

ANGUS COUNCIL – 7 SEPTEMBER 2017

CHANGE PROGRAMME: NEXT PHASE

REPORT BY THE HEAD OF STRATEGIC POLICY, TRANSFORMATION AND PUBLIC SECTOR REFORM

ABSTRACT

This report sets out proposals in relation to the next phase of the council's change programme.

1. RECOMMENDATIONS

It is recommended that the council:

- (i) agrees the proposals in relation to the change programme delivery framework, aligned with the strategic priorities of economy, people and place;
- (ii) agrees the proposals in relation to the change programme governance arrangements, including:
 - that the Policy and Resources Committee will be the principle committee providing strategic and policy decisions for the next phase of the change programme; and
 - authority for the determination of any funding allocation from the council's change fund will be delegated to the Head of Strategic Policy, Transformation and Public Sector Reform.

2. ALIGNMENT TO THE LOCAL OUTCOMES IMPROVEMENT PLAN (LOIP) AND COUNCIL PLAN

- 2.1 The proposals set out in this report will contribute to the outcomes outlined in the proposed Local Outcomes Improvement Plan, Locality Plans and Council Plan, which focus on the economy, people and place.

3. BACKGROUND

- 3.1 Principles of the Christie Commission, established the four pillars to public sector reform - people, partnership, prevention and performance. The Scottish Government has since responded by introducing the Community Empowerment Act 2015, and subsequent guidance.
- 3.2 The council must ensure it has the capability to deliver changes at the scale and pace required as highlighted in the council's 2016 Best Value Audit Report.
- 3.3 Part of the response to this is the creation of the Head of Strategic Policy & Transformation and Public Sector Reform position, to focus on 'Partnership, Growth and Transformation'.
- 3.4 In June, the council agreed the high calibre of the council's own staff would deliver change throughout the organisation.
- 3.5 The council is focused on achieving better outcomes for the people and communities of Angus. To ensure we can achieve that we are also committed to being a better, stronger, more sustainable and smaller organisation by 2020.
- 3.6 The council's change programme is therefore directly aligned with the new Local Outcomes Improvement Plan and Locality Plans (Report 279/17 refers); and the new Council Plan (Report 276/17 refers), which members are also being asked to consider at this meeting. The change programme is also critical to delivering the realignment of resources and substantial budget savings projected to be required over the next few years as set out in the Medium Term Budget Strategy (Report 274/17 refers).

4. PROPOSALS: NEXT PHASE OF COUNCIL'S CHANGE PROGRAMME

4.1 Change Programme Delivery Framework

- 4.1.1 The council's change programme is focused on changing how we operate to ensure we can achieve better outcomes for Angus citizens and deliver a balanced budget year on year. The redesign of some services and different approaches to delivery with and for the people of Angus has shown dividends.
- 4.1.2 The next phase of the change programme will have greater focus on achieving sustainable outcomes linked to Angus' strategic priorities:
- **economy**
 - **people**
 - **place**
- 4.1.3 The programme has been mapped against these strategic priorities, along with a section covering our business operating model. This new Change Programme Delivery Framework is included in Appendix 1.
- 4.1.4 It is estimated that the change projects identified to date will achieve overall savings of c£14.951m over the next three financial years, comprising c£7.616m (2018/19); c£4.225m (2019/20); and c£3.11m (2020/21). The savings set against each project in Appendix 1 are only best estimates at this stage to provide members with an indication of likely scale of each initiative. The figures also reflect a potential approach to budget settlements with Angus Alive and the Angus Health & Social Care Partnership that would require them to manage all cost growth. This may not be achievable without significant detriment to service provision and the detail will require to be examined with these partner organisations.
- 4.1.5 Based on the council's medium term budget strategy (Report 274/17 refers), it is estimated that further savings of c£24.3m remain to be identified to meet the projected shortfall over this three year period. Work continues at pace to develop further phases of the programme to address this. However, it is clear that there will be no easy decisions for members and these will undoubtedly become more challenging over time.
- 4.1.6 An overview of the change projects currently included in the Change Programme Delivery Framework is included in Appendix 2. The next phase of the change programme will be developed around these strategic priorities and will likely include new approaches to managing demand for services, community empowerment and our ambition to be a digital council by 2020. There may also be a requirement to stop some services altogether.
- 4.1.7 The delivery framework also includes a stream of income generation initiatives. Income generation from fees and charges levied for services provided is currently worth c£22m per annum and growing this income will require to be a significant part of our future approach.
- 4.1.8 Some of the initiatives in the delivery framework have policy implications. These will be reported for consideration in due course, clearly identifying the anticipated savings and the impact on the way services are provided to the citizens of Angus and the services we actually deliver. Proposals with only operational content are to be considered/ agreed by the council's Executive Management Team Scrutiny Board as part of the governance arrangements set out below.
- 4.1.9 These change programme reports will be fundamental to the council's budget setting process, indeed almost all of the savings required to balance the budget will require to be generated through the change programme. This was agreed by the Policy & Budget Strategy Group (PBSG) in June this year and progress will be reviewed at the forthcoming PBSG meetings. The PBSG meeting in late January will agree the final budget package for submission to the Council. Papers for all change projects will be provided to members as part of the 2018/19 budget setting reports to council in February 2018.
- 4.1.10 This means that once members have agreed the specific policy reports, along with the final summary of all change projects in February 2018, the council will be locked into delivering these changes in order to achieve a balanced budget for Financial Year 2018/19. The budget setting next February will also include an indicative budget outlook for years two and three.

