

ANGUS COUNCIL**POLICY AND RESOURCES COMMITTEE – 9 OCTOBER 2018****CHANGE PROGRAMME UPDATE****REPORT BY HEAD OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC SECTOR REFORM****ABSTRACT**

This report presents a new version of the Council's Change Programme.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) notes the progress with the Change Programme; and
- (ii) approves the new version of the Change programme, as set out in Appendix 1.

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

- 2.1 This report contributes to the outcomes described in the Local Outcomes Improvement Plan, Locality Plans and Council Plan, which focus on the economy, people and place.

3. BACKGROUND

- 3.1 Reference is made to Report 254/18, considered by the Policy and Resources Committee at its meeting on 28 August 2018, which provided the previous update in relation to the Council's Change Programme.

4. PROGRESS OVERVIEW

- 4.1 Since the previous report, significant effort has continued to ensure all savings proposals for 2018/19 are complete and risks identified and managed. The Change Board has been actively involved in scrutiny, challenge and providing support to achieve this.
- 4.2 The majority of projects have now been completed for 2018/19. This has also been assisted by confirming ER/VR savings related to the Business Support review, identifying vacant posts within budgets that are no longer required, reviewing the 'other services' budget, and bringing forward savings from the Managers' review. The current position is that the full £10,297,000 of savings which supported the 2018/19 balanced budget setting position will be achieved with the exception of some £665,000 of savings which mostly relate to projects which will deliver savings in 2019/20 instead of 2018/19 as originally planned. Report 312/18 Revenue Monitoring 2018/19, Renewal & Repair Fund Position 2018/19 and Final Revenue Budget Volume which is also on the agenda for this Committee explains how this shortfall in 2018/19 will be funded on a one-off basis. Members should also bear in mind that some £3.3m of the targeted Change Programme savings for 2018/19 are for the Angus Health & Social Care Partnership to achieve. Current indications are that these are on track.
- 4.3 The projects with savings delayed from 2018/19 into 2019/20 are the Purchase to Pay (P2P); One Contact Centre; and Procurement Review projects. These have been considered further as part of a full review of the Change Programme by the Council Leadership Team. This review also updated the target position for 2019/20 and 2020/21, and introduced financial year 2021/22 into the master plan. Learning derived from the first full year of the Change Programme was also considered.
- 4.4 As a result of this work, the Change Programme has been refreshed (Appendix 1 refers). Some of the key points to highlight in terms of the transition from the old to the new version of the Change Programme are as follows:

- Information relating to financial year 2018/19 has been removed and financial year 2021/22 introduced, reflecting the new 3 year planning period in line with our medium term budget strategy.
- The P2P project has been re-profiled to reflect a more representative position, with updated target savings of £135,000 in 2019/20 and £75,000 in 2020/21.
- The One Contact Centre project has been integrated into the new Business Support Programme. This programme will grow to include a number of projects aimed at providing greater emphasis on improving our customer experience while streamlining our end-to-end business processes. A parallel process developing our Customer Services Strategy will complement this work.
- Our savings targets have been thoroughly examined and revised in relation to the potential Tayside Collaborative opportunities. The savings reflect the size of opportunity that actually exist for Angus Council, given that resources in Angus are already proportionately smaller than in neighbouring councils, and the risk associated with pace in collaborative delivery.
- A £2m saving target for 2019/20 and £1m for 2020/21 is identified to reflect the energy, effort and pace being injected into our data intelligence around our zero based budgeting and organisational design. Arrangements are now underway to consider the purpose of services against the council priorities and their performance compared to other council's to identify areas for improvement and redesign. This process will also help to ensure that the budgets and workforce are the best fit for the future and a five year vision will be devised to ensure that change is delivered in each of the 23 Service Leader service areas.
- There is an increased revenue saving identified through a number of invest-to-save energy initiatives which have been supported by capital investment planning.

