

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 24 APRIL 2018

CHANGE PROGRAMME UPDATE

REPORT BY HEAD OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC SECTOR REFORM

ABSTRACT

This report provides a progress update in relation to the Council's Change Programme.

1. RECOMMENDATION

1.1 It is recommended that the Scrutiny and Audit Committee:

- (i) scrutinises the update in relation to the various aspects of the Council's Change Programme, including the financial update in relation to the Change Fund.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

2.1 This report contributes to the local outcomes contained within the Angus Local Outcomes Improvement Plan, Locality Plans and Council Plan.

3. BACKGROUND

3.1 Reference is made to Reports 412/17 and 94/18, considered by the Policy and Resources Committee at its respective meetings on 28 November 2017 and 13 March 2018, which provided the last two quarterly updates in relation to the Council's Change Programme.

3.2 Reference is also made to the Change Programme Report (Report 59/18 refers), considered by Angus Council at its budget setting meeting on 15 February 2018, which provided detail in relation to the Change Programme for budget setting purposes.

4. PROGRESS OVERVIEW

4.1 As stated in Report 59/18, significant progress has been made in developing the Change Programme, with the estimated savings value over the next three financial years now totalling £27.66m. The full scope of the Change Programme is included in Appendix 1.

4.2 All the projects started-up during 2017, to deliver change/ savings in Financial Year 2018/19, are now well developed and contribute to achieving the balanced budget for 2018/19. For example:

- (i) Economy: Business Support programme: the Clerical & Admin review is progressing well, the first phase of the Process Redesign Process Automation (PRPA) processes are being addressed, the One Contact Centre system has been identified/ procured, and the Revenues & Benefits Function Re-Design is moving into the implementation phase. A Rapid Improvement Event (RIE) was held for managers on 12 December 2017 to help shape the development of the future operating model.
- (ii) People: Workforce Change – Managers review: the new structure has been agreed, the staff identified for ER/VR is complete, matching staff to same/ similar posts has been completed, and the recruitment & selection process for new posts is making good progress towards completion by end March 2018.

Through the development of this project and refinement of related projects, the revised estimate of reduction in staff numbers has reduced to around 600 (from 800). An exercise to fully determine the extent of vacant posts (with revenue budget) has also been concluded to ensure that budget planning and service expenditure is managed as effectively as possible.

The Organisational Design review has also recently commenced and a Rapid Improvement Event (RIE) is being organised for the Council Management Team to agree the desired outcomes and key parameters for the review.

- (iii) Place: Agile Working/ Estates review: the back office element of the project at Angus House and Bruce House was completed during December and the locality hub designs are now in development.
- (iv) Business: Recharging for Buildings, Administration (Facilities Management) review: a Rapid Improvement Event (RIE) was held at the end of October to clarify the strategic direction for this project and implementation of new arrangements will be from 1 April 2018.

4.3 In addition, excellent progress is being made with our digital transformation programme, which has supported online payments for garden waste uplift and school transactions. Significant efforts are also being made to accelerate this programme in all service areas.

4.4 The priorities from the ideas that were generated by staff at the opportunity workshops in January 2017, have now been added into the Change Programme. These include, for example:

- (i) Economy: Social Enterprise Development, and Commercialisation: Increase Income Streams.
- (ii) People: Workforce Change - Terms & Conditions review, and Travel Policy for Staff, including use of Electric vehicles.
- (iii) Place: Library Estate/ Service: review of current delivery arrangements, and Increase Recycling.
- (iv) Business: Improve our Data management to inform Service Design, and Zero Based Budgeting.

4.5 Progress has also been made with linking outcomes into the Change Programme. Examples of potential future change initiatives, with their associated investment and growth requirements (where known), have been added to the overall list of projects. These include, for example:

- (i) Economy: Digital Infrastructure in Angus (e.g. including Broadband roll-out), specific City Deal initiatives, and Supporting and Empowering Communities (e.g. Community Asset Transfer, Pride in Place).
- (ii) People: Developing our Young Workforce, Digital Skills Development, and Workforce Development.
- (iii) Place: Develop a Strategic Partnership Vision for Arbroath (as a Locality Area example) for Commercial, Cultural and Community Regeneration, Grow a 'Green' Community, and Develop Community Capacity and an Angus Deal with Communities.

4.6 The addition of these future investment ambitions to the Change Programme demonstrates our strategic intent (also linked to public sector reform), to progress transformation, improvement and performance in Angus, while delivering against the policy priorities as set out in the Local Outcomes Improvement Plan, four Locality Plans and Council Plan.

