

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 26 OCTOBER 2021

SCRUTINY AND AUDIT COMMITTEE – 30 NOVEMBER 2021

CHANGE PROGRAMME UPDATE

REPORT BY VIVIEN SMITH, DIRECTOR OF STRATEGIC POLICY, TRANSFORMATION & PUBLIC
SECTOR REFORM

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**.

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**.

2. ALIGNMENT TO THE COMMUNITY PLAN/COUNCIL 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 132/21, considered by the Policy and Resources Committee at its meeting on 4 May 2021 and the Scrutiny and Audit Committee at its meeting on 1 June 2021. That report provided the previous update in relation to the Council's Change Programme (based on Change Programme Summary Version 6-21).

3.2 Governance of the Change Programme has continued throughout the latest reporting period via the Change Board at its meetings held on 27 April 2021, 25 May 2021, 22 June 2021, 24 August 2021 and 28 September 2021.

3.3 It is also highlighted that the officer level strategic and corporate leadership of the Change Programme moved from the Director of Finance remit to the Director of Strategic Policy, Transformation & Public Sector Reform remit as part of the changes to Director portfolios which was approved by full Council at its meeting on 24 June 2021 ([Report 210/21](#) refers).

4. PROGRESS OVERVIEW

4.1 Savings Programmes/ Projects

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

4.2 During the reporting period, there has been some minor adjustments and re-profiling of savings resulting in an updated target position of £5.133m for 2021/22 (a reduction of £28k), while the 3-year period total has increased slightly to £23.937m (plus £37k).

- 4.3 The latest summary of the Change Programme (Version 11-21) 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
PE-ELC-001	Early Years – Capital Expansion
PE-ASF-001	Brechin Rural Schools
PE-ASF-004	Arbroath Schools
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
BU-BE-006	Review of Subscriptions/Memberships of Organisations
BU-BE-008	Contact Us
BU-BE-010.1	BT One Bill Administration Review
BU-PLC-003	Information Governance (Implementation)
BU-COM-003	Charging for Non-Core Services
Budget only	SPTPSR – Directorate Costs
Budget only	S2C/ANGUS Alive Property and Other Costs

2021/22 Savings Element

PE-SC-001/2	Angus Health & Social Care Partnership
BU-WC-004	Travel for Staff, including use of Electric Vehicles
BU-WC-006	Reduce Central Learning and Development Budget
BU-MBA-001	Agile/Estate Review
BU-COM-004	Income from Property
BU-COM-005	Increased Fee income
BU-BE-010	Business Efficiencies Projects
BU-BE-020	Mail Administration – Year 1

- 4.4 At this stage of the financial year, it is important for planning purposes that a ‘locked-down’ position is identified. The ‘locked-down’ position for 2021/22 at this stage means the value of completed projects amounts to £4,407,000 which equates to 86% of the updated target savings of £5,133,000.

- 4.5 Three projects totalling £726,000 remain to be finalised for 2021/22 savings. It is planned that ‘one-off’ funding will be used to address this shortfall. Work does however continue to progress on the various initiatives to improve that position over the next few months and updates on these respective projects are as follows:

- Procurement & Commissioning (savings target of £150,000 in 2021/22): Three areas identified for Test of Change are being developed as follows:

- Road Maintenance
 - Hard FM
 - Fleet Review

- Service Reviews (savings target of £226,000 in 2021/22): A number of Service Reviews are included in the current Change Programme. At this stage, the detail of how the £226,000 savings are to be achieved is still to be defined. This will start to be addressed by the Business Insight work which is due to commence mid-November.

- Tayside Contracts (savings target of £350,000 in 2021/22): Achieving the Tayside Contracts savings target of £350,000 in 2021/22 (£1.6m over 3 years) remains a high risk. Officers continue to liaise with Tayside Contracts to develop and progress this programme of change. Reports on this matter have been considered by the Tayside Contracts Joint Committee.

- 4.6 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
Completed Projects	£4,407,000	85.9%	No risk
Council Projects in progress	£376,000	7.3%	High
Tayside Contracts	£350,000	6.8%	High
Updated 2021/22 Total	£5,133,000	100%	

4.7 Provision to address the potential shortfall of £726k along with the £28k reduction in the 2021/22 savings target on a 'one-off' basis, has been made via the recent Budget Strategy Update considered by Council at its meeting on 9 September 2021 (deferred to Friday 24 September 2021) ([Report 285/21](#) para. 6.3 b) refers). This is part of the £1.0m earmarked funding for general financial and inflationary risks in the Council's revenue budget in the current financial year. It is highlighted that the final value used on a 'one-off' basis to bridge the gap in 2021/22, will increase the savings required in the base revenue budget by the same value in 2022/23.