4.2 Change Programme Governance Arrangements

- 4.2.1 The Head of Strategic Policy & Transformation and Public Sector Reform will provide the overarching support to assure delivery of the change programme overall. It is service teams, with a broad range of skills and expertise, that will lead the plans, budgets, workforce and change initiatives themselves to achieve the sustainable outcomes required. This will include working closely with all partner organisations, businesses (where applicable) and local communities.
- 4.2.2 Further detail relating to the governance arrangements to support and assure the delivery of the next phase of the change programme is included in Appendix 3. This has been agreed by the council's Executive Management Team.
- 4.2.3 It is highlighted that the Policy and Resources Committee will be the principle committee providing strategic and policy decisions for the next phase of the change programme, unless it is considered appropriate that a particular project should be considered at a specific service committee.
- 4.2.4 It was previously agreed by the council to delegate the determination of any funding allocation from the council's change fund to the Chief Executive (Report 133/17 refers). In the context of the new council structure, it is now proposed the delegated authority is transferred to the Head of Strategic Policy & Transformation and Public Sector Reform.

5. FINANCIAL IMPLICATIONS

- 5.1 Costs associated with the next phase of the change programme will generally be contained within the General Fund Revenue Budget using existing staff and resources, along with the Change Fund that has been established where the criteria for accessing the fund are met. In the event that any costs fall out with this as part of any future change initiative, this will be reported for consideration as part of the specific proposal.

6. OTHER IMPLICATIONS

6.1 Risk

- 6.1.1 The scale of the financial challenge and therefore the work required through the change programme may impact on business as usual activity, but this is unavoidable if the council is to be financially sustainable.

6.2 Staffing Implications

- 6.2.1 The change programme will have implications for staff and further details are included in the workforce plan which is included as part of Report 276/17, which members are also being asked to consider at this meeting.
- 6.2.2 Staff changes will take account of our Managing Workforce Change policies, which will include consultation with our employees and trade unions.

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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CHANGE PROGRAMME DELIVERY FRAMEWORK

Change Initiative Project	2018/19 £	2019/20 £	2020/21 £
Economy			
EC001 - Digital Programme	enabling	enabling	enabling
EC002 - Digital Transformation: Tayside Collaborative	enabling	enabling	enabling
EC003 - Business Support Programme			
Clerical & Administrative Review	300,000		
EDRMS Implementation	enabling	enabling	enabling
Purchase to Pay	300,000		
Process Redesign, Process Automation (PRPA)	250,000		
Contact Centre	300,000	700,000	
Corporate Risk, Insurance, Health, Safety & Resilience	50,000		
Revenues & Benefits Function Redesign	TBC		
Review of Print & Copy Services	TBC		
EC004 - Commercial Excellence, Phase 1			
ICT Hardware Review (excluding Schools)	0	0	0
Software Review	0	130,000	130,000
Utilities Billing Audit	20,000		
Office Supplies	10,000	10,000	
EC005 - Procurement Review	140,000		
EC006 - Finance Review	150,000	50,000	
EC007 - Transforming Resources (Welfare Rights)	150,000		
EC008 - SVQ Assessment Centre	TBC		
EC009 - Introduction of Pre- Application Charges in Planning		10,000	
EC011 - Corporate Services: Tayside Collaborative	TBC	TBC	TBC
EC012 - Review of Toilet/Visitor Information Provision at Arbroath Harbour	30,000		
EC013 - Review of Overtime/additional hours - AC only	TBC		
EC014 - Review of Provision of Mobiles/phone/alarm lines arrangements	25,000	10,000	
EC015 - Procurement and Commissioning: Tayside Collaborative	TBC	TBC	TBC
EC016 - Developing Tayside Contracts: Tayside Collaborative	160,000		
EC017 - City Deal: Tayside Collaborative	enabling	enabling	Enabling
EC018 - Disposal of Land - Capital Receipts	TBC	TBC	TBC
EC019 - Income Generation from Property	TBC	TBC	TBC
EC020 - Income - Council Tax from New Builds	250,000	250,000	250,000
People			
PE001 - AHSCP - Improvement and Change Programme	2,000,000	TBC	TBC
PE002 - ANGUSAlive - New Project Phase	300,000	TBC	TBC
PE004 - Change Instrumental Music Service	80,000	60,000	
PE005 - Reduction of Strategic Director Post/other Adjustments - completed	111,000		
PE006 - Workforce Change - Managers	600,000	TBC	TBC
PE007 - Workforce Change - Organisational Design		1,500,000	1,500,000
PE008 - Workforce Change - Teacher	810,000	520,000	260,000