5. BENEFITS MANAGEMENT

5.1 The full summary of Change Programme benefits is detailed in Appendix 1. The movement in comparison to the previous quarterly update reported to the Policy and Resources Committee at its meeting on 28 November, 2017 (Report 412/17 refers), is summarised as follows:

	2018/19	2019/20	2020/21	3 Year Total
Report 412/17	£9,082,000	£3,625,000	£3,119,000	£15,826,000
Current Position*	£10,297,000	£9,781,326	£7,581,574	£27,659,900
Variance	+£1,215,000	+£6,156,326	+£4,462,574	+£11,833,900

*This is the position that was presented in Report 59/18 for setting the 2018/19 general revenue budget

5.2 The key reasons for the variances since Report 412/17 include:

- Inclusion of target savings for a number of projects that were previously 'To Be Confirmed';
- Addition of a number of new projects with target savings;
- Updated savings for AHSCP, including projections for 2019/20 and 2020/21;
- Updated savings for Angus Alive, including projections for 2019/20 and 2020/21;

- Increased and accelerated savings for Workforce Change – Managers Review and Organisational Design;
- Increased savings overall for Workforce Change – Teachers review;
- Increased savings for School Office Review (including online school payments); and
- Increased and accelerated savings in relation to Peer Reviews of Budgets.

5.3 It should be noted that, for general revenue budget calculation purposes, the Change Programme saving of £10,297,000 for 2018/19 was reduced to £6,747,000. This was in order to account for savings already reflected in the net expenditure summary.

5.4 A separate section has been created under the Business section in Appendix 1 to identify the various 'one-off' income generation receipts that have been identified. This currently totals £1.25m for Financial Year 2018/19 and was also accounted for as part of the 2018/19 budget setting process.

6. CHANGE FUND UPDATE

6.1 The updated position with the Change Fund budget is as follows:

Change Fund Summary	£m
General Fund Reserves	1.393
2014/15 Budget Allocation	0.921
2015/16 Budget Allocation	0.939
2016/17 Budget Allocation	0.954
2017/18 Budget Allocation	0.000
2018/19 Budget Allocation	0.200
Less Expenditure:	Total Change Fund
2014/15 (Actual)	0.426
2015/16 (Actual)	0.693
2016/17 (Actual)	0.851
2017/18 (Projected)	0.757
2018/19 (Projected)	0.327
Recent Commitments (to be profiled into 2018/19 and future years)	0.676
Change Fund Balance	0.677

6.2 The change fund balance reported to the Policy and Resources Committee in Report 412/17 identified a surplus in the fund of £0.605m. This has increased to £0.677m and the key reasons for the variance are as follows:

- HR bid of £67,858 agreed by CMT on 14 November;
- Bid of £60,000 to support provision of new Contact Centre agreed by EMT Scrutiny Board on 27 November 2017; and
- New budget provision of £200,000 agreed as part of the 2018/19 budget setting process to support future investment in change.

7. NEXT STEPS

7.1 The next steps planned to build upon the positive momentum and growing confidence around the Change Programme includes:

- Increase the pace of projects currently in progress;
- Develop the scope of new projects that have been identified and implement the start-up process;
- Continue to increase the scale of change, along with the certainty to secure/ deliver financial sustainability;
- Confirm savings for 2018/19 against current year core budget provision by the end of March 2018;
- Progress collaboration in the ten identified areas with Tayside partners seeking further opportunities for efficiencies derived through greater economies of scale;
- Identify more areas of investment and growth, which are fundamental to achieving improved outcomes, including shifting resources to align with priority activity where appropriate; and
- Start to review and improve performance management arrangements to ensure the Change Programme, including outcomes, delivers the ambitions contained within the Local Outcomes Improvement Plan, Locality Plans and Council Plan.

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

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List of Appendices:

