
MONITORING OF SERVICE PACKAGE POLICY OPTIONS – 31 DECEMBER 2019

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Members with an update on the implementation and delivery of the Service Package Policy Options agreed by Council in February 2019 and also those that were agreed in February 2018 and either not delivered in 2018-19 or have further increases in value in 2019-20 onwards.
- 1.2 The savings options will be reported as being delivered, on track to be delivered, still to be implemented, being developed, potential shortfall or delayed.
- 1.3 Of the 41 savings options, 25 have already been delivered, 8 are on track to be delivered as per their timescale, 1 is being developed, 5 have a potential shortfall and 2 are delayed.

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2. INTRODUCTION

- 2.1 The purpose of this report is to provide Members with an update on the implementation and delivery of the Service Package Policy Options agreed by Council in February 2019 and also those that were agreed in February 2018 and either not delivered in 2018-19 or have further increases in value in 2019-20 onwards.
- 2.2 The savings options will be reported as being delivered, on track to be delivered, still to be implemented, being developed, potential shortfall or delayed.

3. DETAIL

- 3.1 New policy savings options were identified for the three year period 2019-20 to 2021-22 and these were agreed by Council in February 2019. Council agreed to policy savings of £1.598m in 2019-20 rising to £2.145m by 2021-22.
- 3.2 The policy saving options not achieved in 2018-19 or those that have further increase in value in 2019-20 onwards total £1.116m in 2018-19 rising to £3.553m in 2020-21.
- 3.3 The savings for 2019-20 and 2018-19 have been removed from departmental budgets, however, it is important to monitor whether the saving has actually been delivered to ensure that costs are not continuing resulting in an overspend by the end of the year. It is also important to ensure that any preparatory work required to deliver savings in future years is on track.
- 3.4 Savings have been categorised as follows:

Category	Explanation
Delivered	Savings already delivered in full.
On track to be Delivered	Saving is in line with profile however the full saving cannot be guaranteed until later in the year.
Still to be implemented	Planned date of implementation is in the future. Should the implementation date move backwards then this would be classified as delayed.

Being Developed	Further redesign required before option can be implemented.
Potential Shortfall	There is a risk that the original saving will not be achieved in full. Departments are asked to provide further information for any savings within this category.
Delayed	The full saving will not be achieved in line with the original estimated timescale. Departments are asked to provide further information for any savings within this category.

- 3.5 The table below outlines the progress as at 31 December 2019 for the new policy savings options agreed in February 2019. Further detail is included within Appendix 1.

Category	No of Options	2019-20 £000	2020-21 £000	2021-22 £000
Delivered	10	689.3	800.0	875.0
On Track to be Delivered	6	554.0	880.0	880.0
Still to be Implemented	0	0.0	0.0	0.0
Being Developed	0	0.0	0.0	0.0
Potential Shortfall	2	355.0	390.0	390.0
Delayed	0	0.0	0.0	0.0
Total	18	1,598.3	2,070.0	2,145.0

- 3.6 The table below outlines the progress as at 31 December 2019 for the policy savings options agreed in February 2018 but not achieved in 2018-19 or those that have further increase in value in 2019-20 onwards. Further detail is included within Appendix 2.

Category	No of Options	2018-19 £000	2019-20 £000	2020-21 £000
Delivered	15	1,002.0	1,592.8	2,191.8
On Track to be Delivered	2	37.5	121.5	271.5
Still to be Implemented	0	0.0	0.0	0.0
Being Developed	1	(10.0)	35.0	50.0
Potential Shortfall	3	200.0	389.0	581.0
Delayed	2	(113.5)	128.5	458.5
Total	23	1,116.0	2,266.8	3,552.8

3.7 There are five savings categorised as having a potential shortfall and two currently delayed as summarised below. Further information is contained within Appendices 3a to 3g.