4.8 Investment and Enabling Programmes/ Projects

Investment and enabling programme/ projects which have been reported separately and considered by Committee/ Council during the period since the previous update report, the following reports have been considered by Committee/ Council:

- PE-SC-003 [Angus Alive Update, Appendix 1 & Appendix 2](#) – Angus Council 24 June 2021
- PE-SC-003 [Angus Alive Update, Appendix 1 & Appendix 2](#) – Angus Council 24 September 2021
- PE-ASF-002 [Learning Estate investment Programme Update](#) – Monifieth High School – Children & Learning 30 March 2021
- PE-ELC-001 [Early Years Expansion Programme Update](#) – Children & Learning 18 May 2021
- PL-CRCC-005 [Flood Risk Management \(Scotland\) Act 2009 Update](#) – Communities 20 April 2021
- PE-SC-006 [Friday Night Project – Commissioning Arrangements](#) – Policy & Resources 8 June 2021

4.9 Governance Arrangements

Governance arrangements are reviewed on a regular basis to ensure they support the efficient and effective delivery of the Change Programme, with appropriate arrangements in place. As part of the next stage of transitioning the Change Programme, the governance arrangements will be updated to reflect the nature of the work that is evolving. The proposals will be shared with members as part of a future update report once these have been finalised.

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

5.1 The up-to-date master Change Programme summary is included in Appendix 1 (Version 11-21). The movement in comparison to the previous Change programme Update Report is summarised as follows:

	2021/22	2022/23	2023/24	3 Year Total
Previous Report 132/21 (Version 6-21)	£5,161,000	£10,052,000	£8,687,000	£23,900,000
Current Position (Version 11-21)	£5,133,000	£10,093,000	£8,711,000	£23,937,000
Variance	-£28,000	+£41,000	+£24,000	+£37,000

5.2 The reason for the variances is as follows:

BU-MBA-006 Housing Asset Management System

£40k has been added to 2022/23 as a starting point for project savings relating to this project.

PE-SC-006 Transforming Third Sector Services Through Partnerships

The £14k savings for 2021/22 was moved to 2023/24. This is due to delay in discussions being undertaken with third sector partners due to COVID.

BU-ODZ-003 ODZBB Line by Line Year 3 (Planning)

The £10k savings for 2021/22 was moved to 2023/24 as the service have not yet introduced any pre-planning fees.

BU-CP-004 One Public Estate

The £10k savings in both of 2021/22 and 2022/23 have been removed from the programme. Any matters on shared accommodation with other public bodies is being dealt with as part of the agile programme who continue to work with partners to identify options for shared spaces.

EC-LCTN-001 Electric Vehicles Charging Regime

£6k has been added to the existing 2021/22 savings (£5k moves to £11k) with £11k added for 2022/23 now that the financial impact on the new policy has been determined.

PL-CRCC-001 Solar Farm at Restenneth

The £10,000 savings in 2022/23 is no longer achievable, therefore project removed.

6. TRANSITIONING THE CHANGE PROGRAMME

6.1 The Change Programme is in the process of being refreshed and transitioned to ensure that a number of strands of work which have been evolving are fully co-ordinated and form part of a re-energised approach. Those strands include building our medium/ longer term plans in line with the Strategy on a Page and dovetailing with themes in relation to demand management, commercialisation, partnership/ collaboration and service contraction. The service contraction element has been built into our revenue budget planning approach with the target of achieving 5% savings over the forthcoming 3-year planning period, if required.

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 as at 30 September 2021	£m
General Fund Reserves as at 1/4/2021	0.622
2021/22 Budget Allocations	0.250
Total	0.872
Commitment -	
2021/22 (Projected Bids)	0.533
2022/23 (Projected Bids)	0.137
2023/24 (projected Bids)	<u>0.042</u>
	0.712
Change Fund Balance	0.160

7.1.2 The Change Fund balance in Report 132/21 identified a surplus in the fund of £0.390m.

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 132/21, as follows:

- Temporary Business Improvement Officer £96,000
- Consultant to support Internet of Things (IoT) Strategy £20,000
- Agile OD Work – early termination of temporary staff contract - £3,000
- Eclipse Financial Module and Finance System Improvement £118,000

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 as at 30 September 2021	£m
Opening Balance from approved Carry Forward Request (Report 215/19 refers)	0.500
2021/22 Budget Allocation	0.250
Total	0.750
2019/20 (Actual spend)	0.009
2020/21 (Actual Spend)	0.133
2021/22 (Projected bids)	0.217
2022/23 (Projected bids)	<u>0.065</u>
	0.424
Tay Cities Deal Fund Balance	0.326

7.2.2 The Tay Cities Deal Fund balance in Report 12/21 identified a surplus in the fund of £0.375m.

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 132/21, as follows:

- Temporary Business Support Assistant (0.6 FTE) £15,000
- Angus Rural Mobility Hub, Brechin – Demand Analysis £20,000
- Provision of IT Equipment for Communication Officer £ 3,500
- Consultancy Support for TCEP Full Business Case £10,000
- Re-alignment of bids/ 3 bids no longer progressing -£49,600

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