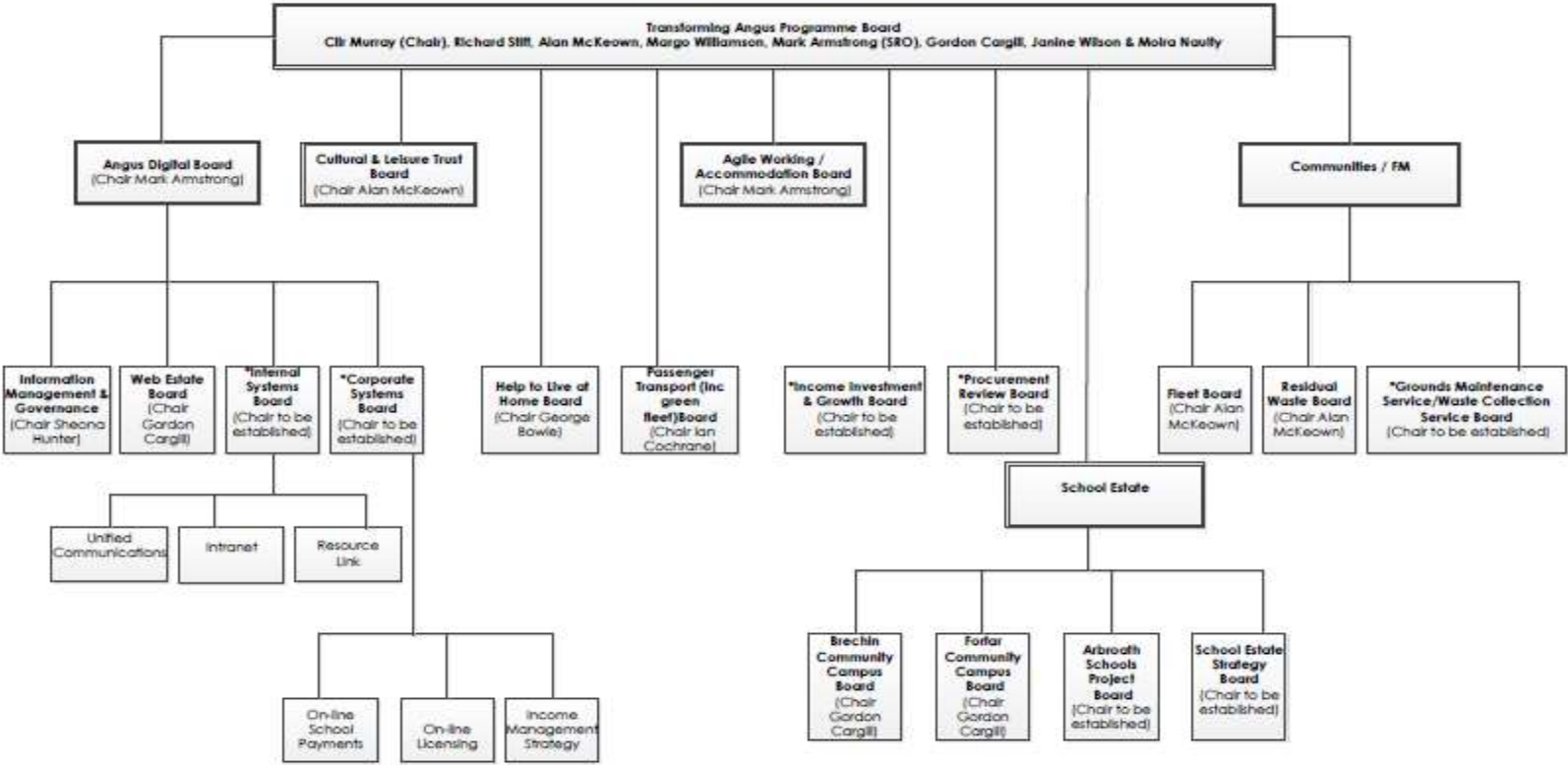
## TRANSFORMING ANGUS: PROGRAMME PORTFOLIO