PE009 - School Office Review (including Online School Payments)	100,000		
PE010 - Replace Carefirst System	enabling	enabling	enabling
PE011 - Peer Review of Budgets/Efficiencies	50,000	25,000	20,000
PE012 - Children's Services: Tayside Collaborative	TBC	TBC	TBC
PE013 - Income - Employees Purchasing Leave	50,000		
Place			
PL001 - Passenger Transport	30,000	20,000	
PL002 - Public Transport	40,000		
PL003 - Waste Shift Patterns Review	160,000		
PL004 - Reduced Service Level of Winter Maintenance - Footpaths	50,000		
PL005 - School Investment Strategy		TBC	TBC
PL006 - Agile/ Estates Review	800,000	540,000	950,000
PL007 - ANGUSAlive - Charge for campus use – Brechin/Forfar	TBC		
PL008 - Solar Farm at Restenneth		TBC	TBC
PL009 - One Public Estate: Tayside Collaborative	TBC	TBC	TBC
PL010 - Public Transportation: Tayside Collaborative	TBC		
PL011 - Roads: Tayside Collaborative	TBC		
PL012 - Income - Public Parking Review	300,000	400,000	
Business			
BU002 - Reconstruction of Council's Budget Structure	enabling	enabling	enabling
BU003 - Recharging/Facilities Management	enabling	enabling	enabling
BU005 - Intranet Development	enabling	enabling	enabling
BU006 - Replacement Payroll/HR System	enabling	enabling	enabling
	7,616,000	4,225,000	3,110,000
Total estimated savings by 31 March 2021			£14,951,000

KEY INITIATIVES INCLUDED IN CHANGE PROGRAMME

Process Automation

Process automation has the ability to deliver the transactional and process driven work of the council leading to a service for customers that is available 24 hours a day, 7 days a week. This will release resources while we reduce our workforce to become a smaller organisation but will also provide an opportunity for some staff to retrain and develop new skills for the digital age. As a council we have signed up to being digital by 2020 and that means the way in which we deliver services needs to change, alongside our staff embracing a digital work environment.

Review of Clerical & Administration

This review is linked to the need to review grade bandings for staff and to respond to changes arising from the introduction of the living wage. It is acknowledged that some clerical and administrative staff are also engaged in the actual delivery of services, whereas others provide a business support function. Our needs for that type of business support service will reduce due in part to a reducing workforce and continued changes to the way we work. There is a need to be as efficient and effective as we can be and a shared business support resource can help us to achieve this.

Contact Centre

The 24/7 nature of being able to contact the council is important as is supporting the customer journey through the many and varied services not just provided by Angus Council, but also the Health and Social Care Partnership. A one door approach helps to direct people to the right place, but also deals with the majority of enquiries at the first point of contact, should that be required beyond a self-serve digital approach. The contact centre approach recognises that it needs to cater for the whole population including business and could include internal as well as external customers.

Finance Core Systems

This review focuses on five main areas which include processes and arrangements around financial chart of accounts, budget forecasting, budget monitoring, closure of financial accounts and a redesign of the service. The review will also review the smaller manual processes to increase efficiency.

Technology solutions will be considered as part of the review in terms of financial close processes and will incorporate current work being undertaken in terms of Integra (the council's ledger system) development.

