

This report will be made public on 12 September 2023



Report number **A/23/15**

**To:** Council  
**Date:** 20 September 2023  
**Responsible Officer:** Lydia Morrison, Interim Director – Corporate Services (s151)  
**Cabinet Member:** Councillor Tim Prater, Deputy Leader and Cabinet Member for Finance and Governance

**SUBJECT: TRANSFORMATION 2023-25**

**SUMMARY:** This report sets out an approach to transformation spanning a two-year period. The transformation seeks to reduce management duplication, improve efficiency, ensure that organisation capacity is focused on the Council's priorities, and deliver financial savings by making the best use of IT, Premises, Asset & Contract Management and reducing the overall number of staff across the Council.

**REASONS FOR RECOMMENDATIONS:**

Council is asked to agree the recommendations set out below to approve the creation of a £1.5 million transformation fund in the budget for 2023/24, drawn from existing reserves.

**RECOMMENDATIONS:**

1. To receive and note report A/23/15.
2. To approve the creation of a £1.5 million transformation fund in the budget for 2023/24, drawn from existing reserves.

## **1. INTRODUCTION & BACKGROUND**

- 1.1 Over the last few years, the council has embarked upon a Council-wide programme of improvement to address a number of performance, financial and cultural matters in order to deliver improved outcomes for residents, investors, and visitors to the district.
- 1.2 This Council, like many others, is facing financial challenges over the medium term and maintaining the status quo is not an option. The Council has never stood still in its search for efficiency and better public service, and tough times are expected to continue.
- 1.3 The updated Medium Term Financial Strategy (MTFS) reported to Cabinet and Council in November 2022, highlighted the need to achieve significant savings with reduced resources, whilst demand for services and demographic pressures continue to increase. The challenges for service re-design and delivery, alongside significant financial constraints, have necessitated a thorough review of services across the Council.
- 1.4 There continues to be long-term pressures on the council's finances. The current strategy has been developed in the context of an ongoing period of uncertainty with the war in Ukraine, the effects of the current economic climate including energy price rises, cost of living crisis, increasing demand for services, and a combination of continued downward projections of central government support for local authorities with inflation running at high levels, interest rates and the cost of borrowing continuing to rise rapidly.
- 1.5 The current MTFS forecasts a cumulative funding gap of £18.5 million over its lifetime to 2026/27. Much of this pressure is faced year-on-year and therefore needs to be addressed through the base budget in the early part of each year to have most impact. The Council does have reserves to help mitigate the impact of the deficits in the MTFS, but these reserves will diminish over time and are not sufficient (at this point in time) to absorb the deficit over the four-year period.
- 1.6 The transformation programme will involve service specific and council-wide changes that can be categorised along the following lines:
  - Establishment and Staffing review.
  - ICT/Digital Improvements.
  - Premises.
  - Assets and Contract Review.
- 1.7 Further details are contained within the attached Cabinet report (Appendix A).

## **2. APPENDIX**

- 2.1 Appendix A: Transformation 2023-25 report – Cabinet - 20 September 2023.