

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 4 MAY 2021

SCRUTINY AND AUDIT COMMITTEE – 1 JUNE 2021

CHANGE PROGRAMME UPDATE

REPORT BY DIRECTOR OF FINANCE

ABSTRACT

This report provides a progress update in relation to the Council's Change Programme, relating to the 3-year planning period (2021/22 to 2023/24).

1. RECOMMENDATIONS

- 1.1 It is recommended that the Policy and Resources Committee:
- (i) consider the progress update in relation to the Council's current Change Programme (2021/22 to 2023/24), along with the summary included in Appendix 1; and
 - (ii) agree the update to the Change Programme governance arrangements, included in Appendix 2.
- 1.2 It is recommended that the Scrutiny and Audit Committee:
- (i) scrutinise the progress update in relation to the Council's current Change Programme (2021/22 to 2023/24), along with the summary included in Appendix 1; and
 - (ii) review and scrutinise the update to the Change Programme governance arrangements, included in Appendix 2.

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

- 2.1 This report contributes to the local outcomes contained within the Community Plan, Locality Plans and Council Plan, which focus on Economy, People, Place and Our Council.

3. BACKGROUND

- 3.1 Reference is made to Report 314/20, considered by the Policy and Resources Committee at its meeting on 8 December 2020 and the Scrutiny and Audit Committee at its meeting on 26 January 2021. That report provided the previous quarterly update in relation to the Council's Change Programme (based on Change Programme Summary Version 27.1). That report also identified the 'locked-down' financial position with savings achieved for financial year 2020/21. The outstanding matters in that report relating to ANGUSalive and Angus Health & Social Care Partnership savings have now been concluded in line with the targets.
- 3.2 Report 61/21 (incorporating the [Finance & Change Plan 2021 - 2024, Appendix 2](#)), considered by the Council at its special meeting on 4 March 2021, provided detail in relation to the Council's Change Programme for budget setting purposes (based on Change Programme Summary Version 5-21).
- 3.3 It is highlighted that a significant review of the Change Programme was undertaken during the period November 2020 to February 2021 as part of the preparation process for the Council's budget setting meeting on 4 March 2021. The various changes and updates were considered by the Change Board at its meetings held on 24 November 2020, 22 December 2020, 26 January 2021 and 23 February 2021. The latest Change Board meeting was held on 23 March 2021.
- 3.4 During the budget preparation process, regular update reports in relation to the Change Programme were also considered by the Policy & Budget Strategy Group (PBSG), along with the Shadow Budget

Group (SBG). A full audit trail of changes to the Change Programme is therefore available through that review period and included in the associated meeting papers.

3.5 This report is now focussed on reporting from the new baseline position set out in the Finance & Change Plan 2021 – 2024, which was agreed by the Council at its budget setting meeting on 4 March 2021.

4. PROGRESS OVERVIEW

Savings Programmes/ Projects

4.1 There has been good progress with the various projects in the Change Programme required to achieve the £5.161m savings used in setting the 2021/22 balanced budget position.

4.2 The latest summary of the Change Programme (Version 6-21) is included in Appendix 1. The various cells now highlighted in blue represent the number of projects that are complete. These are as follows:

Fully Complete

EC-LCTN-001	Electric Vehicle Charging Regime
PE-SC-004	Tayside Contracts – Development of Tayside Meal Centre
PL-CRCC-003	Decarbonising our Environment (LED Lighting)
BU-BS2-005	One system Approach (BS staffing element)
BU-MBA-002	Services to Communities – Budget Rationalisation (assets)
BU-MBA-005	Fee Charging to Common Good Fund for Asset Management Services
Budget only	SPTPSR – Directorate Costs
Budget only	S2C/ANGUSalive Property and Other Costs

2021/22 Savings Element

BU-BE-020	Mail Administration – Year 1
BU-COM-004	Income from Property
BU-WC-006	Reduce Central Learning and Development Budget