Appendix 1: Change Programme Summary

CHANGE PROGRAMME SUMMMARY

Improving our Efficiency through Change																	
Jan	2017	Dec	Jan	2018	Dec	Jan	2019	Dec	Jan	2020	Dec	Jan	2021	Dec	Jan	2022	Dec
CHANGE INITIATIVES						2018/19	2019/20	2020/21	CAPITAL INVESTMENT	REVENUE INVESTMENT	BUSINESS CHANGE LEAD	PROJECT STATUS					
Economy: we want Angus to be a 'go to' area for businesses an inclusive and sustainable economy a skilled and adaptable workforce attractive employment opportunities 																	
Digital Transformation																	
Digital Programme										450,000	Caroline Cooper						
Tayside Collaborative											Mark Armstrong						
Digital Infrastructure in Angus (e.g. including Broadband roll-out)											Alison Smith						
City Deal: Tayside Collaborative																	
Montrose Link Project											Alan McKeown						
Port to Rail Transfer																	
Innovative Engineering and Manufacturing Hub																	
Hospitalfield Arts Development																	
Expand Shared Apprenticeship Scheme																	
Protecting our Citizens from Financial Harm (e.g. Scams, Flooding, Road Safety)											Ian Cochrane						
Tackling Fuel Poverty through Housing Improvement/ New Build											Stewart Ball						
Supporting and Empowering Communities (e.g. Community Asset Transfer, Pride In Place)											Stewart Ball						
Corporate Services: Tayside Collaborative							25,000	25,000			Ian Lorimer						
Procurement and Commissioning: Tayside Collaborative							350,000	650,000			Ian Lorimer						
Developing Tayside Contracts: Tayside Collaborative																	
Roads Maintenance						36,000					Ian Cochrane						
FM Services						160,000					Ian Cochrane						
Policy Related Service Changes							150,000	50,000			Ian Cochrane						
Business Support Programme																	
Clerical & Admin Review						300,000					Alan McKeown	2018/19					
Purchase to Pay						300,000					Alan McKeown						
Process Redesign, Process Automation (PRPA)						250,000	150,000	150,000			Alan McKeown						
Contact Centre						300,000	700,000			60,000	Alan McKeown						
Corporate Risk, Insurance, Health, Safety & Resilience						50,000					Alan McKeown						
Revenues & Benefits Function Redesign						201,000					Alan McKeown	2018/19					
Review of Print & Copy Services						29,000	20,000	9,000			Alan McKeown	COMPLETE					
EDRMS Implementation										200,000	Alan McKeown						
Commercial Excellence, Phase 1																	
ICT Hardware Review (excluding Schools)						30,000	20,000			20,000	Caroline Cooper	2018/19					
One Council Approach to Applications							130,000	130,000			Ian Lorimer						
Utilities Billing Audit						20,000					Ian Lorimer						
Procurement Review						140,000					Ian Lorimer						
Finance Review						150,000	50,000				Steven Mill	2018/19					
Transforming Resources Review (Welfare Rights)						146,000					Graham Ritchie	COMPLETE					
SVQ Assessment Centre						45,000		45,000			Colin Nicol						
Introduction of Pre- Application Charges in Planning							10,000				Stewart Ball						
Review of Toilet Provision at Arbroath Harbour/Review of Visitor							10,000			15,000	Alison Smith						
Review of Mobile Provision, Phone/Alarm Lines Arrangements						25,000	10,000				Vivien Smith	2018/19					
Income Generation from Property							25,000	25,000			Ian Cochrane						
Income - Council Tax from New Builds						250,000	250,000	250,000			Kate Cowey						
Commercialisation: Increase Income Streams							25,000	25,000			Lisa Dallas						
Social Enterprise Development							25,000	25,000			Alison Smith						
People: we want to maximise inclusion and reduce inequalities the best start in life for children more opportunities for people to achieve success improved physical, mental and emotional health and well being 																	
Developing our Young Workforce											Pauline Stephen						
Financial Education											Pauline Stephen						
Digital Skills Development											Graham Hewitson						
Workforce Development											Amanda Spark						
Investing in Schools/ Early Years to Improve Attainment and Achievement											Ian Cochrane						
Preventative Service Design																	
Vulnerable Families											Kathryn Lyndsay						
Agile and Digital Implementation Project (People)										450,000	Les Hutchinson						
AHSCP - Improvement and Change Programme																	
Agile Working						11,250	231,326	210,574			Vicky Irons	2018/19					
Help to Live at Home											Vicky Irons						
Care Homes Review						3,288,750	2,850,000	2,774,000			Vicky Irons						
Review of Learning Disabilities Services											Vicky Irons						

