

Appendix 2: Co-ordinating Committee - 23/24 Savings Position as at Q2

Summary

This report updates Co-ordinating OSC on the progress in delivering the 23/24 savings agreed in the MTF5 2023/26 that fall under this committee portfolio.

An extensive review process has been undertaken between Q1 and Q2 and the position reported below is as at Q2 (End of September 23).

Background

There are a number of savings proposals in 23/24 totalling £17.441m that fall under the committee portfolio and these are listed below on page 2 & 3.

Each area has been risk rated to indicate the current level of confidence in achieving each savings target either in-year during 23/24 or over the longer term MTF5 period 2023/26. Page 4 of this appendix explains the risk rating criteria.

Quarter 2 Position

Of the £17.441m, £2.400m is currently classified as Red and at high risk of non-delivery and the remaining £15.041m is Black indicating that the majority of these savings are highly unlikely to be delivered during 23/24.

The £2.400m at high risk is a 22/23 target associated with savings from IT&D service resign. The restructure/redesign of the service is currently underway but delays in concluding the restructure mean there is a risk that savings will not be realised in 23/24. Furthermore, some of the £2.400m was intended to be delivered through contract efficiencies which is also at risk due to higher than expected contract inflation.

The majority of the corporate cross cutting savings totalling £15.051m are within this committee portfolio and are assessed as unlikely to be realised in year during 23/24. A brief explanation of the reasons for why the savings cannot be realised in 23/24 are included in page 3 & 4 below. Work is underway to identify alternative in-year savings as part of the wider budget recovery work to mitigate the resulting budget gap and further updates on that work will be provided in due course.

Decisions will also need to be made around the longer term deliverability of these savings and where this is no longer possible they will need to be written off and longer term alternatives developed.

List of 23/24 Savings Projects & RAG status as at Q2

Directorate	OSC Portfolio	Summary Description	Delivery Risk In-Year 2023/24 (Saving) £'000	Delivery Risk Over MTFS (Saving) £'000
Council Management	Co-ordinating OSC	<p>B/F_IT&D Service Redesign</p> <p>Information Technology and Digital Service Redesign Changing from the existing process-heavy operating model, to a leaner, more efficient way of working that is centred on users and focusses on the transformation needs of the Council. We will also be reviewing how we manage third party contracts and IT suppliers to reduce our ongoing costs and gain maximum value from those engagements, this will include a full review of business managed IT spend across the Council to maximise opportunities to standardise and decommission obsolete technologies.</p>	(2,400)	(2,400)
		TOTAL	(2,400)	(2,400)
Corporate Items	Co-ordinating OSC	Localities / Public Hub (Savings from implementation of EIP Model)	(2,500)	(2,500)
Corporate Items	Co-ordinating OSC	BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme	(2,000)	(2,000)
Corporate Items	Co-ordinating OSC	B/F_BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme	(2,000)	(2,000)
Corporate Items	Co-ordinating OSC	Traded Services – Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(1,500)	(1,500)
Corporate Items	Co-ordinating OSC	B/F_Traded Services - Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(1,600)	(1,600)
Corporate Items	Co-ordinating OSC	Automation – Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(1,000)	(1,000)
Corporate Items	Co-ordinating OSC	B/F_Automation - Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(850)	(850)
Corporate Items	Co-ordinating OSC	Reducing Workforce (Centres of Excellence) – Consolidation of similar roles and teams to reduce duplication of effort and achieve efficiency in resource/process	(1,791)	(1,791)
Corporate Items	Co-ordinating OSC	Automation (Voice Automation) – Use of voice automation technology to reduce volume of manual call handling, leading efficiencies and better customer services.	(1,000)	(1,000)

Corporate Items	Co-ordinating OSC	B/F_New Ways of Working_Fieldworker. Rolling out field worker module to allow staff working in the field to update host systems directly rather than returning to office to update	(800)	(800)
		TOTAL	(15,041)	(15,041)