Programme	Project	Sub-Projects	
<b>Angus Digital</b>	Web Estate	angus.gov website	
		Angus Ahead website	
		Business Angus website	
		Other Council websites	
	Internal Systems	Intranet	
		Resource Link	
		Unified Communications	
	Corporate Systems	On-line School Payments	
		On-line Licensing	
		Income Management Strategy	
	Information Management and Governance		
	<b>Cultural/ Leisure ALEO</b>		
		Develop Outline Business Case	
		Phase 2 Development	
<b>Agile Working/ Estates Review</b>			
	Agile Working Strategy		
	Agile Working Implementation		
	Estates Review		
	Estates Review Rationalisation		
<b>School Estate</b>			
	Arbroath Schools Project	Muirfield Enabling Works	
		Phase 1: New Build Timmergreens and Warddykes	
		Phase 2: New Build Hayshead	
	Brechin Community Campus		

<b>Programme</b>	<b>Project</b>	<b>Sub-Projects</b>
	Forfar Community Campus	
	School Estate Review	
<b>Procurement Review</b>		
	Strategic Sourcing	
	Purchase to Pay	
<b>Communities/ FM Services</b>		
	Fleet Service/ ACROP	
	Residual Waste (Dundee & Angus Strategic Partnership)	
	Grounds Maintenance Service	
	Waste Collection Service	
	School Janitorial and SCP Service	
<b>Help to Live at Home</b>		
	Develop Outline Business Case	
<b>Passenger Transport (inc. green fleet)</b>		
	Develop Outline Business Case	
<b>Income, Investment &amp; Growth</b>		
	Develop Outline Business Case	
<b>Business Support</b>		
	Service Reviews	
		Staffing Section Review
		People Administration Staff Review
		[other specific reviews to be defined]
	LEAN Reviews	[specific reviews to be defined]



TRANSFORMING ANGUS GOVERNANCE STRUCTURE



\*These Boards have not yet been established.

## Roles and Responsibilities of Corporate Governance/ Internal Audit on Programme Boards

The roles and responsibilities of each representative are outlined as follows:

### Board Level Support - Service Manager (Governance):

- Will act as advisor to the Transforming Angus Board in relation to general governance and risk matters to ensure alignment of the council's governance framework, corporate risk management arrangements and the Transformation programme;
- Will act as "critical friend" to the Board, bringing a degree of independent challenge, specialist support and organisational knowledge to support the success of the programme; and
- Will bring expertise in Lean and Continuous Improvement to the programme to ensure opportunities for improvements are not missed.

### Workstream Level support - Internal Audit:

- Will provide an independent programme assurance role to each of the four workstreams;
- Will advise on governance arrangements for revised/new business processes or IT systems being implemented;
- Will advise workstream Chairs on matters of governance, risk and internal control; and
- Will act as 'critical friend' to the workstream Board, bringing a degree of independent challenge, specialist support and organisational knowledge to support the success of the programme.

It is essential that Internal Audit maintains its independence so that it may still conduct audit work without risk of conflict of interest and it is therefore necessary to clearly define their role and remit. In this regard:

- Internal Audit involvement will be at workstream programme board level in an 'in attendance' capacity;
- Internal Audit will not have any role in agreeing decisions of the workstream programme boards i.e. will not have any 'voting rights', instead the role will be in an advisory/ critical friend capacity;
- Internal Audit will not be assigned actions from workstream programme boards unless the action(s) directly relates to provision of advice/ guidance on internal controls/ governance arrangements;
- Internal Audit will be invited to all meetings of the workstream programme board and provided with copies of all papers relevant to each meeting;
- Internal Audit staff who are represented on workstream programme boards will not be permitted to be involved in any internal audit work that is directly related to the programme board(s) they sit on; and
- It is proposed that Internal Audit will aim to be represented on all workstream programme boards, however, it will be left to their judgement to determine which boards they are represented.

## **Transforming Angus staff briefing – engagement of our strategic partner**

The council agreed in May that we would commission the services of a strategic partner to support and add value to our Transforming Angus change programme ([report 200/14](#)).

We have now appointed EY to work with us over the next few years.

