

Future Tandrige Programme Update

Strategy and Resources Committee

Thursday, 28th September 2023

Report of: Chief Executive and Chief Finance Officer (S151)

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive Summary:

This report sets out an update on the Future Tandrige Programme ('FTP').

It provides:

- A review of the progress with the overall Future Tandrige Programme, covering activities and key milestones, outcomes to be achieved and progress made to date.
- Progress to date in delivering the Service Reviews.
- An update on the Grounds Maintenance options appraisal progress update provided to Housing and Community Services Committees.
- A progress update for Digital Transformation.
- A progress update on the activities underway in Revenues and Benefits
- Financial Context – an update on the approach to the 2024/25 budget process and planning of 2024/25 savings.

This report supports the Council's priority of: Building a better Council.

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Recommendations to Committee:

In respect of the wider Future Tandridge Programme, that Committee:

1. Note progress being made on the Future Tandridge Programme.
2. Note the progress in delivering the service reviews and 2023/24 savings.
3. Note progress made on Revenues and Benefits shared service planning.

In respect of the 2024/25 Budget process and FTP Resourcing, that Committee:

4. Note progress made on the approach to developing the 2024/25 savings plan.
5. Note the forecast against the FTP delivery budget.
6. Approve £90k initial resources required to develop the 2024/25 savings plan and organisational change required over the medium-term, as set out in section 8.1.

Reason for recommendations:

The report provides an update on the Future Tandridge Programme, including an overview on the progress to delivering overall objectives, an update on the service review for Revenues and Benefits and the delivery of the approved Council-wide savings plan. An update on the Grounds Maintenance options appraisal is included; this update has been provided to the Housing and Community Services Committees.

The 2024/25 budget is under development, as set out in the 29th June 2023 Committee report. This report updates in particular on progress to developing the savings plan for 2024/25, and the next steps for engaging Members.

1. Introduction

This report updates the Committee on the Future Tandridge Programme and provides an update on progress being made in key workstreams and on the planned savings for 2023/24.

The report also provides an update on the work to develop a credible savings plan for 2024/25 and sets out the next steps for engaging with Members on this in the lead up to the Draft Budget planned for the 30th November 2023 Strategy & Resources Committee.

2. **Future Tandridge Programme**

This section of the update is focussed on the Future Tandridge programme and provides an update on the service reviews.

The programme approach was set out in the report to the Strategy and Resources Committee on 1st February 2022.

This identified two broad phases with associated resourcing:

Phase 1 - mobilisation and design – c6 months (£250k)

Phase 2 – delivery – c12 months (£500k)

Phase 2 of the programme was approved by the Strategy & Resources Committee on 29th September 2022 along with the first £250k tranche of £500k funding for resources required to deliver the programme objectives, including the £1.7m savings target. A further tranche of £250k was approved by Strategy & Resources Committee on the 30th March 2023. The current resource forecast is set out in this report.

Below is a brief recap on the 5 workstreams that form the Programme structure through Delivery:

Leadership

- Senior Management restructure – building a new senior management team equipped to lead and deliver the Future Tandridge Programme and its outcomes.
- Corporate Plan – the development of a new corporate vision and a new Corporate Plan to guide the Council from 2024/25.

Organisational and Workforce change

- Implementing leaner management and service structures to deliver the new operating model.
- Creation of a workstream that delivers the staffing savings as determined by the service reviews.
- Developing a consolidated People plan to support the delivery of the FTP.

Operations and Localities Transformation

- A project team has been established to deliver the recommendations set out in the report to Community Services Committee.

Digital and Customer Services Transformation

- A project team has been established to develop the Digital and Customer Services transformation business case and to deliver the plans set out in the document.

Service Improvement Plans Delivery

- A workstream to oversee the delivery of the remaining service improvement plans and their associated savings.

3. Service review delivery updates

3.1 Delivery Risk Overview

The table below sets out progress towards delivering the 2023/24 savings target of £1.7m.

		June	September			Variance
RAG status	RAG rating determination	Total June 2023 £000	Staff savings 23/24 £000	Non-Staff savings 23/24 £000	Total Sept 23/24 £000	Movement June to Sept £000
	Savings delivered	£814	£468	£388	£856	£42
	Clear plans, realistic timescales	£190	£44	£148	£192	£2
	Some risks to delivery or detailed delivery plan still in development	£624	£210	£335	£545	(£79)
	Significant risks to delivery, delivery plan yet to be agreed	£26	£35		£35	£9
	Savings target will not be met this year			£26	£26	£26
	Totals	£1,654	£757	£897	£1,654	£0

This review shows that £856k of savings are marked as complete, i.e., all necessary actions have been taken in order to deliver the saving. This has improved by £42k from the previous update in June.

A further £192k is marked as green, this relates to Asset & FM – linked to a restructured service, and changes to be made in the implementation of the Operations operating model in October 2023.

