

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 30 AUGUST 2022

SCRUTINY AND AUDIT COMMITTEE – 27 OCTOBER 2022

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 (2022/23 to 2024/25).

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 (2022/23 to 2024/25), 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 (2022/23 to 2024/25), 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 326/21, considered by the Policy and Resources Committee at its meeting on 26 October 2021 and the Scrutiny and Audit Committee at its meeting on 30 November 2021. That report provided the previous full update in relation to the Council's Change Programme (based on Change Programme Summary Version 11-21). That report finalised the 'locked-down' savings position achieved for 2021/22.

3.2 A significant review of the Change Programme was undertaken during the period September 2021 to February 2022 as part of the preparation process for the Council's budget setting where the new baseline position was agreed for the forthcoming financial year.

3.3 This report is therefore now focussed on reporting from that agreed baseline position set out in the [Finance & Change Plan 2022 – 2025](#), which was agreed by the Council at its budget setting meeting on 3 March 2022 (Report 55/22 Appendix 2 refers). This included a savings target of £6,801,000 for 2022/23 within an overall savings target total of £20,110,000 over the 3-year period including 2023/24 and 2024/25.

4. PROGRESS OVERVIEW

4.1 Governance of the Change Programme has continued throughout the latest reporting period via nine Change Board meetings held between 26 October 2021 and 26 July 2022. The Change Board includes the Chief Executive, the Deputy Chief Executive, along with the Directors.

4.2 Work has continued to monitor and scrutinise progress with the Change Programme and individual projects with any issues being reported to the Change Board. Particular emphasis remains on delivering the 2022/23 savings to secure the maximum value of the £6,801,000 savings that have been targeted, and identify any remedial action required to mitigate risk of delivery where applicable.

4.3 Savings Programmes/ Projects

There has been good progress with delivery of the various projects in the Change Programme required to achieve the savings target used in setting the 2022/23 balanced budget position.

4.4 During the reporting period, there has been some adjustments and re-profiling of savings resulting in an updated target position of £6.912m for 2022/23 (a slight increase of £0.111m), while the 3-year period total has increased to £21.473m (plus £1.363m).

4.5 This improved position is mainly due to acceleration of some savings, and updating the service contraction target. Details of these variances are explained in section 5.2 below.

4.6 The latest summary of the Change Programme (Version 16-22) 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

BU-BE-028	Additional Staff Slippage (per Business Insights	£250,000
BU-BE-010	LEAN Reviews	£10,000
BU-BE-020	Review of Mail Administration Arrangements	£7,500
BU-WC-006	Reduce Central Learning & Development Budget	£20,000
EC-BEG-003	Increasing Income/Grant Funding opportunities	£50,000
EC-LCTN-001	Electric Vehicle Charging Regime	£11,000

2022/23 Savings Element

BU-WC-002	Teachers' Budget Efficiencies	£183,000
PE-SC-005	Tayside Contracts – Change & Improvement Programme	£200,000
PE-SC-003	ANGUSalve Transformation	£285,000
PE-SC-006	Transforming Third Sector	£29,000
PE-SC-001	AHSCP – Change Programme	£2,138,000

4.7 At this stage, the value of completed projects amounts to £3,183,500 which equates to 71.5% of the 2022/23 total (net of service contraction savings). Projects amounting to £1,266,500 are still in progress.

4.8 The total of completed projects in the programme of service contraction savings is now £2,044,000 which equates to 83% of the total service contraction savings identified to date. The outstanding service contraction savings amounting to £418,000 are still in progress with service teams.

4.9 The current savings and RAG status of each project are shown on the Change Programme Summary (**Appendix 1**). This shows separate RAG status of the project over the 3-year period.

4.10 While each programme/ project is regularly assessed in terms of its own risk of delivery, a summary overview is also undertaken to highlight the risk in terms of overall Change Programme delivery. The latest position for 2022/23, is detailed in the table below:

Broad Areas of Savings/ Risks	2022/23 Current Position	% of 2022/23 Overall Total	Risk Evaluation
Completed Projects	£5,227,500	75.6%	No Risk - completed
Projects in progress	£1,574,500	22.8%	Low
Projects in progress	£50,000	0.7%	Medium
Projects in progress	£60,000	0.9%	High
Updated 2021/22 Total	£6,912,000	100%	

4.11 Work will continue to secure the delivery of the full value of savings for 2022/23 to provide as much certainty as possible as we commence budget preparations for next financial year and beyond.

5. BENEFITS MANAGEMENT: RECONCILIATION OF FINANCIAL MOVEMENT

5.1 The up-to-date master Change Programme summary is included in Appendix 1 (Version 16-22). The movement in comparison to the baseline position as reported in the Finance & Change Plan at budget setting on 3 March 2022 is summarised as follows:

	2022/23	2023/24	2024/25	3 Year Total
Finance & Change plan position - 3 March 2022	£6,801,000	£6,053,000	£7,256,000	£20,110,000
Current Position (Version 16-22)	£6,912,000	£6,731,000	£7,830,000	£21,473,000
Variance	+£111,000	+£678,000	+£574,000	+£1,363,000

5.2 The reason for the variances is as follows:

BU-MBA-006 Housing Asset Management System

It has been confirmed that this project will no longer deliver any savings to the general fund revenue budget at this time, therefore £40k has been removed from 2022/23. A further phase of work will commence shortly with anticipated savings of £20k in 2024/25 which will be attributable to the general fund revenue budget, however this will be kept under review as the procurement phase progresses.