Improving our Efficiency through Change

CHANGE INITIATIVES	2018/19	2019/20	2020/21	CAPITAL INVESTMENT	REVENUE INVESTMENT	BUSINESS CHANGE LEAD	PROJECT STATUS
People: the best start in life for children improved physical, mental and emotional health and well being we want to maximise inclusion and reduce inequalities more opportunities for people to achieve success							
ANGUSLive - Improvement and Change Programme							
Agile Working	63,249					Kirsty Hunter	
Review of Charges						Kirsty Hunter	
Organisational Review	236,751					Kirsty Hunter	
Review of Opening Hours						Kirsty Hunter	
Other Initiatives		300,000	300,000			Kirsty Hunter	
Children's Services: Tayside Collaborative		100,000	100,000			Mark Armstrong	
Change Instrumental Music Service	80,000	60,000				Pauline Stephen	COMPLETE
Reduction of Strategic Director Post	111,000					MargoWilliamson	COMPLETE
Workforce Change							
Managers	1,000,000	400,000				Sharon Faulkner	COMPLETE
Organisational Design	600,000	1,500,000	500,000			Mark Armstrong	
Teachers	760,000	548,000	363,000			Mark Armstrong	2018/19
Income - Employees Purchasing Leave	58,000					Sharon Faulkner	COMPLETE
Workforce Pay, Grading and T&C Review		200,000	200,000			Sharon Faulkner	
Review of Overtime/Additional Hours - AC only	30,000	50,000				Sharon Faulkner	
Travel Policy for Staff, including use of Electric Vehicles		25,000	25,000			Sharon Faulkner	
School Office Review (including Online School Payments)	319,000					Pauline Stephen	COMPLETE
Peer Review of Budgets Efficiencies	200,000					MargoWilliamson	
Re-assessment of General Fund Re-charge for Housing Options Services	100,000					Stewart Ball	COMPLETE
Place: safe, secure, vibrant and sustainable communities an enhanced, protected and enjoyed natural and built environment we want our communities to be strong, resilient and led by citizens a reduced carbon footprint							
Develop a Strategic Partnership Vision for Arbroath as a Priority Area for Commercial, Cultural and Community Regeneration							
Combined Schools, Community and College Campus						Ian Lorimer/ Kathryn Lyndsay	
New Road Layout to Stimulate/Facilitate Investment						Ian Lorimer/ Kathryn Lyndsay	
Cultural/Artistic hub						Ian Lorimer/ Kathryn Lyndsay	
Grow a Green Community							
Support/ Initiate the 'Greening' of a Street, Village or Burgh						Stewart Ball	
Progress Participatory Budgetting (PB) Initiative				460,000	120,000	Vivien Smith	
Develop Community Capacity and an Angus Deal with Communities						Kate Cowey	
Review Establishment of Arms Length Housing Organisation						Stewart Ball	
Roads: Tayside Collaborative						Ian Cochrane	
One Public Estate: Tayside Collaborative		10,000	10,000			Ian Cochrane	
Public Transportation: Tayside Collaborative		10,000	10,000			Ian Cochrane	
Public Transport	40,000					Ian Cochrane	COMPLETE
Waste Shift Patterns Review		160,000				Stewart Ball	
Reduced Service Level of Winter Maintenance - Footpaths	50,000					Ian Cochrane	COMPLETE
School Investment Strategy			150,000	14,600,000		Les Hutchison	
Agile/ Estates Review							
Reduction in Property Costs						Ian Cochrane	
Improved Staff Efficiency/ Ways of Working	607,000	342,000	910,000	5,220,000		Ian Cochrane	2018/19
Reduced Travel Costs						Ian Cochrane	
Income - Public Parking Review	300,000	400,000				Ian Cochrane	COMPLETE
Increase Re-Cycling		10,000	10,000	1,454,000		Stewart Ball	
Library Estate/ Service - Review Current Delivery Arrangements		10,000	10,000	4,200,000		Ian Cochrane	
Museums/ Collections - Review Current Delivery Arrangements		10,000	10,000			Ian Cochrane	
Tackling Climate Change							
Solar Farm at Restenneth		50,000	50,000		20,000	Stewart Ball	
New Energy Initiatives		25,000	25,000			Ian Cochrane	
Decarbonising our Environment (e.g. LED lighting, Active Schools)		10,000	10,000			Ian Cochrane	
Business: council plan 2017 - 2022 budget strategy change programme digital strategy workforce plan we want Angus Council to be efficient and effective							
Review our Property Estate to Gain Maximum Value at Minimum						Ian Cochrane	
Intranet Development						Caroline Cooper	
Upgrade Payroll/HR System						Sharon Faulkner	
Improve our Data Management to Inform Service Design						Vivien Smith	
Recharging - Buildings, Administration (Facilities Management)	10,000	20,000	20,000			Ian Cochrane	
Zero Based Budgeting (including ability to provide unit costs)		500,000	500,000			Ian Lorimer	
Charging for Non Core Services		10,000	10,000			Steven Mill	
Total General Revenue Fund Savings	10,297,000	9,781,326	7,581,574				
		27,659,900					
ONE-OFF INCOME GENERATION CHANGE INITIATIVES							
	2018/19	2019/20	2020/21	CAPITAL INVESTMENT	REVENUE INVESTMENT	BUSINESS CHANGE LEAD	PROJECT STATUS
Disposal of Land - Capital Receipts	100,000	TBC	TBC	N/A	N/A	Stewart Ball	
Taylor Wimpey Income	900,000			N/A	N/A	Alan McKeown	COMPLETE
Other Asset Income	250,000	TBC	TBC	N/A	N/A	Alan McKeown	
Total One Off Income Generation	1,250,000	0	0				
		1,250,000					
Colour Key:							
	Outcomes and Priority Development Work						
	In Progress						
2018/19	2018/19 Saving Confirmed						
COMPLETE	Saving Fully Confirmed						