

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 30 APRIL 2019

INFORMATION REPORT: CHANGE PROGRAMME UPDATE

ABSTRACT

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

1. BACKGROUND

- 1.1 Reference is made to Report 23/19, considered by the Policy and Resources Committee at its meeting on 29 January. That report provided the previous quarterly update in relation to the Council's Change Programme (based on Change Programme Summary Version 1 – 17/12/18).
- 1.2 Report 56/19, considered by the Council at its meeting on 21 February 2019, provided detail in relation to the Council's Change Programme for budget setting purposes (based on Change Programme Summary Version 6 – 21/2/19).

2. PROGRESS OVERVIEW

- 2.1 There has been good progress with the various projects in the Change Programme required to achieve the £10.22m savings used in setting the 2019/20 balanced budget position.
- 2.2 The latest summary of the Change Programme (Version 11 – 23/4/19) is included in Appendix 1. The various cells now highlighted in blue represent the number of projects that are fully complete.
- 2.3 The majority of the incomplete projects will be finalised shortly once full budget code information is available. The main projects with savings that are still in progress include:
 - Procurement & Commissioning: Tayside Collaborative (2019/20 target £175k): Scotland Excel have been appointed to lead the management and detailed implementation of this project. The initial work by Scotland Excel is to identify immediate opportunities to achieve the required savings.
 - Business Support Programme (2019/20 target £340k): This programme is well underway and being progressed through 5 key work-streams. The workforce change aspects are aligned with the implementation of new digital technology and improved process efficiency. A large proportion of the savings required for 2019/20 are identified.
 - Organisational Design/Zero Based Budgeting (OD/ZBB) (2019/20 target £2.4m): The OD/ZBB programme is continuing to deliver on efficiencies, while also identifying new options for future transformation. Only £135k out of the overall £2.4m target remains to be identified for 2019/20, with around 5 of the 23 service areas still to undertake the process.
- 2.4 The Waste Shift Patterns review project, with savings of £160k in 2019/20, is currently the subject of industrial action. There remains a risk around the delivery of this saving.
- 2.5 Work has also commenced to address the anticipated funding gap for 2020/21. While c£8.6m savings have already been identified in the Change Programme, it is anticipated that the funding gap is still likely to be in the region of £6m, albeit many variables will influence that estimate.

3. BENEFITS MANAGEMENT

- 3.1 The movement in comparison to the previous update report (Report 23/19 refers) is as follows:

	2019/20	2020/21	2021/22	3 Year Total
Report 23/19	£9,316,711	£7,551,214	£4,462,000	£21,329,925

Current Position	£10,209,711	£8,590,214	£6,001,000	£24,800,925
Variance	+£893,000	+£1,039,000	+£1,539,000	+£3,471,000

3.2 The key reasons for the variances since Report 23/19 include:

- Purchase to Pay: re-align the proposed savings against this project by moving £75k savings from 2019/20 to 2020/21 (amended figures to be £60k in 2019/20 and £150k in 2020/21);
- 3rd Sector and Enterprise Development: move potential £25k 2019/20 savings from this initiative into 2020/21;
- Workforce Pay, Grading and Terms & Conditions: Re-align project savings now to be £30k in 2019/20 and £170k in 2020/21;
- Corporate Management Structure Review: Add estimated savings of £31k to programme;
- Assessment Centre: £45k brought forward from 2020/21 to 2019/20;
- Business Support Programme (phase 2): Re-align project savings from £450k (2019/20) and £150k (2020/21) to £340k (2019/20) and £260k (2020/21);
- Introduction of pre-application planning fee charges: savings increased from £10k to £30k (2019/20);
- AHSCP: savings increased from £3,691,000 to £4,368,000 (2019/20), reflecting the ongoing drive for efficiencies, while also noting AHSCP benefit from additional funding of £2.952m as part of the overall 2019/20 budget settlement;
- Agile/ Estates Review: savings re-profiled from £342k (2019/20), £910k (2020/21) and £90k (2021/22) to £555k (2019/20), 426k (2020/21) and £329k (2021/22);
- Workforce Change – Teachers: savings updated from £548k (2019/20) and £363k (2020/21) to £477 (2019/20), £614k (2020/21) and £300k (2021/22);
- Real Time Information – Bus Service: The technology solution is yielding total estimated savings of £30k profiled over the next 2 years, resulting in 2019/20 savings reducing from £15k to £3k, and 2020/21 savings of £27k;
- Income - Public parking Review: target savings of £400k (2019/20) reduced to £200k;
- Review of CCTV arrangements: increase savings by £20k in 2019/20 (updated from £50k to £70k);
- Organisational Design/ Zero Based (OD/ZBB) budgeting project: savings re-profiled from £2m (2019/20) and £1m (2020/21), to £2.4m (2019/20) and £0.6m (2020/21);
- Organisational Design/ Zero Based (OD/ZBB) budgeting project – Phase 2: introduce phase 2 with savings of £0.5m (2020/21) and £1m (2021/22);
- Loans Fund Repayments review: introduce new project with savings of £1m (2020/21);
- Recycling Centre Redesign: Per Reports 264/18 and 43/19, introduce recycling savings amounting to £160k (2019/20); and
- One Public Estate: move potential £10k 2019/20 savings from this initiative into 2020/21, (resulting in £20k in 2020/21).