4.3 A number of programmes/ projects continue to be work in progress and the main areas to highlight are as follows:

- Procurement & Commissioning (savings target of £150,000 in 2021/22): The Procurement and Commissioning Tayside (PACT) project, led by Scotland Excel, reached a key decision point with its work earlier this year. A full range of opportunities to save money and increase benefits from the procurement that we undertake across Tayside has been identified. This has initiated a further piece of work to resolve challenges around jointly specifying the goods and services we use and establishing how best to define what we buy in the future to enable a greater range of collaborative working opportunities across partners in Tayside. No changes to staff structures or existing governance mechanisms are proposed and therefore individual Councils will continue as per the current approach to resourcing, albeit maximising collaborative opportunities across Tayside when they arise. This next phase of development work is in progress and will be subject to agreement in due course. Based on this latest information, it is considered there is an increased risk around delivering the full level of £150,000 savings identified in Angus for 2021/22 and also the full level of savings identified in future years.
- Agile/ Estates Review (savings target of £147,500 in 2021/22): The Agile/ Estates Review programme stalled during the first wave of the COVID-19 pandemic. However, the pandemic has subsequently created and accelerated potential opportunities for new ways of working on a permanent basis. The Agile Implementation team are currently going through an extensive staff engagement exercise to consider the options and how the change and benefits could be delivered by adopting new workstyles. Savings from the programme are mainly revenue savings related to a reduction in the Council's property portfolio. The make-up of the £147,500 saving during 2021/22 is being actively monitored, however, there is a degree of risk around achieving this due to the time to conclude the staff engagements and establish most suitable way forward, along with some uncertainty in relation to property related matters as a consequence of the pandemic.
- Service Reviews (savings target of £226,000 in 2021/22): A number of Service Reviews have been identified in the Change Programme, however, at this stage the detail of how the savings are to be achieved is still to be defined. This is now being addressed to identify the service areas that will contribute to achieving the £226,000 saving in 2021/22.
- Angus Health & Social Care Partnership (AHSCP) (savings target of £3,696,000 in 2021/22): the savings to be achieved by AHSCP in 2021/22 are based on comparing the predicted budget

pressures for the financial year, in comparison to the 'flat-cash' settlement agreed with the Council. Accordingly, AHSCP are required to deliver the necessary change/ interventions in their operations which will deliver their services within that budget settlement. With the ongoing uncertainty of responding to the COVID-19 pandemic and the associated longer term impacts, and as per the previous financial year, there is likely to remain a medium risk to the Council (who are part liable along with NHS Tayside for any overspend) throughout the financial year and accordingly the position is being closely monitored in conjunction with the IJB's Chief Financial Officer.

- Tayside Contracts (savings target of £350,000 in 2021/22): officers have been liaising with the new Managing Director of Tayside Contracts to develop and progress this programme of change. Delivering change is understood to be a high priority and aligned with the business plans being discussed as part of Tayside Contracts governance arrangements. Rapid Improvement Events are being proposed (similar to that used with ANGUSalive), as a mechanism to progress key project opportunities over the coming months. However, there does remain a medium risk around achieving the full value of this saving in 2021/22.

4.4 While each programme/ project is regularly assessed in terms of its own risk of delivery, a summary overview is also now undertaken as part of the Change Programme update reports, to highlight to members the main areas of risk in terms of overall Change Programme delivery of savings against plan. The latest position for 2021/22, identifying the key components and the current risk evaluation, is detailed in the table below:

Broad Areas of Savings/ Risks	2021/22 Current Position	% of 2021/22 Total	Risk Evaluation
Council Completed Projects	£417,500	8%	No risk
Council Projects in progress	£697,500	13%	Low to Medium
AHSCP	£3,696,000	72%	Medium
Tayside Contracts	£350,000	7%	Medium
Updated 2021/22 Total	£5,161,000	100%	

Investment and Enabling Programmes/ Projects

4.5 In addition to the savings programmes/ projects, there are also a significant number of investment and enabling programmes/ projects included in the Change Programme. These initiatives tend to be reported outwith these Change Programme update reports, however it is important to reference these reports to ensure that members are aware of the portfolio of change that is being delivered across the whole organisation. In the period since the previous update report, the following reports have been considered by Committee/ Council:

