

## **Request for resources to support Enterprising Angus Programme (Commercialisation)**

**( See “E Resource Requirement” for actual spend requested)**

### **A. Background**

[Report 104/20 – Commercialisation Strategy – Enterprising Angus](#) set out the proposed strategy for the Council along with an associated action plan. The strategy and its implementation were noted as a key part of the Council's Change Programme and the future development of that programme.

Implementation has been affected by a number of factors, including the COVID pandemic and the emergency work which required to be undertaken to support our frontline services. Implementation has also been hampered by limited resources available to work on taking this programme of work forward and this was noted in the report. At present only one officer has a specific commercialisation role which forms part of their much wider duties and an additional investment in staff on a spend to save basis is required to help the Enterprising Angus programme progress.

A review of the Action Plan is underway and it will be subject to a report to be brought forward to CLT in the next few weeks along with a pipeline of projects and work which requires to be undertaken as a matter of urgency in order to meet Change Programme targets. Meeting will also be taking place with other key service areas including the Change Team, Finance, Organisational Development and Procurement to align the tasks in the action plan with work which may already taking place elsewhere.

Based on the outcomes noted in Report 104/20, priority actions would be developed based on following priorities:

#### **1. Making sure that we get the maximum value when we buy goods and services' we need**

- a. Effective Procurement Processes
- b. Effective Contract Management
- c. Effective Review of existing Contracts
- d. Effective Strategic Commissioning
- e. Centralisation of contracts, where appropriate

#### **2. Making sure we properly understand what it costs to provide services – gross and net**

- a. Review of statutory services provided – unit cost of delivery (list already being created by Legal Services)
- b. Review of non-statutory service provided – unit cost of delivery
- c. Review of services
- d. Consider alternative options for delivery
  - i. ALEO's
  - ii. Outsourcing
  - iii. Shared services
  - iv. Partnerships

v. Joint Ventures

vi. Working with Voluntary, Community and Social Enterprise Sectors

e. Provide managers with the training required to develop commercial insight

**3. Making sure we know what drives our costs and incomes and using this information to inform our decisions**

a. Utilising key data sets to our advantage

b. Know our customers – what are they prepared to pay for and what are they not?

c. Know the market we are working within

**4. Making sure we design services in a way which meet our citizens needs in an efficient way**

a. Review service delivery – cut out unnecessary bureaucracy

b. Automate and streamline processes

c. Drive digital where appropriate

**5. Taking the “right” opportunities to cost recovery and where appropriate generate income to support service provision**

a. Review of current charges – undertake benchmarking with other local authorities

b. Review Council wide charging policy

c. Introduce Behavioural Economics

d. Identify new income generating opportunities

i. Ability to enter into local markets by bringing in better goods and services into local economies which work in the public interest – use our reputational value

ii. Legislative requirement to show clear link between the well-being of the community and any commercial activity the council undertakes

iii. Areas where the market is weak or there is no provision

e. Selling our professional services, where possible

f. Make our assets work for us

Key areas such as a full review of fees and charges; the development of a cost recovery model for services; commencing a review of current procurement practices and development of a training programme for our managers will all be prioritised in Year 1. The pipeline for following years will build on the priority actions agreed in Year 1.

Should approval be given for the additional resource requested, project timeline and deliverables in Year 1 will be finalised by the end of October.

**B. Potential Savings - Examples**

Until work commences in earnest the level of savings and/or efficiencies which could be realised from the Programme is difficult to predict.

1. Recent price increase on the Multi-Functional Devices (MFD) contract led to a review of the level of printing across the council. We will seek to build on this by continuing to encourage digital instead of print methods of communication. This will allow the Council to renegotiate

for a greatly reduced MFD fleet at renewal. There will also be notional savings from the reduced level of paper required across the Council

2. Other smaller examples of better contract management include:
  - a. The centralisation of the Council's shredding contract which has resulted in a **saving of** approximately £88,000 over the last 3 years.
  - b. Centralisation of the postages budget and better management of the contract have seen postages costs reduce from £363,214 in 17/18 to £140,949 in 20/21, with further savings of £15k expected from the new processes put in place in April this year. The FM Support team are also about to engage with services to ascertain if incoming and outgoing paper mail can be reduced further.
  - c. There are further potential savings to be made in other back office related contracts which remain decentralised such as building security, sanitary provision, purchase of hygiene products, water machines, purchase of paper etc.
3. This paper does not touch on additional savings which could be achieved on larger service contracts which are in place which will require a much more in-depth review and discussion with services and the Procurement team.
4. A substantial review of our charges along with benchmarking other authorities could provide us with a baseline from which to develop our own charging policy to reflect actual cost of delivery, where appropriate. It would also allow us to develop a detailed database of all our charges on our website for our customers to access easily.
5. A more detailed review of the cost of services and service delivery could help to eliminate waste and identify efficiencies. This will allow us to spend our limited budget more effectively.
6. Areas for potential income growth and investment opportunities will be developed in future years. These include internally as well as under Tay Cities projects.

However, it is important to emphasise that the Enterprising Angus programme is not just about identifying savings, the aim is to help to create more viable and sustainable services for the people of Angus.

### **C. Impact of COVID**

The impact of the COVID pandemic has been felt across the public sector, and the burden on local authorities is likely to be even greater to deliver more with less. It is therefore important that we act now to develop the Enterprising Angus programme of work in order to deliver not only savings but better designed and cost-effective services. This will ensure that we continue to meet our key priorities as set out in the Council Plan 2019-2024.

### **D. Training**

It is imperative that our managers develop a commercial insight into the delivery of their services. Commercial insight is typically developed over time by combining information, such as facts, data, experiences and observations with our customer needs with a view to designing and delivering efficient and cost-effective services to meet strategic goals.

A development programme for managers will be key to changing behaviours and developing a more commercially orientated organisation moving forward. The Programme Lead will work closely with the Organisational Development team to develop a focused and effective training programme.

Commercial "insight" or "awareness", is now a highly sought after skill by many employers who recognise the value of this to their organisations.

## **E. Resourcing Requirement**

In order to develop and implement the programme of work, additional resources will be required on a temporary basis.

One of the key areas will be the development of a cost recovery model which can be applied to all services which the Council provide and the development of sound financial business cases and options appraisal for commercial opportunities.

Ideally, we would require an individual with specific skills whose primary duties would be to support in delivery of the priorities set out in 1-5 above so that the Council may achieve the most cost effective and efficient way of delivering a service. They would be required to work closely with other services to deliver this.

### **Costs**

1. We would be looking to recruitment an individual with relevant experience at LG10 level (£43,486 with on costs) per annum for a period of 2 years.
2. To assist with the administration of the programme e.g. arranging board meetings, training dates, requesting regular project updates, assist gathering and analysing data etc, we would be looking to recruit one LG6 project support officer for the same period (£26,699 with on costs) per annum.

The total cost of requested resources therefore is £70,185 per annum over 2 years = £140,370 in total.

## **F. Request**

The request is to consider the request for additional dedicated temporary resources to deliver the Enterprising Angus programme of work. The request is for these resources to be in place for a period of 24 months, but it is considered that this should be reviewed after a period of 12 months, to confirm that agreed tasks and/or savings have been delivered. If, after review, it is considered that the additional resource is not providing "value for money", then contract should be terminated.