Welfare Rights

This review will consider the service design of the Welfare Rights and Financial Assessment team and will focus on the creation of a sustainable and efficient service which delivers in an efficient manner. The review will look at existing ways of providing the service and the benefits derived from this and will also look at how technology, self-service and other providers can be used to support some of our most vulnerable citizens.

Commercial Excellence

This is about how we contract with a myriad of organisations including Tayside Contracts to deliver services on our behalf, provide things to us or build things for us. We need to ensure that we have the best possible 'deal' in all of these kinds of contractual relationships in order to meet our requirements in terms of best value.

Schools Investment Strategy

One of the biggest changes we will undertake over the next few years will be to establish the sustainable future of our school estate to support learning and community activity by making best use of the resources available. We know that we need to focus on raising attainment as well as support transitions from the early years right through to secondary and beyond into further learning and work.

Help to Live at Home

The 'Help to Live at Home' (H2LAH) programme has been underway for some time and has already demonstrated major shifts in resources to alternative providers and released savings as a consequence. The purpose of the change was to address the demographic changes with older people living longer and to shift the balance of care from expensive hospital and residential settings to enable people to stay in their own homes with their care needs being met at home. This clarity of purpose at the outset has led to better outcomes for people being at the heart of the change process.

Agile/ Estates Rationalisation

The focus here is on staff being enabled to deliver outcomes rather than being present in an office between the hours of 9am and 5pm. It is therefore about enabling and empowering staff to do their work and apply agility to the delivery of services. In order to achieve this it is essential that we embrace new technology and that staff have the right tools for the job they need to do. It also means that there will be a reduction in the buildings we use and therefore our carbon footprint. As buildings are released they can be put to better use in communities for new affordable housing, community asset transfer or sale with a capital receipt.

Digital by 2020

A key ambition of the council is to be digital by 2020. The detail for achieving this is captured in our digital strategy and roadmap, aimed at improving how we both run our business and interact with our customers, whose modern day expectations include access to online services quickly and conveniently 24 hours a day, 7 days a week. Even where services can't be delivered through digital channels, the means by which these services are requested, paid for, monitored and evaluated can be digital enabled.

While many of these digital projects are enabling in their nature, they also provide the catalyst to allow services to improve their efficiency and provide new opportunities for staff to develop new skills and capabilities as part of the council's workforce development plans.

Instrumental Music Service

Children are currently taught music as part of their curriculum in both primary and secondary schools. The council also provides a subsidised Instrumental Music Service (IMS) for children and young people to learn a specific instrument. This tuition is provided by music instructors and is free to young people who are studying music as part of their senior phase curriculum. Younger children pay for this service, some receiving further subsidies dependent on their particular circumstances. Unlike school education, the IMS is not a statutory service.

It is considered that savings could be achieved in this service area. A previous review conducted in 2015 recommended that the IMS be reduced to 11FTE staff resource as this would continue to deliver an effective service as well as budget efficiencies (report 6/15 refers). Revisiting this recommendation now could achieve a minimum budget saving of £140k.

Managers

In the report to committee establishing the new directorate and heads of service structure, reference was made to the need to review managers posts, in terms of the overall number and the specific roles. This has been an outstanding action in governance reviews for some considerable time. There is an opportunity to provide fairness and clarity of role for managers graded LG11 and above.

Teaching Staff

Recent changes to the way in which teaching numbers and hours are calculated have resulted in the potential to review teacher numbers.

Angus Alive

This successful change programme has been completed, however the new trust is keen to find efficiencies and make changes in the way they provide their services.

Collaborative Work

Progress is being made with collaborative activity with Dundee and Perth & Kinross council's. A progress update was provided in Report 133/17.

Potential Charging for Public Parking

There is potential to increase income to the council through the introduction of charges for on and off street public parking, which currently costs the council to operate.

There are a total of 1,650 free (off-street) public parking spaces, and additional on-street parking in all seven Burghs. Introduction of off-street parking without on-street parking charges will cause on-street parking pressure and therefore the application of charging to both off-street and on-street parking needs to be introduced at the same time.

Development of an Outline Business Case would help inform the potential for the proposed charges that may be implemented and would need to be considered as the council recognises the continued desire for people to use our town centres and ensure local shops are supported and sustained.

CHANGE PROGRAMME GOVERNANCE

1. PURPOSE

This briefing paper has been prepared to set out proposed governance arrangements to support the delivery of the next phase of the Council's change programme.

2. RECOMMENDATIONS

EMT are recommended to:

- (i) agree the proposal set out in section 4 of this briefing paper.