5. BENEFITS MANAGEMENT

5.1 To close out the 2018/19 Change Programme (old version), the movement in target savings in comparison to the previous quarterly update reported to the Policy and Resources Committee at its meeting on 28 August 2018 (Report 254/18 refers), is summarised as follows:

	2018/19	2019/20	2020/21	3 Year Total
Report 254/18	£10,397,442	£9,670,884	£7,551,574	£27,619,900
Final Position (old version)	£10,404,816	£9,556,037	£7,615,788	£27,576,641
Variance	+£7,374	-£114,847	+£64,214	-£43,259

5.2 The key reasons for the variances since Report 254/18 include:

- Managers' review - re-alignment of savings from £1,100,442 (2018/19) and £299,558 (2019/20) to £1,097,816 (2018/19), £194,711 (2019/20) and £64,214 (2020/21); and
- Review of toilet provision at Arbroath Harbour - £10,000 savings delivered in 2018/19, brought forward from 2019/20.

5.3 It should be noted that the above table represents the target savings position. While this shows a notional increase of savings (£10,404,816 for 2018/19) the target for 2018/19 remains as £10,297,000 in line with the original budget setting position. The +£107,816 has been utilised to offset slippage on other projects where delivery against target has been less than anticipated. The out-turn position reflecting actual project delivery in 2018/19 (as noted in sections 4.2 and 4.3 above) is that £665,000 of savings will require to be addressed through one-off measures due to project slippage. The actual value of savings delivered in 2018/19 therefore amounts to £9,632,000 (i.e. £10,297,000 less £665,000). This is a significant achievement in our first year of the Change Programme and an assured position to support future plans.

5.4 Looking forward, and based on the new version of the Change Programme included in Appendix 1 (now reflecting the new 3 year planning period, without 2018/19), the movement from the final position (old version) to the new version is summarised as follows:

	2019/20	2020/21	2021/22	3 Year Total
Old Version (from above)	£9,556,037	£7,615,788	Nil	£17,171,825

New Version	£9,627,711	£7,991,214	£4,574,000	£22,192,925
Variance	+£71,674	+£375,426	+£4,574,000	+£5,021,100

- 5.5 The new version of the main summary sheet continues to include the projected £250,000 income generation relating to Council Tax increase for new build housing, but now as a final adjustment since this will be accounted for in the tax base when the budget is set each year.
- 5.6 While the new version of the Change Programme is currently targeting savings in the region of £22.2m over the next 3 year planning period, it should be noted that the scale of the budget challenge over the same period is estimated to be in the region of £36.5m (baseline position: £15.4m in 2019/20; £11.9m in 2020/21; and £9.2m in 2021/22). That results in a gap of £14.3m (£5.8m in 2019/20). The Council may decide to increase Council Tax at budget setting time to partially address this. Assuming the Council Tax increase mirrors recent years, there is likely to remain a gap of £9.8m (£4.3m in 2019/20) to be bridged.
- 5.7 Target savings relating to the Angus Health & Social Care Partnership (AHSCP) and Angus Alive assume a continuation of the flat cash position over the 3-year term. The AHSCP target also includes an adjustment of minus 1% to provide some further flexibility related to potential funding announcements. These target savings assumptions have still to be agreed with AHSCP and Angus Alive officers, and will therefore be the subject of further detailed discussions.
- 5.8 The Change Programme will continue to be developed further to address the funding gap that remains to be bridged. However, the stark reality of the £9.8m gap reinforces the message that transformational change will be required to the scope and scale of services currently being delivered by the Council. New service delivery models, which include stopping, reducing, working in collaboration, supporting partners to deliver, along with maximising digital opportunities, will also need to be employed. These changes must be aligned with our Council Plan and focus on the medium to longer term sustainable future of Angus Council and our partnership working. The Change Programme will still require us to implement difficult and unpopular options but, as has been the case for many years, we will work to improve the efficiency of Council services and protect front line services as far as possible.
- 5.9 While the financial aspects are paramount, work is also being undertaken by the Change Team to fully capture all the benefits being realised from projects, including non-financial benefits. For example, improved work/ life balance for staff who are now adopters of Agile working; consistent and fit-for-purpose job outlines emerging from the Managers' Review; and the ability for parents to pay for school meals through online card payment, are just a few items of the many non-financial benefits that are improving and transforming our approaches to service delivery.