Narrative for 23/24 in-year Non-Delivery

Co-ordinating OSC

Dir	Summary Description	2023/24 (Saving) £'000	Explanation
Corporate	Localities / Public Hub (Savings from implementation of EIP Model)	(2,500)	A strategic partner is in place and the project is progressing however savings will take much longer to realise than anticipated. Much of the savings rely on disposal of existing assets or redesign of services which will not be in place by the end of this financial year.
Corporate	BCC Target Operating Model Design Principles - Voluntary Workforce Savings Programme (MARS)	(4,000)	MARS is live and at decision making stage. Potential savings in year (23/24) will be known mid October as well as ongoing savings. There is potential to improve on the savings target, pending decision making and financial approval of costs of exits.
Corporate	Traded Services – Review of traded services with a view to greater commercialisation and reduced GF subsidy)	(3,100)	An initial review identified the need to put in place a commercial team that would progress the review of traded services and implement a commercial strategy. Due to decisions around resourcing and funding the programme was paused.
Corporate	Automation – Use of Robotic Process Automation Technology to automate manual processes and reduce manual handling, leading to efficiencies in process and savings on time/resource required to deliver services.	(1,850)	The programme to deliver savings started in July 2023 and the first tranche of automations are forecast to be delivered by the end of December 2023. This will potentially provide one quarter of the annual savings from that tranche in Q4 (est. £200k - 300k). Going forward, work needs to be accelerated to identify and deliver higher value automations sooner. In addition, savings targets must also be applied to Directorate budgets in order to facilitate better engagement with the programme.
Corporate	Reducing Workforce (Centres of Excellence) – Consolidation of similar roles and teams to reduce duplication of effort and achieve efficiency in resource/process	(1,791)	Handed across from Adults on 1st August 2023, no discovery work has been completed to confirm the savings identified in MTFP. A paper will need to be taken to the next governance board to request funding to complete discovery work to confirm if savings are achievable or not

Corporate	Automation (Voice Automation) – Use of voice automation technology to reduce volume of manual call handling, leading efficiencies and better customer services.	(1,000)	Discovery work has been completed to validate the savings available which identified £250k in Yr 1 23/24. This requires proof of concept funding to be available which is currently going through the S151 spend control process to enable the tech purchase and installation to release the savings identified which are scalable upto £2m by year 3 25/56
Corporate	New Ways of Working_Fieldworker. Rolling out field worker module to allow staff working in the field to update host systems directly rather than returning to office to update	(800)	The functionality was initially piloted and then rolled out into a number of HRA services which has led to improved and efficient ways of working in those services. However, the savings need to come from general fund services and implementation of the IT functionality into general fund services has been delayed, partly due to the initial rollout into HRA services taking longer than anticipated.

Caveats:

- Many targets fit into multiple O&S portfolio, such as Fees & Charges, vacancy factor, thus for simplicity we have allocated to the O&S Committee where most of the target is more likely to fall.
- Some services also fall into more than one O&S portfolio – we have allocated the full target for these to the committee of higher alignment rather than split amounts.
- The total savings that need to be delivered in the 23/24 financial year may increase. Finance is currently working to close the 22/23 financial year accounts – this includes final assessment of savings delivery for the last financial year. Any further undelivered savings in 22/23 will need to be brought forward and found in 23/24 thereby increasing the overall target for 23/24.

Criteria for determining the RAG status of savings

Assessment Criteria	Delivered	Low Risk	Medium Risk	High Risk	Potential Write-Off
Savings RAG	Saving or income realised and evidence provided that costs have been reduced or income increased.	Saving or income detail documented and robust plan in place to deliver agreed targets, showing when and who is responsible. - and / or - Saving / income will be delivered within agreed timeframes.	Saving or income lacks some clarity and / or not detailed at an adequately granular level, or at risk, but agreed plan in place to resolve and being actively managed. - and / or - Some risk of not delivering saving within agreed timeframe, leading to cost of slippage.	Limited confidence in agreed saving / income being delivered - and / or - Saving / income unclear and / or not specified at adequate granular level. - and / or - Inadequate plan / no plan agreed. - and / or - <i>Saving not yet agreed by Directorate / Service Manager</i> - and / or - Major risk of not delivering saving / income within agreed timeframe, leading to cost of slippage.	Agreed saving cannot be delivered. - and / or - Alternative saving options to be identified. - and / or - CLT should consider writing off the agreed saving.
Headcount Example	Officer has departed, budget has been reduced and posts have been deleted from the approved establishment.	Timescales and the specific posts to be vacated / deleted have been agreed.	Budget Manager has confirmed that posts (to agreed value and timing) will be vacated and deleted from budget.	Headcount saving proposed, but no clarity RE timescales/ posts.	Headcount reduction is considered unachievable.