3. BACKGROUND

3.1 At its workshop on 16 June 2017, the Council Management Team agreed the approach to 'Planning the Future', including the framework for the new change programme with projects aligned with one of the following key themes:

- Economy
- People
- Place
- Business

3.2 At its meeting on 4 July 2017, the current EMT Scrutiny Board agreed to progress the various projects included within the Change Programme Delivery Framework to the next stage of implementation.

3.3 This briefing paper has been prepared to propose the most suitable governance arrangements to support delivery which will supersede existing governance arrangements. It is proposed however that the existing EMT Scrutiny Board will continue.

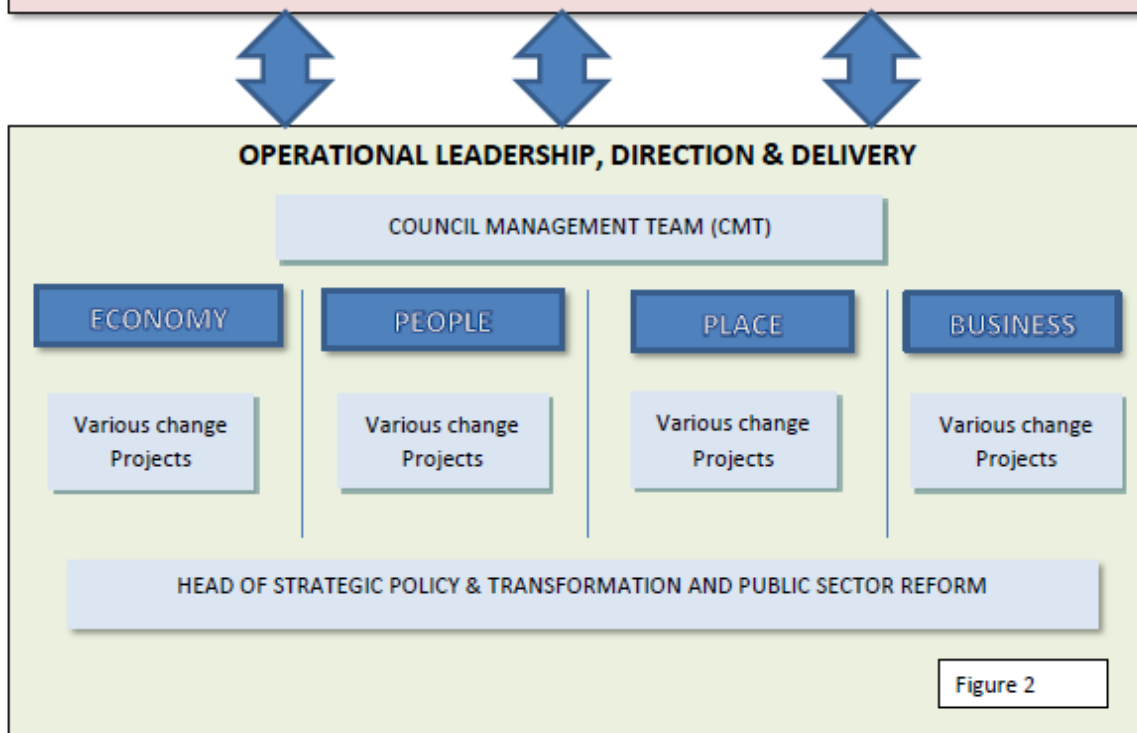
4. PROPOSAL

4.1 The key objectives of the governance arrangements should:

- Ensure the delivery of change programme objectives and benefits.
- Ensure strategic alignment with the Council Plan and also the Angus Community Planning Partnership (ACPP) including the four Locality Plans and the Local Outcomes Improvement Plan (LOIP)
- Support improvement to the pace and scale of delivery of change
- Recognise that the majority of the change programme is cross-cutting and requires a 'One-council' approach
- Ensure the change programme also dovetails with core 'business-as-usual' activity
- Make use of established groups where possible (e.g. EMT Scrutiny Board and CMT) and the most efficient and effective use of finite resources
- Include key roles and responsibilities for the Executive Management Team and Council Management Team in relation to leading and assuring the delivery of change
- Acknowledge and connect the Council's change programme with change being delivered through its partner organisations (e.g. AHSCP, ANGUSalive, etc.)
- Adopt a relevant, proportionate and consistent approach appropriate to the change being considered, reflecting good practice/ audit requirements