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		0.023
2018/19 Budget Allocation		0.200
Less Expenditure:	Total	4.430
Change Fund		
2014/15 (Actual)		0.426
2015/16 (Actual)		0.693
2016/17 (Actual)		0.851
2017/18 (Actual)		0.783
2018/19 (Projected commitments)		0.800
2019/20 and future year commitments		0.317
New commitments (still to be profiled)		0.217
Change Fund Balance		0.343

- 6.2 The change fund balance reported to the Policy and Resources Committee in Report 254/18 identified a surplus in the fund of £0.560m. This has reduced to £0.343m and the key reasons for the variance are as follows:

- Bid to support finance resource for 2 years amounting to £195k agreed by Change Board at its meeting on 30 July 2018; and
- Bid to support digital media tools for 2 years amounting to £22k agreed by Change Board at its meeting on 30 July 2018.

7. NEXT STEPS

- 7.1 The Change Programme will continue to feature as the key mechanism to deliver transformational change to Council services.
- 7.2 Lessons have been learnt during year one of the Change Programme and this report provides a critical update as the Council finalises its 2018/19 position.
- 7.3 The next steps in relation to the Change Programme include:
- A relentless focus on working with and for the people of Angus.
 - The maintenance of innovation, creativity and energy around what we can yet become as a Council.
 - Harnessing the enormous potential of digital, to re-design and transform our services to meet the modern-day expectations of our customers.
 - The delivery of investment and growth, all aimed at achieving sustainable and improved outcomes linked to the priorities in our Local Outcomes Improvement Plan and Council Plan.
 - Developing our programme of self-evaluation across all council service areas, identifying actions for improvement and change as part of a continuous cycle.
 - Working with our existing partners to learn from their successes and support them in seeking new opportunities to transform their operating models.
 - Elimination of 'waste' through our investment in LEAN processing activity.
 - Leadership and management of risk and supporting effective scrutiny.
 - The delivery of our new projects identified to deliver a balanced budget in 2019/20 and future years.
 - Community participation and engagement, linked to our strategic planning.
 - Supporting partnership resilience and change, leading to new models of delivery across all directly and indirectly delivered service areas.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications in relation to this report, which have not been explained in the body of the report.

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.

REPORT AUTHOR: Gordon Cargill, Service Leader (Governance & Change)

EMAIL DETAILS: CargillGP@angus.gov.uk

List of Appendices:

Appendix 1: Change Programme Summary (new version)

CHANGE PROGRAMME SUMMMARY (NEW VERSION)