- PE-ASF-001 [Angus Schools for the Future – Programme Update](#)
- BU-WC-002 [Education & Lifelong Learning Staffing Budget Efficiencies](#)
- EC-TCD-001 [Tay Cities Deal Update](#)
- BU-DD-006 [Strategic Digital Update and COVID-19 Impact](#)
- PE-SF-001 [Glenclova Project Update](#)
- PE-SC-003 [ANGUSalive Transformation Project \(17 December 2020; 11 February 2021; 18 March 2021\)](#): while this project is mainly enabling in nature to transform ANGUSalive into an ongoing viable business post COVID-19, it also includes savings elements in 2022/23 and 2023/24

4.6 Benefits Realisation

Members will be aware that investing resources in delivering change is now embedded in our ongoing daily work and it is critical that we capture the benefits that are being realised and delivered through that work. As part of our ongoing work to improve the Change Programme, we have therefore now developed a benefits tracking tool which covers the entire Change Programme. The tracking tool covers benefits of a 'financial' and 'non-financial' nature and the approach is built into our project life-cycle process and the associated template documents. The current approach provides a good starting point and further examples of good practice being utilised in other public sector organisations are also being examined to support the development of our approach.

4.7 Governance Arrangements

The overarching governance arrangements for the Change Programme were recently reviewed, updated and approved by the Change Board at its meeting on 22 December 2020. The update reflects the changes made to the Council's organisational structure during 2018 (management re-structure) and 2019 (corporate leadership team changes).

The governance arrangements set out the requirements for the strategic leadership, direction and scrutiny function which is undertaken by the Change Board, along with the operational leadership and delivery function undertaken by the Directors in their role as Senior Accountable Officers (SAOs). The paper also sets out the various roles and responsibilities of the various members of the Change Board. The full details of the governance arrangements are included in Appendix 2 for members' consideration.

5. **BENEFITS MANAGEMENT: RECONCILIATION OF FINANCIAL MOVEMENT**

5.1 The up-to-date master Change Programme summary is included in Appendix 1 (Version 6-21). The movement in comparison to the Change Programme included as part of the [Finance & Change Plan 2021 - 2024](#) agreed by the Council at its meeting on 4 March is as follows:

	2021/22	2022/23	2023/24	3 Year Total
Finance & Change Plan (Version 5-21)	£5,161,000	£10,102,000	£8,637,000	£23,900,000
Current Position (Version 6-21)	£5,161,000	£10,052,000	£8,687,000	£23,900,000
Variance	NIL	-£50,000	+£50,000	NIL

5.2 The reason for the variances is as follows:

- BU-BE-004 Fleet Review - Developing a Case for Change: The savings have been reprofiled (no change to total amount) with the 2022/23 savings being reduced from £75k to £25k and £50k savings moving to 2023/24. This is mainly due to the transport team being heavily involved in COVID-19 school transport work. The Transport Manager will be a key member of the project team and requires to complete this work prior to commencement on the project. During 2021/22 the £20k earmarked from the Change Fund will be used to engage a consultant to commence the work to provide base data and options.

6. **DEVELOPING OUR CHANGE PROGRAMME**

6.1 Part 4 of our [Finance & Change Plan 2021 – 2024](#) set out 'Our approach to Change' over the next three year period. This referenced the challenges facing the Council; how our Change Programme dovetails with our Medium Term Budget Strategy; what we have achieved over the past 3 financial years (£28.18m savings); an assessment of our strengths and where we can improve; how our purpose through our Strategy on a Page work links through to our service delivery (including change projects), along with the initial strategy of how we intend to initiate further action and the associated timeline.

6.2 The development of the Change Programme going forward is also intrinsically linked to our 'Recovery & Renewal' strategy which is identifying new ideas and options for change, much of which can enable better service delivery for customers as well as achieve financial savings. A report on this is being developed with the intention of considering this at a Council meeting in the near future.