3.3 The projected 2019/20 savings are currently £10k lower than the amount identified in the budget setting report (Report 56/19 refers). Minor movements in a programme of this size are always likely and this position will be addressed during the current financial year.

4. CHANGE FUND UPDATE

4.1 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
2019/20 Budget Allocation		0.500
Less Expenditure:	Total	4.930
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)		0.559

Change Fund Summary	£m
Change Fund Balance	0.501

* The corporate monitoring report identifies an underspend of £114k against this figure for 2018/19. That underspend has been accounted for in the overall Change Fund Balance.

4.2 The change fund balance reported to the Policy and Resources Committee at its meeting on 29 January identified a surplus in the fund of £0.225m. This has been updated to £0.501m, reflecting the new 2019/20 allocation of £0.500m, which was agreed during the budget setting process. It also includes a review of actual spend to date, and new bids recently approved as follows:

- There is a £37k underspend on bids that were previously approved (i.e. £262k available before four new bids detailed below were considered);
- Continuation of HR Support for the Change Programme and associated work on service reviews and ODZBB Work, amounting to £74k;
- Funding to allow digital and business transformation to continue at the pace, amounting to £91k;
- Investment in Counter Fraud activity to support meeting core functions and in doing so potentially raising revenues and preventing losses in excess of the employee costs being invested, amounting to £70k; and
- Request funding to purchase Touchtone 24hr automated payment system and paye.net call secure to support for the continuing development of the One Contact centre project, amounting to £26k.

5. SUMMARY

5.1 The Change Programme will continue to be progressed to deliver the change and transformation required to ensure the Council is sustainable and delivering Best Value to the citizens and communities of Angus.

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List of Appendices:

Appendix 1: Change Programme Summary

CHANGE PROGRAMME SUMMMARY

Improving our Efficiency through Change (Version 11 - 23/4/19)					
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 - Phase 2	340,000	260,000			517,000
Purchase to Pay	60,000	150,000			
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	30,000				
Review of Mobile, Phone, Alarm, Internet Provision &	10,000				
Commercialisation					
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					
Extension To Glen Isla Project (CFJ)					640,000
Develop a Holistic Customer Services Strategy					
Agile and Digital Implementation Project (People)					450,000
Strategic Commissioning -					
AHSCP - Improvement and Change Programme	4,136,674	3,054,426	3,244,000		
AHSCP - Agile	231,326	210,574			
ANGUSalve	300,000	300,000	230,000		
Developing Tayside Contracts - Central Production Unit	0	0	138,000		100,000
Tayside Contracts - School Cleaning	58,000				
Third Sector and Enterprise Development	0	50,000			
Children's Services: Tayside Collaborative		100,000			
Change Instrumental Music Service	60,000				
Workforce Change					
Managers	194,711	64,214			
Teachers	477,000	614,000	300,000		
Workforce Pay, Grading and T&C Review	30,000	170,000			
Review of Overtime/Additional Hours - AC only	50,000				
Travel Policy for Staff, including use of Electric Vehicles	25,000	25,000			
Corporate Management Structure Review	31,000				
Children, Families and Criminal Justice Service Review					
Review of Adaptations Delivery Models	10,000				
PLACE					
Arbroath 2020 - Cultural/Artistic hub					
Grow a Green Community - Support 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					

CHANGE INITIATIVES	2019/20	2020/21	2021/22	Capital Investment	Revenue Investment
PLACE					
One Public Estate: Tayside Collaborative	0	20,000			
Waste Shift Patterns Review	160,000				
Angus Schools for the Future (ASftF)		150,000		14,600,000	
Agile/Estate Review	555,000	426,000	329,000	5,220,000	
Income - Public Parking Review	200,000			275,000	
Increase Re-Cycling	10,000	10,000			
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	0	10,000			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	3,000	27,000		34,000	
Review of CCTV Arrangements	70,000				
Recycling Centre Redesign (per Reports 264/18 and 43/19)	160,000			1,454,000	
Business					
Review our Property Estate to Gain Maximum Value at Minimum Cost					
Office 365 and Intranet Development					
Provision of Employee Services(Develop Resourcelink)					
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				
Loans Fund Repayment Review		1,000,000			
ODZBB - Organisational Design/Zero Based Budgeting	2,400,000	600,000			
ODZBB - Phase 2		500,000	1,000,000		
Total General Revenue Fund Savings	10,209,711	8,590,214	6,001,000		
	24,800,925				