

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 6 DECEMBER 2022

SCRUTINY AND AUDIT COMMITTEE – 31 JANUARY 2023

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 221/22, considered by the Policy and Resources Committee at its meeting on 30 August 2022 and the Scrutiny and Audit Committee at its meeting on 27 October 2022. That report provided the previous full update in relation to the Council's Change Programme (based on Change Programme Summary Version 16-22).

3.2 A significant review of the Change Programme has been undertaken during the period August 2022 to November 2022 as we work towards finalising the 'locked-down' savings position for 2022/23 and commence the preparation process for the Council's budget setting, where the new baseline position requires to be agreed for the forthcoming financial year.

3.3 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 budget baseline position as 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). 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 three Change Board meetings held on 23 August 2022, 27 September 2022 and 27 October 2022. The Change Board includes the Chief Executive, the Depute Chief Executive, along with the Directors.uy]]]

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. Emphasis remains on delivering the

2022/23 savings to secure the maximum value of the £6.801m savings that have been targeted, and identify any remedial action required to mitigate risk of delivery where applicable.

4.3 During the reporting period, there has been some adjustments and re-profiling of savings resulting in an updated target position of £6.678m for 2022/23 (a decrease of £0.233m), while the 3-year period total has decreased to £21.282m (a slight decrease of £0.190m).

4.4 This amended position is mainly due to a full assessment of each project being undertaken to measure the deliverability of the full savings target as we work towards finalising the 2022/23. Details of these variances are explained in section 5.2 below.

4.5 The latest summary of the Change Programme (Version 19-22) is included in **Appendix 1**. The various cells now highlighted in blue represent the number of projects that are complete.

4.6 At this stage of the financial year 5 projects with an overall value of £350,000 (5.1% of budget setting figure) remain to be completed as follows:

BU-CP-002 Procurement and Commissioning - £110,000

Of the 2022-23 savings, £60,000 (55%) has been secured to date and the team continue to work on other pockets of spend to identify further opportunities.

BU-SR-002 Place Planning – Arbroath Harbour - £60,000

£45,000 has been secured to date and further information is awaited on leasing arrangements regarding a potential increased income stream.

BU-DD-003 CASH 2 - £25,000

The extraction of base data around this project has now been completed and an options paper is currently being considered. It is planned to conclude the direction of the project in the coming weeks.

BU-BE-031 Review of Support Service Recharges to non-GF - £100,000

Work continues on this initiative and an update on the savings position is being brought to the November Change Board.

FM – 001/27 Service Contraction - FM Services - £55,000

It has been confirmed that the work on this remains in progress and will be concluded by the November Change Board.

4.7 The total number of projects completed for 2022/23 remains at 20 (11 fully and 9 for the 2022/23 savings element only). At this stage, the value of completed projects is £6,328,500 which equates to 93% of the 2022/23 target (£6.801m @ budget setting).

4.8 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 Current Total	Risk Evaluation
Completed Projects	£6,328,500	94.8%	No Risk - completed
Projects in progress	£240,000	3.6%	Low
Projects in progress	£110,000	1.6%	Medium
Updated 2022/23 Total	£6,678,500	100%	

4.9 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 continue budget preparations for next financial year and beyond.

4.10 The updated 2022/23 total is £115,000 less than the target savings of £6,801,000 which was agreed by Council as part of the 2022/23 budget setting process. Work will continue to address this gap and if this is not possible by the end of the financial year, it will require to be closed on a one-off basis using uncommitted General Fund reserves.

5. BENEFITS MANAGEMENT: RECONCILIATION OF FINANCIAL MOVEMENT

- 5.1 The up-to-date master Change Programme summary is included in Appendix 1 (Version 19-22). The movement in comparison to the baseline position as reported to Policy & Resources on 30 August 2022 is summarised as follows:

	2022/23	2023/24	2024/25	3 Year Total
P & R (30/8/22) (Version 16-22)	*£6,912,000	£6,731,000	£7,830,000	£21,473,000
Current Position (Version 19-22)	£6,678,500	£6,728,000	£7,876,000	£21,282,500
Variance	-£233,500	-£3,000	+£46,000	-£190,500

* The target for year at budget setting was £6.801m – position above following movement

- 5.2 The reason for the variances is as follows:

Service Contraction Savings

Minor re-alignment of savings on service contraction projects.

