

CHANGE FUND – TERMS OF REFERENCE

1. Background

The previous update to the terms of reference for using the Change Fund were approved by the Policy and Resources Committee at its meeting on 28 August 2018 (Report 254/18 refers).

The latest update set out below, has been made to strengthen the arrangements related to the permitted use of such funds.

2. Purpose of the Fund

The purpose of the Change Fund is to provide a resource to fund the Change Programme, including any one-off investment or match fund bids covering technology, infrastructure, specialist consultancy or to support a Change Programme project. This may also include the provision of staff resources where there is an identified need on a one-off basis to support the Change Programme, and where alternative options to support staff resourcing are not possible.

3. Governance Arrangements

The arrangements in place to oversee the administration of the Change Fund are as follows:

- The Director of Finance will have delegated authority for the determination of any funding allocation from the council's Change Fund.
- The Change Board will be consulted as part of assessing proposals for funding and determining any funding allocation in excess of £10k.
- The Service Leader (Governance & Change) will be responsible for monitoring and reporting progress and benefits realisation on approved projects/ reviews, as well as monitoring the financial position.
- Update reports on the progress of the Change Programme, along with financial information relating to the Change Fund will be submitted to the Policy & Resources and Scrutiny & Audit Committees at periodic intervals during the course of the financial year.

4. Criteria for Accessing the Fund

- Access will be limited to those projects/ reviews on the Change Programme or which demonstrate transformation, and which will deliver significant financial savings and/ or minimise future cost pressures relative to the investment made from the Change Fund.
- Funding will be awarded on a one-off basis (no recurring costs will be funded) but the spend profile may extend beyond a single financial year as it is recognised there may be a lead in time for projects/ reviews.
- Preference will be given to those proposals that provide the greatest assurance over deliverability..
- For projects/ reviews predominantly focused on cost reduction, a payback period of 3 years will apply (to proposals not involving severance) and the target level of savings to be delivered will be clearly set out in a robust business case ahead of funds being awarded to a project.
- Where projects/ initiatives have a preventative and/ or outcomes focus that may not give a financial return for a number of years, or the financial return may not even be to the Council (i.e. it may be more beneficial to partner organisations), proposals put forward must express a clear and robust evidence-based case for how the benefits to be realised from the investment in the prevention and/ or outcomes will be achieved, along with any social/ economic impact (where data is available).

5. Sustaining the Fund

The Change Fund was originally created from General Fund balances and has been topped up as part of the annual budget setting process.

It is recognised that the Change Programme will be ongoing for a number of years thus there is a need to have resources in place to provide support. Accordingly, it is proposed that:

- any unspent Change Fund revenue resources from within the Other Services budget will automatically be subject to a 100% carry forward to ensure these resources are available to fund projects in the following financial year.
- the ongoing funding requirement for the Change Programme is considered annually as part of each years' budget setting process.