

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Strategic Transformation
<b>DATE</b>	27 September 2018
<b>REPORT TITLE</b>	Transformation Portfolio – Budget Update
<b>REPORT NUMBER</b>	RES/18/172
<b>DIRECTOR</b>	Steven Whyte
<b>CHIEF OFFICER</b>	Jonathan Belford
<b>REPORT AUTHOR</b>	Sandra Buthlay
<b>TERMS OF REFERENCE</b>	1, 3 and 4

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### 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:
- note the contents of this report; and
  - agree the virement of funding between headings within the Transformation Fund as detailed in the Commitments for Approval 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 Appendix 1 provides details of the current approved commitments (£9.661m), commitments for approval and the resultant total commitments (£9.661m). The appendix also provides details of actual and forecast spend.
- 3.5 It should be noted that following the 2017/18 audit review process, the actual costs for the year have been restated to reflect updated information. This, along with the identification of residual costs which will flow through in 2018/19 has resulted in a request for the virement of funding between headings within the Transformation Fund.

3.6 Appendix 1 also provides details of progress against the savings approved by this committee at its meeting on 9 February 2018, as adjusted by Council at its budget setting meeting on 6 March 2018.

3.7 It should be noted that the savings achieved to date figures reflect what has actually been posted to the financial ledger and will be updated as implementation of the transitional structure continues to be implemented. It is anticipated that savings will be achieved in full.

#### 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 and progress on related approved savings.

#### 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
<b>Financial</b>	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.
<b>Legal</b>	n/a	n/a	n/a
<b>Employee</b>	n/a	n/a	n/a
<b>Customer</b>	n/a	n/a	n/a
<b>Environment</b>	n/a	n/a	n/a
<b>Technology</b>	n/a	n/a	n/a
<b>Reputational</b>	n/a	n/a	n/a

## 7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
<b>Prosperous Economy</b>	Investment in the City will have a positive impact on the economy.
<b>Prosperous People</b>	Robust management of the council's finances will ensure that council services can continue to be provided.
<b>Prosperous Place</b>	Investment will enhance the place by creating a better and more vibrant city in which to live.
<b>Enabling Technology</b>	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
<b>Equality &amp; Human Rights Impact Assessment</b>	Not required
<b>Privacy Impact Assessment</b>	Not required
<b>Duty of Due Regard / Fairer Scotland Duty</b>	Not applicable

## 9. BACKGROUND PAPERS

None

## 10. APPENDICES

Appendix 1 – Transformation Fund – Budget & Commitments

## 11. REPORT AUTHOR CONTACT DETAILS

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