BU-BS2-002 Administrative Review

It has been confirmed that this project will no longer deliver any savings to the general fund revenue budget at this time, therefore £50k has been removed from 2024/25.

BU-ODZ-003 – Business Insights

The 2022/23 savings element of £75k to be re-aligned from 2022/23 to 2023/24.

BU-BE-001 – Purchase to Pay

Full extent of savings for this project not deliverable or within timescale. Savings target was £50k in 2022/23 and £100k in 2023/24, £150k overall. This has been reduced to £100k, with targeted savings moved to 2024/25.

BU-MBA-001 – Agile Programme

Programme reduced by £108,500 in 2022/23, mainly due to delays in moving service teams and preparing properties to be marketed.

6. 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. The magnitude of that financial challenge is clearer following the publication of the Council's Medium Term Budget Strategy which estimates the funding gap (base position) over the next 3-year period as £51.891m.
- 6.2 We are progressing this work through our initial Business Insights analysis that led to a series of Challenge Panels in which Directors outlined scenario plans that could help to identify further savings projects to make changes to the way we deliver our services.
- 6.3 This scenario work was reported to PBSD on 17 November 2022 as the start of an overarching plan which will eventually form the basis of the package of information to be considered by elected members at budget setting time in February/ March 2023.
- 6.4 Phase 1 of the Business Insights work has been completed to support the Challenge Panels and now the next phase continues to focus on developing and improving our quality of business intelligence across the Council. This will assist in the provision of base data for the new projects moving forward/ being developed.
- 6.5 It is highlighted that the options emerging are likely to have a significant 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). It will therefore be important for members to be clear about Council priorities going forward to consider how respective savings options compare against these to inform decision-making.
- 6.6 This work is therefore also linked to the development of the new Council Plan and having greater clarity in relation to elected member priorities for the new 5-year term of office. The whole process is therefore aimed at outlining the menu of savings options and then working with members to identify the route to sustainability and the associated decisions they will be required to make, linked to their agreed priorities.

- 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 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 8 November 2022	£m
Non-General Fund Reserves as at 1 April 2022	0.570
2022/23 Budget Allocation/Uplift	0.100
Total	0.670
Commitment –	
2022/23 (Projected bids)	0.344
2023/24 (Projected bids)	0.078
2024/25 (Projected bids)	<u>0.014</u>
	0.436
Change Fund Balance	0.234

- 7.1.2 The Change Fund balance in Report 221/22 identified a surplus in the fund of £0.227m. This has now been updated to £0.234m.

- 7.1.3 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 221/22, as follows:

Detail	2022/23	2023/24	2024/25	Total	Reason for Change
Commitment per Report 221/22	372,000	71,000	0	443,000	
Fleet Consultancy	-20,000			-20,000	No longer required
RRS Project Officer	-25,000	-3,000		-28,000	Postholder moved on prior to end of contract
Business Improvement Officer	-10,000	10,000		0	Re-alignment – later recruitment/ start date
Team Leader - Eclipse	-14,000		14,000	0	Re-alignment – later recruitment/ start date
Extension to Agile Lead	30,000			30,000	New bid
Overtime for Eclipse Project	5,000			5,000	New bid
Fraud/Council Tax -data matching tool	6,000			6,000	New bid
Current Commitment – per 7.1.1 above	£344,000	£81,000	£14,000	£436,000	

7.2 Tay Cities Fund

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

Tay Cities Fund Summary as at 8 November 2022	£m
Opening balance – 215/19 refers	0.500
2021/22 Budget Allocation/Uplift	0.250
Total	0.750
Commitment -	
2019/20 (Actual spend)	0.009
2020/21 (Actual spend)	0.132
2021/22 (Actual spend)	0.178
2022/23 (Projected bids)	0.193
2023/24 (Projected bids)	0.020
	0.532
Tay Cities Fund Balance	0.218

- 7.2.2 The Tay Cities Fund balance in Report 221/22 identified a surplus in the fund of £0.240m. This has now been updated to £0.218m.

- 7.2.3 The Tay Cities 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 221/22 are as follows:

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