You may have questions or concerns about the role and value of a strategic partner.

This briefing is provided to give you more information about why we have engaged a partner, what they will be doing and how much it will cost.

### **Why do we need a strategic partner?**

Transforming Angus is an ambitious and comprehensive change programme with multiple projects.

We are not starting from scratch with this work, progress is being made. However we now need to increase the pace to address changes in service demands and meet existing savings commitments and future financial challenges.

In preparation for continuing reductions in funding we need to be more efficient to protect frontline services – we have to strip out cumbersome and costly business processes and extend our thinking about models of service delivery.

Given the volume and range of work it would be very difficult to explore, plan and make changes at the same time as 'doing the day job'. Years of reductions in staffing levels mean we no longer have the spare capacity to carry out the work needed within the timescale we are working to – this is not something we can do 'from the end of the desk'.

Nor do we know all of the answers. We may know our own business inside out but do we really know what the options are? Other councils are achieving more with the same or less resources – how can we do the same?

Even with all of the difficult decisions we have already made we will still need to cut millions more to meet the budget shortfall in future years. We can't keep cutting into existing services as we have done; we have to do something different.

We have chosen to work with a strategic partner to give us additional capacity, knowledge and expertise to support our work. EY bring a fresh and informed perspective that will both challenge and support us through this period of change.

### **Who are they?**

EY has considerable experience of working very successfully with public sector organisations, including a number of other Scottish councils, all of them wrestling with the same issues as Angus.

We have worked with them before and they have a sound understanding of our business and its challenges.

They understand and value the contribution the public sector makes to people's lives.

They have a proven track record of producing significant and sustainable results with other similar public sector organisations.

They are focused on increased efficiency and different business models, such as leisure and culture trusts and improved procurement processes.

With their assistance we are confident we can accelerate the pace of change and develop sustainable services that make us better prepared for the future.

By working in partnership with them we will learn from them and therefore improve our own skills and build capabilities in the council for the future.



## **What will they be doing?**

The first phase of the work will be to examine the scope of the Transforming Angus programme and evaluate the identified savings and benefits.

They will then produce a plan for the council's approval that delivers enhanced benefits to existing work in the change programme and identifies new opportunities to improve services and business processes.

Part of their role is to help us extend our thinking beyond what we already know – can we work more efficiently, produce better outcomes and cost less?

In preparation for continuing cuts they will work with us to increase our efficiency so we can protect frontline services – help us strip out cumbersome and costly business processes and extend our thinking about models of service delivery.

They will complement and enhance the work of officers, and provide advice, support and challenge in respect of the current Transforming Angus projects and service reviews.

Bringing a wide range of commercial expertise and skills they will help us identify opportunities for innovation and increased benefits.

In the next month the EY team will meet key officers to learn more about what we want to achieve and the progress we are making. We will then agree a programme of work with them.

Any proposed changes to our services will still be subject to the usual staff and customer consultations and will be reported to the relevant council committee for approval.

## **How much is the contract and how does it work?**

EY has been engaged to add value to the council, beyond that already identified in the Transforming Angus Programme.

The maximum level of expenditure on this contract over the next three years is £900,000, from the £2.1million allocated to the Transforming Angus programme.

The council is not committed to spend all of this allocation.

EY will be paid on results and if performance does not meet the council's expectations no further work will be commissioned.

Work will be planned and approved in tranches, identifying the costs and benefits of each tranche and agreeing how the objectives will be met and benefits achieved.

EY will develop a business case for each tranche of work; there will be a rigorous review of performance throughout the period of the contract.

Progress and performance against agreed pieces of work will be monitored and reports will also be prepared for the relevant council committee, where the development of a business case (or a specific proposal) has a direct impact on service provision.

The structure of the contract allows the council to control the basis on which the fees are set and will be dependent on the scope of each tranche, with the return on investment, benefits achieved, quality improvement and future cost reduction being the key drivers for this decision making process.

The contract structure also ensures that the council is not obligated to spend to a set value within the contract period, but will 'call off' on a business case basis with the option to exit at any point.

21 August 2014