6.3 'Our Approach to Change' also referenced the links to the work that requires to be progressed in relation to strengthening our strategic planning for change via four main categories, as follows:

- Demand Management – more timely and targeted support
- Innovation/ Commercialisation
- Partnership/ Collaboration
- Service Contraction

6.4 The target saving through new transformation projects to be identified via these categories was identified in the Change Programme totalling £9m (£4.5m in 2022/23 and £4.5m in 2023/24). This will involve actively developing these categories of change into live projects, building appropriate business cases and using options appraisals as appropriate and proportionate to support the implementation of the associated cases for change.

- 6.5 While still in the early stages, a 'long list' of potential project areas is being prepared to start developing the detailed projects and options under these four categories. The Change Forum will be used as a mechanism to consult on this work over the coming months, and this will be supplemented with information emerging from the strategic Recovery & Renewal group, and from work that is being progressed by Directors in relation to their review of the Strategy on a Page (SOAP) and how that clarity of purpose may impact/ transform current models of service delivery.
- 6.6 Updates and relevant information for decision making purposes will be brought to Committee/ Council where required, as this work starts to evolve into firm proposals. Additional staff resources may be required to support and progress this work at the pace required, and the Change Fund is available as an option to support that purpose, subject to Change Board approval.

7. CHANGE FUND AND TAY CITIES DEAL FUND UPDATES

7.1 Change Fund

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

Change Fund Summary	£m
General Fund Reserves as at 1/4/2020	0.961
2020/21 Budget Allocation	0.200
2021/22 Budget Allocation	0.250
Total	
Commitment -	1.411
2020/21 (Committed Bids)	0.567
2021/22 (Projected Bids)	0.424
2022/23 (projected Bids)	<u>0.030</u>
	1.021
Change Fund Balance	£0.390m

7.1.2 The Change Fund balance in Report 314/20 identified a surplus in the fund of £0.135m. This has been updated to £0.390m, reflecting the new 2021/22 allocation of £0.250m, which was agreed during the budget setting process.

7.1.3 The Change Fund spend and commitments are closely monitored on a monthly basis by the Change Board. The above table reflects a review of actual spend to date, an update on previously approved bids, and bids approved by the Change Board since Report 314/20, as follows:

- Extension to Counter Fraud post (12 month extension) £31,000

7.2 Tay Cities Deal Fund

7.2.1 The updated position with the Tay Cities Deal Fund budget is as follows:

Tay Cities Deal Fund Summary	£m
Opening Balance from approved Carry Forward Request (Report 215/19 refers)	0.500
Uplift for allocation for 2021/22	0.250
Total	0.750

Tay Cities Deal Fund Summary	£m
2019/20 (Actual spend)	0.009
2020/21 (Committed Bids)	0.151
2021/22 (Projected bids)	0.211
2022/23 (Projected bids)	<u>0.054</u>
	0.425
Tay Cities Deal Fund Balance	£0.325m

7.2.2 The Tay Cities Deal Fund balance in Report 314/20 identified a surplus in the fund of £0.219m. This has been updated to £0.325m, reflecting the new 2021/22 allocation of £0.250m, which was agreed during the budget setting process.

7.2.3 The Tay Cities Deal Fund spend and commitments are closely monitored on a monthly basis by the Change Board. The above table reflects a review of actual spend to date, an update on previously approved bids, and bids approved by the Change Board since Report 314/20, as follows:

- Surveys for Rural ~Broadband Project (9/9/20) £4,400
- Temporary Drone Project – Property Services Commission (1/12/20) £2,000
- The Mart refurbishment – Property Services Commission £4,000
- External Legal Advisor for Angus Fund £19,900
- Temporary post of Skills & Employability Officer £113,000

8. FINANCIAL IMPLICATIONS

8.1 There are no financial implications arising directly from this report which have not been explained in the main body of the report.

9. EQUALITIES IMPACT/ FAIRER SCOTLAND DUTY ASSESSMENTS

9.1 There are currently no updates to the Equalities Impact and Fairer Scotland Duty assessments which were prepared in relation the programmes and projects included in the Change Programme.

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

Appendix 2: Update to Change programme Governance Arrangements