- Potential Shortfall – RAS15 Environmental Warden Service – Delays due to complications with the redundancy and selection process will result in the full 2019-20 savings not being achieved. These complications have now been resolved, there will be a saving of £0.095m to harvest for 2019-20 and full year savings will be made thereafter.
- Potential Shortfall – TB09 Public Conveniences – The approach now agreed by the EDI Committee December 2018 is being progressed. Alternatives to turnstiles are being progressed including gated options. With this unexpected change, unforeseen delays have been experienced.
- Potential Shortfall – TB12b Review charges for stadiums to enable improvement work - shortfall in achieving 2019-20 target due to charging issues.
- Potential Shortfall – TB08 Parking Increase parking charges and introduce additional parking charges – This saving will no longer be pursued following the decision at the Oban, Lorn and the Isles Area Committee on 11 September 2019 and the Policy and Resources Committee on 17 October 2019. The shortfall of £0.347m from 2020-21 onwards will now be reflected within the budget outlook report.
- Potential Shortfall – CSS08/09 Procurement Savings – with the exclusion of capital contracts and the HSCP, in addition to the contracts where there are price fluctuations both up and down, the savings have been difficult to achieve.
- Delayed – TB07 Create one main depot in key areas to reduce costs – It has become apparent that the operating costs of the single redeveloped site in each town will increase reducing the anticipated saving by around £0.050m in 2019-20 and furthermore, the savings package also set out that the depot rationalisation programme would run beyond the three year savings horizon.
- Delayed – TB14 Waste Services; increase commercial income and reduce costs of collection/disposal – A joint procurement exercise took place between West Dunbartonshire, Inverclyde and Argyll and Bute Councils. This had been designed to provide a compliant solution for the 2021 BMW Landfill Ban (now delayed until 2025). However, the tender return has not produced a viable option. Senior officers met with Scottish Government (SG) officials on 30 July to seek clarification on the implications and any mitigation measures from the BMW Landfill Ban. It was agreed that The Western Isles, The Highland Council and Argyll and Bute would work with SG with a view to pulling together a solution which would enable remote rural and authorities with islands to develop a solution. For the reasons stated above, the initial spend and save profile identified in 2018 has experienced variance. Whilst savings continue to be anticipated it is expected that the savings may be

made from an alternative source than originally documented although the financial value is expected to be the same.

4. CONCLUSION

- 4.1 This report outlines the progress of the Service Package Policy Options as at 31 December 2019.
- 4.2 Of the 41 savings options, 25 have already been delivered, 8 are on track to be delivered as per their timescale, 1 is being developed, 5 have a potential shortfall and 2 are delayed.
- 4.3 Savings reference TB14 Waste Services – savings continue to be anticipated but it is expected that they may be made from an alternative source than originally documented although the financial value is expected to be the same.

5. IMPLICATIONS

- 5.1 Policy Individual options have policy implications – all have been approved by Members.
- 5.2 Financial Summarises the delivery of the service package policy options.
- 5.3 Legal None.
- 5.4 HR Individual options have HR implications – all have been approved by Members.
- 5.5 Fairer Scotland Duty EQIAs have already been carried out on the options prior to Member approval.
- 5.6 Risk The monitoring process outlined within this report will minimise the risk that the service package policy options are not delivered.
- 5.7 Customer Services None.

Kirsty Flanagan
Section 95 Officer
13 February 2020

Policy Lead for Financial Services and Major Projects – Councillor Gary Mulvaney

APPENDICES:

Appendix 1 – Monitoring of Service Package Policy Options Agreed February 2019
Appendix 2 - Monitoring of Service Package Policy Options Agreed February 2018
Appendix 3a – Potential Shortfall – RAS15 Environmental Service Warden
Appendix 3b – Potential Shortfall – TB09 Public Conveniences
Appendix 3c – Potential Shortfall – TB12b Charges for Stadiums
Appendix 3d – Potential Shortfall – TB08 Parking
Appendix 3e – Potential Shortfall – CSS08/09 Procurement Savings
Appendix 3f – Delay – TB07 Depots
Appendix 3g – Delay – TB14 Waste Services