

ABERDEEN CITY COUNCIL

COMMITTEE	Strategic Transformation
DATE	31 May 2018
REPORT TITLE	Transformation Portfolio – Budget Update
REPORT NUMBER	RES/18/038
DIRECTOR	Steven Whyte
CHIEF OFFICER	Sandra Buthlay
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TERMS OF REFERENCE	1, 3 and 4

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the budget available and committed for the transformation portfolio.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- a) note the contents of this report; and
 - b) agree the allocation of funding from the Transformation Fund for the Commitments for Approval as detailed in Appendix 1.

3. BACKGROUND

- 3.1 The establishment of a £15 million transformation fund, through the reallocation of existing earmarked reserves, was agreed by Council at its meeting on 23 August 2017, on the basis that this investment will be “refunded” as part of the transformation portfolio within 5 years.
- 3.2 Commitments against this fund were considered and approved by the Strategic Transformation Committee at its previous meetings.
- 3.3 This approval included the creation of a budget of £250k for initial set up costs with delegated authority provided to the Chief Officer - Finance, following consultation with the Convener of the Committee, to approve spend against this budget on receipt and consideration of a business case.
- 3.4 Appendix 1 provides details of the current approved commitments (£9.061m), commitments for approval as detailed within the business case presented to this committee and as a result of a review of cost allocations undertaken through the 2017/18 year end process (£0.6m) and the resultant total commitments (£9.661m). Should all requested commitments be approved the

remaining uncommitted balance on the fund will be £5.339m. The appendix also provides details of actual spend incurred in 2017/18.

- 3.5 Investment in transformation will realise benefits for the Council which must be clearly quantified and tracked. Such benefits will flow through from business cases put forward and as these are approved will be recorded against the relevant board in Appendix 1 and reported accordingly. This will include monitoring against the estimated benefits/returns previously presented to this committee.

4. FINANCIAL IMPLICATIONS

- 4.1 A £15 million transformation fund has been made available on the basis that the investment realises financial benefits which will effectively refund that investment within 5 years.

- 4.2 This report provides an update on commitments against the transformation fund.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. MANAGEMENT OF RISK

	Risk	Low (L), Medium (M), High (H)	Mitigation
Financial	Every organisation must manage the financial risks inherent in the operation of large and complex budgets.	L	Regular review of financial information by services and corporately by Elected Members.
Legal	n/a	n/a	n/a
Employee	n/a	n/a	n/a
Customer	n/a	n/a	n/a
Environment	n/a	n/a	n/a
Technology	n/a	n/a	n/a
Reputational	n/a	n/a	n/a

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Economy	Investment in the City will have a positive impact on the economy.
Prosperous People	Robust management of the council's finances will ensure that council services can continue to be provided.
Prosperous Place	Investment will enhance the place by creating a better and more vibrant city in which to live.
Enabling Technology	Investment in digital technology is a key element of the transformation portfolio.

This report does not directly impact on the design principles of the Target Operating Model.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	Not required
Privacy Impact Assessment	Not required
Duty of Due Regard / Fairer Scotland Duty	Not applicable

9. BACKGROUND PAPERS

None

10. APPENDICES (if applicable)

Appendix 1 – Transformation Fund – Budget & Commitments

11. REPORT AUTHOR CONTACT DETAILS

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