- Provide relevant reporting, including the presentation of detail on a 'by exception' basis (e.g. when project falls out-with acceptable tolerances or significant issues emerge)
- Provide a mechanism to approve new projects, including the prioritisation of competing projects and the consideration of major changes being proposed to existing projects
- Maximise the opportunities for all staff to utilise their training relating to project management, DELTA Lean and leadership development

4.2 The proposed organisational arrangements aimed at supporting those objectives are outlined as follows:



4.3 The **strategic leadership, direction and scrutiny** (Figure 1) of the change programme will be provided as follows:

- The ACPP provides the overarching back-drop for partners to lead public sector service delivery in Angus – this briefing paper deals with the governance of change within the context of Angus Council's input
- The Policy and Resources Committee will be the principle committee providing strategic and policy decisions for the change programme, unless it is considered appropriate that a particular project should be considered at a specific service committee
- The PBSG will provide the strategic and policy related direction to EMT as part of their regular meeting structure
- The EMT Scrutiny Board will provide the strategic and implementation leadership including considering/ approving project proposals where they are operational in nature; or agree to seek consideration/ approval from the P&R Committee (or other appropriate service committee) where project proposals have strategic or policy related implications
- To assist with flexibility and assist with maintaining pace, the regular EMT meetings may also consider specific change programme items where this is necessary to support progress
- The EMT Scrutiny Board will also provide support and hold the Business Change Leads to account for progress/ delivery of approved initiatives on time, including the realisation of benefits and quality of outputs/ outcomes from their respective projects
- The independent Boards of ANGUSalive and the Angus Health & Social Care Partnership will govern their own respective change initiatives where this is required to meet the respective financial settlements agreed with Angus Council as part of its budget setting process

4.4 The **operational leadership, direction and delivery** (Figure 2) of the change programme will be provided as follows:

- Projects will be aligned with one of four key themes (i.e. Economy, People, Place or Business) reflecting other cross-cutting working arrangements aligned with the ACPP
- CMT will be the 'Sponsoring Group' accountable for delivering the Council's change programme and the Business Change Leads for each change project (agreed by CMT) will be derived from this group, unless there are exceptional/ practical reasons to deviate from this approach
- The method used for delivery of the relevant change will be at the discretion of the Business Change Lead to utilise the most appropriate tools available, including Service Review guidance, Programme and Project Management guidance and DELTA Lean review guidance, or a combination of all the above
- The Head of Strategic Policy, Transformation and Public Sector Reform and associated team will provide the necessary specialist support, advice and programme-wide managements arrangements to provide assurance for the delivery of the change programme

4.5 **Reporting progress in relation to the change programme** will be provided as follows:

- Quarterly change programme update reports to provide an overview of progress to the P&R Committee and S&A Committee for consideration and scrutiny
- Scrutiny of progress, will be undertaken by the EMT Scrutiny Board arranged on a monthly cycle. The Head of Strategic Policy & Transformation and Public Sector Reform will be responsible for preparing the papers which will include the following standing agenda items:
 - Progress report, covering all approved change projects (with Red/Amber/Green status)
 - Exception reports, covering all areas with Red status, in the form of a 3 minute (max) brief – Business Change Lead to present
 - General 'programme-wide' update report, covering key programme wide matters (e.g. benefits management, risk management, etc.)

It should be noted that all members of the CMT will be copied with the EMT Scrutiny Board papers to ensure they are kept fully apprised of progress across the entire change programme.

4.6 The **consideration of new projects or significant changes to existing projects** will be undertaken by the CMT at its regular meetings. A standing change programme item will be included on the CMT meeting agenda. The Head of Strategic Policy & Transformation and Public Sector Reform will be responsible for preparing the required papers/ information for this agenda item. Any new project proposals will be presented on the summary proposal pro-forma and include the key information required. New projects (or significant changes) which are supported by CMT will then be referred to EMT Scrutiny Board for final approval to progress (and further referral to Council if strategy or policy related).

4.7 In order to **manage by exception**, there is a requirement to establish appropriate tolerances. While it is good practice for each individual project to develop its own specific tolerances as part of the approvals process, in the event there is no specific detail available, default tolerances in relation to cost (savings), time and quality will be developed and agreed to ensure that reporting is consistent.

5. SUMMARY

This briefing paper sets out in principle the proposed governance arrangements to support the delivery of the next phase of the Council's change programme.

Once the principles of this proposal are agreed, further development work will be undertaken to update Terms of Reference for each group, confirm membership and roles/ responsibilities, delegated authority, etc.

Vivien Smith
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22 August 2017