Service Contraction – Change Programme (May Change Board)

Various projects have been reprofiled to accelerate savings – £68,600 has been added to 2022/23, £21,600 has been removed from 2023/24 and £10,000 has been added to 2024/25.

Service Contraction – Change Programme (June Change Board)

A Vibrant Communities & Sustainable Growth project has been accelerated from 2024/25 to 2022/23 bringing £86,000 savings forward.

Service Contraction – Change Programme (July Change Board)

A Legal & Democratic Services project has been reduced by £3,600 in 2022/23.

A change has been made to the presentation of the overall service contraction savings to show the full target of £8.883m in programme and not the £7.5m target which was included at budget time. This has added £1.383m into the overall total but achievement of that higher level of savings is not guaranteed.

6. BUILDING THE NEXT PHASE OF THE CHANGE PROGRAMME

6.1 Building the next phase of the Change Programme is essential for the Council to address the significant financial challenges that lie ahead. We are progressing this through our Business Insights work.

6.2 The Business Insights work is focusing on developing and improving our quality of business intelligence across the Council to provide a level of detail and understanding that will support our ability to identify a menu of scenarios, options and opportunities to develop future 'cases for change'.

6.3 Business Insights data packs have been prepared by each Director with the main purpose to:-

- better understanding of where the money is currently spent by looking at budgets in a different way
- identify where existing budgets are influenceable and where they are not (i.e. fixed, variable and semi-variable budget elements)
- better understand the links between resource spend and performance
- provide a common set of information to enable scrutiny/ discussion/ challenge on each main area/ service of our budget
- identify options for savings in those parts of the budget which are influenceable

6.4 This information is being used to evidence our decision making, including the development of business cases and options appraisal to support our ability to make changes to the way we deliver our services. A series of peer review Challenge Panels have been taking place to co-ordinate this work.

- 6.5 It is planned that a range of options will be developed by Directors, considered by the Change Board, and thereafter reported and considered by the Policy & Budget Strategy Group (PBSG). Recommendations agreed by PBSG will then be added to a new version of the Change Programme to be considered by elected members at budget setting time in February/ March 2023.
- 6.6 It is highlighted that the options emerging are likely to have an impact on service delivery and the choices available for members will be challenging. This is an inevitable consequence of the year-on-year savings that have been achieved (£78.19m over past 10 years) resulting in more challenging options having to be examined in order to find a sustainable financial solution. It will therefore be important for members to be clear about priorities going forward to consider how respective savings options compare against these to inform decision-making.
- 6.7 Governance arrangements are reviewed on a regular basis to ensure they support the efficient and effective delivery of the Change Programme. 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.

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 21 July 2022	£m
General Fund Reserves as at 1/4/2022	0.570
2022/23 Budget Allocations	0.100
Total	0.670
Commitment -	
2022/23 (Projected Bids)	0.372
2023/24 (Projected Bids)	0.071
2024/25 (Projected Bids)	<u>0.000</u>
	0.443
Change Fund Balance	0.227

- 7.1.2 The Change Fund balance in Report 326/21 identified a surplus in the fund of £0.160m.
- 7.1.3 There was an uplift of £100k to the change Fund as part of the 2022/23 budget allocations.
- 7.1.4 The Change Fund actual 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 326/21, as follows:

	2021/22	2022/23	2023/24	Total
Commitment per November Change Board	547,000	176,000	42,000	765,000
Contact Centre Channel shift – realigned years	-90,000	90,000		
Fleet Services consultancy – realigned years	-20,000	20,000		
Team Leader – Applications (Eclipse) – realigned years	-29,000		29,000	
Legal Case Management System – realigned years	-40,000	40,000		
Digital Change Fund – balance carried for later use	-29,000	29,000		
Project Officer RSS – realignment of employment period	-2,000	2,000		
Business Improvement Officer – recruitment delay	-15,000	15,000		
Performance Analyst – left post early, not required	-20,000			-20,000
Revised Commitment at 5.1 above	302,000	372,000	71,000	745,000
Close off for 2021/22 year	-302,000			-302,000
Current Commitment – per 7.1.1 above		372,000	71,000	443,000

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 21 July 2022	£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)	0.178
2022/23 (Projected bids)	0.180
2023/24 (Projected bids)	<u>0.011</u>
	0.510
Tay Cities Deal Fund Balance	0.240

7.2.2 The Tay Cities Deal Fund balance in Report 326/21 identified a surplus in the fund of £0.326m.

7.2.3 The Tay Cities Deal Fund actual 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 and realignment of previously approved bids. Bids approved by the Change Board since Report 326/21 are as follows:

	£
• Continuation of Legal Support	95,396
• Project Officer, Montrose Strategic Blue Green Drainage Strategy	40,000
• Consultant to finalise the Economic Appraisal, to full business case	500
• Consultant to assist with business case for Drone Economic Appraisal	2,000
• Contribution to Communication Team – Film costs	4,000
• SAL Economic Consultancy	800
• Consultant for CASI Business Case	24,450

7.2.4 The total value of new bids amounting to £167,146 is incorporated into the spend profile set out in the above table.

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