

**Bolsover District Council**

**Executive**

**18th February 2019**

<b>Transformation Governance Group – Recommendations</b>
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**Report of the Portfolio Holder for Partnerships and Transformation**

This report is public

**Purpose of the Report**

- To seek approval and support the recommendations made by the Transformation Governance Group and to invest the Council's Transformation Reserve in line with the Transformation Plan 2018

**1 Report Details**

**Introduction**

- 1.1 As part of the Council's Transformation Plan 2018, a 'Transformation Governance Group' (TGG) was established to assess, develop, recommend and monitor transformation ideas that will contribute to the delivery of the aims of the Transformation Plan 2018.
- 1.2 The TGG is chaired by the Leader of the Council and made up of cabinet members, senior managers, trade union representative and officers with relevant technical expertise.
- 1.3 A large proportion of transformation projects could be considered 'business as usual' and require levels of investment or changes in process which are within the existing delegation scheme. However, some projects will require investment outside of departmental revenue budgets or be deemed to have an impact on a service or the organisation and are decisions that need consideration by Executive. This report outlines such projects.

**TGG recommendations for consideration**

- 1.4 (a) The Project proposal in Appendix B outlines the case for investing in a Combined Heat and Power unit (CHP) to be installed at The Arc. The projections for the installation have been produced by a prospective supplier, modelling our actual energy usage for a 12 month period. The outcome of their modelling forecasts:
  - CHP Capital Investment = £175,000
  - Reduction in Carbon = 30% (282 tonnes/annum)
  - Reduction in energy costs = 56%
  - Cost saving per annum = £115,000
  - Payback period = 1.5yrs

It should be noted that the capital investment costs are based upon purchase of the plant but excludes installation. It is prudent to assume an installation cost of £25,000 however, the actual cost will be subject to survey.

It is also prudent to assume that the supplier model is based upon optimum conditions and maximum possible benefits.

The recommendation to Executive is to commence the competitive tender process for installation of CHP at The Arc. The cost is likely to be in the region of £200,000. Following the robust tender process, a further report will be considered by Executive summarising the outcome of the tender exercise, including update projections, payback period and requesting budget.

It should be noted that whilst the reduction in energy usage will directly reduce our energy cost, the cost of our energy at The Arc is proportionally recharged through a service charge to tenants. Therefore, the benefit of the reduction in energy cost will also be passed on to our tenants.

(b) The Project proposal in Appendix D outlines the case for investing in software called WebReg which is an add-on which allows limited access to the Express Software system for customer services. It enables the customer service team to answer customer questions at first point of contact rather than passing them back to the Elections Team. The contact centre currently provides some provision for the elections team based upon scripts but WebReg increases the scope and adds a more robust solution, avoiding duplication.

The recommendation to Executive is to invest £2,000 of Transformation Reserve purchase the software and an additional annual cost built in the departmental revenue budget of £2,000 to pay for the annual licence.

(c) The TGG also acknowledged and agreed a change to how we consider VAT Sporting Exemption, following professional advice and aligning to changes in legislation. The impact of the change in legislation is likely to have a positive contribution to the Go Active! Business plan which targets an annual surplus for the facility in year 3 (2019/20).

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The Council's TGG have worked with the relevant Head of Service to develop the transformation idea into a project which will positively contribute to the Council's Transformation Plan 2018.
- 2.2 TGG have recommended that the projects outlined in paragraph 1.4 are supported by Executive and any investment required funded through the Transformation Reserve.

### **Consultation and Equality Impact**

- 3.1 This report is an update on the recommendations from the Council's Transformation Governance Group.

- 3.2 There are no negative equality impacts arising from the recommendations in this report.

#### **4 Alternative Options and Reasons for Rejection**

- 4.1 Do nothing – Executive could choose to support one or more of the projects. This maybe based upon reasoning such as the balance of risk v's reward, competing demands on budgets, etc

#### **5 Implications**

##### **5.1 Finance and Risk Implications**

###### **Financial Risk**

Project Proposal (CHP) is the only project recommended in this report which presents a financial risk. The risk is that the calculated payback period of 2 years is not achievable due to cost certainty and variables such as period of use, pool temperatures, etc. This will be further considered following the tender process and actual installation costs are determined

Executive should consider competing budgetary demands, particularly with regards to the Transformation Reserve.

###### **Risk Implications**

Outlined in the project proposals (Appendix A & B)

##### **5.2 Legal Implications**

None

##### **5.3 Human Resources**

The WebReg investment makes more efficient use of existing resource utilising capacity in the Contact Centre to improve the service to customers which freeing up capacity in the Elections Team to deal with more complex and pressing enquiries.

#### **6 Recommendations**

In line with the recommendations of the TGG:

- 6.1 That Executive agree to commence the tender process for CHP at The Arc. Following the robust tender process, a further report will be considered by Executive summarising the outcome of the tender exercise, including update projections, payback period and budget implications.
- 6.2 That Executive agree to invest £2,000 of Transformation Reserve to purchase the WebReg software and an additional annual cost built in the departmental revenue budget of £2,000 to pay for the annual licence.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> <i>Revenue</i> - £75,000 <input type="checkbox"/> <i>Capital</i> - £150,000 <input type="checkbox"/> <i>NEDDC:</i> <i>Revenue</i> - £100,000 <input type="checkbox"/> <i>Capital</i> - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>District Wards Affected</b>	All (Indirectly)
<b>Links to Corporate Plan priorities or Policy Framework</b>	<b>Transforming Our Organisation:</b> Ensuring financial sustainability and increasing revenue streams

## 8 Document Information

Appendix No	Title
A B	Project Proposal (CHP) Project Proposal (WebReg)
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive (BDC) or Cabinet (NEDDC) you must provide copies of the background papers)	
Report Author	Contact Number
HOS – Partnerships & Transformation	2210



## Appendix B – Project Proposal (WebReg)