Improving our Efficiency through Change					
CHANGE INITIATIVES	2019/20	2020/21	2021/22	Capital Investment	Revenue Investment
ECONOMY					
Digital Transformation					
Digital Programme					150,000
Digital Connectivity					
Interreg Liké					
Tayside Collaborative					
Digital Infrastructure in Angus (including Broadband roll-out)					
Tay City Deal: Tayside Collaborative					
Protecting our Citizens from Financial Harm (e.g. Scams, Flooding, Road Safety)					
Tackling Fuel Poverty through Housing Improvement/ New Build					
Supporting and Empowering Communities (e.g. Community Asset Transfer, Pride In Place)					
Information Governance (Implementation)					200,000
Corporate Services: Tayside Collaborative		50,000	100,000		
Procurement and Commissioning: Tayside Collaborative	175,000	500,000	650,000		
Business Support Programme - Phase 2	450,000	150,000			517,000
Purchase to Pay	135,000	75,000			
Commercial Excellence - Phase 1					
ICT Hardware Review (excluding Schools)	20,000				20,000
One Council Approach to Applications	50,000	50,000			
Finance Review	50,000				
SVQ Assessment Centre		45,000			
Introduction of Pre- Application Charges in Planning	10,000				
Review of Mobile, Phone, Alarm, Internet Provision & Commercialisation	10,000				
Review of Print & Copy Services	20,000	9,000			
Increase Income Streams	25,000	25,000			
Charging for Non Core Services	10,000	10,000			
Income Generation from Property	25,000	25,000			
PEOPLE					
Workforce Development					
Preventative Service Design - Vulnerable Families					
Agile and Digital Implementation Project (People)					450,000
Strategic Commissioning -					
AHSCP - Improvement and Change Programme	3,459,674	3,054,426	3,244,000		
AHSCP - Agile	231,326	210,574			
ANGUSalive	300,000	300,000	230,000		
Developing Tayside Contracts - Central Production Unit	50,000	150,000			100,000
Tayside Contracts - School Cleaning	89,000				
Social Enterprise Development	25,000	25,000			
Children's Services: Tayside Collaborative		100,000			
Change Instrumental Music Service	60,000				
Workforce Change					
Managers	194,711	64,214			
Teachers	548,000	363,000			
Workforce Pay, Grading and T&C Review	200,000	200,000			
Review of Overtime/Additional Hours - AC only	50,000				
Travel Policy for Staff, including use of Electric Vehicles	25,000	25,000			
Children, Families and Criminal Justice Service Review					
Review of Adaptations Delivery Models	10,000				
PLACE					
Arbroath 2020 -					
Combined Schools, Community and College Campus					
New Road Layout to Stimulate/Facilitate Investment					
Cultural/Artistic hub					
Grow a Green Community					
Support/ Initiate the 'Greening' of a Street, Village or Burgh					
Progress Participatory Budgeting (PB) Initiative				460,000	120,000
Develop Community Capacity and an Angus Deal with Communities					
Review Establishment of Arms Length Housing Organisation					
One Public Estate: Tayside Collaborative	10,000	10,000			
Waste Shift Patterns Review	160,000				
Angus Schools for the Future (ASftF)		150,000		14,600,000	

CHANGE INITIATIVES	2019/20	2020/21	2021/22	Capital Investment	Revenue Investment
PLACE					
Agile/Estate Review	342,000	910,000	90,000	5,220,000	
Income - Public Parking Review	400,000			275,000	
Increase Re-Cycling	10,000	10,000		1,454,000	
Library Estate/ Service - Review Current Delivery Arrangements		10,000	10,000	4,200,000	
Museums/ Collections - Review Current Delivery Arrangements	10,000	10,000			
Tackling Climate Change					
Solar Farm at Restenneth	30,000	50,000			20,000
New Energy Initiatives	23,000	45,000		581,000	
Decarbonising our Environment (e.g. LED lighting, Active	110,000	95,000		643,000	
Real Time Information (RTI) - Bus Service	15,000			34,000	
Business					
Review our Property Estate to Gain Maximum Value at Minimum Cost					
Office 365 and Intranet Development					
Improve our Data Management to Inform Service Design					
CASH 2 - Further phase of removal of Payment Facilities					
Recharging - Buildings, Administration (Facilities Management)	20,000	20,000			
Non-Domestic Rates - Review/Maximisation of Reliefs	25,000				
ODZBB - Organisational Design/Zero Based Budgeting	2,000,000	1,000,000			
Total General Revenue Fund Savings	9,377,711	7,741,214	4,324,000		
Income - Council Tax from New Builds	250,000	250,000	250,000		
	9,627,711	7,991,214	4,574,000		
		22,192,925			
One-off Income Generation Change Initiatives	2019/20	2020/21	2021/22		
Disposal of Land -Capital Receipts	50,000	50,000	0		
Other Asset Income	0	0	0		
Total One Off Income Generation	50,000	50,000	0		