£26k in Regulatory Services is now marked as unachievable in 2023/24, due to a change in the management leads at TDC and MVDC and the subsequent need for a reset on the savings proposed. This is likely to be offset by other savings within Regulatory Services to achieve a balanced budget, but the longer-term change is still required and will be pursued in 2024/25. The Deputy Chief Executive is actively discussing savings in this area with counterparts at MVDC.

The amber element of £545k reflects the risks to delivery of savings planned over the remainder of the year. This consists of the following, with further detail in Appendix A:

- £16.5k in Operations and Localities which is marked as amber whilst the recommendations of Committee on the 9th of March are in the process of being fully implemented;
- £170k of Management Structure phase 2 – currently marked as amber pending the completion of consultation launched on the 13th September 2023;
- £150k saving from better utilisation of the Homelessness Grant Funding, where certainty will increase over the course of the year as homelessness levels are tracked;

- £70k of Assets and FM savings, which are partly dependent on increased lettings at Oxted and Quadrant, and transfer of responsibility for maintenance to leaseholders. Although plans are in place for this, certainty will only come with additional lettings. A reserve exists to mitigate this risk;
- £50k in Revs and Bens – marked as amber as relies on working with external partners with plans being developed in detail;
- £40k for Southern Building Control Partnership where resourcing to deliver an IT project has been challenging; and
- £50k smaller amounts across the remaining reviews; mainly linked to Phase 2 and 3 staffing savings which will become green when the consultation is launched.

Confidence in delivering the amber savings will grow as the year progresses.

A summary of progress for each of the service reviews is included as Appendix A, along with a RAG assessment of current confidence in delivery of target savings and the quality and depth of the review undertaken.

4. Committee updates

4.1 Strategy and Resources Committee and Corporate updates

Management Structure

On the 13th September 2023, the Chief Executive launched a senior management restructure. The structure is subject to consultation and further details will be provided to Committee when complete.

Over a two-year period, a management structure saving of £450k was identified as part of the Future Tandridge Programme. This includes £280k delivered to date and £170k to be delivered from the current phase. The final £170k saving was intended to be achieved by the net reduction of one Head of Service post in Planning (amalgamating two previous Heads of Service roles into one Chief Planning Officer) and the reduction of one Head of Service post elsewhere in the structure.

However, whilst the recent recruitment of the CPO and the consultation launched on the 13th September was designed to achieve both of those changes, the staffing structure is now going to be reviewed to reflect the need for sufficiently talented people in senior management posts for Planning Policy and Development Management, reporting to the Chief Planning Officer and, to attract those, we need a commensurate salary and grade. This is particularly important in light of recent developments in the Local Plan, Enforcement, biodiversity net gain and the need to resource all areas of the service sustainably. The impact of preserving Planning's current budget will be managed as an in-year variance in 2023/24, with a revised staffing budget agreed for 2024/25.

Along with delivering the savings, the purpose of the restructure is to provide the Council with a stable and balanced senior management team focussed on the delivery of priorities. Management resource is directed towards services that are visible to residents.

The key steps are:

- Launch meeting and report issued – 13 September 2023 - complete
- Consultation including 1-2-1s – ends 13 October 2023
- Target date for decision – 13 October 2023
- Ringfenced interviews – by end November
- Revised structure in place – from 1 December

In addition, as reported previously, regular appraisals and informal 1-1s are now established practice within the Council.

Digital Transformation

Following approval of the Digital Transformation business case by Strategy & Resources in March 2023, the Digital Lead is now working to develop the detailed plans, to work with TDC to implement the MyAccount and Chatbot functions, in line with the business case. The project board meets fortnightly and is led by the sponsor, with representation from across the service areas. This board is a decision-making group that will scrutinise and participate in decision making and planning before these are taken to the TOMDG (Target Operating Model Development Group) and MRG (Member Reference Group) for ratification and Committee where approval is required.

The majority of the business benefits relating to the Digital Transformation will be realised after implementation of the system changes and therefore it is important that a benefits realisation process monitors and plans all expected benefits to ensure these are followed up as planned and are achieved by the relevant service areas. This function is included as part of the FTP Programme and Benefits Delivery Board; however the oversight requirement will continue beyond the end of the programme to ensure any benefits forecast as part of FTP are delivered as planned and maintained by the relevant services.

Since the update provided in the June 2023 Strategy & Resources Committee paper, the following progress has been made in the Digital workstream:

- Salesforce licenses agreed and procured at a discount.
- Project Initiation Document, including the scope of the project, the high-level timeline and resource requirements has been accepted and signed off by the Project Board.
- The implementation partner has been selected and appointed. Work will now commence with the partner to develop the delivery plan.
- Website redesign resource has been secured internally and a detailed statement of work has been produced.

- The telephony provider has now been confirmed and procured.

The immediate next steps are to develop a detailed timeline in conjunction with the implementation partner. This will include Member involvement in the engagement plan.

Revenues and Benefits update

On the 30th March 2023, Strategy & Resources Committee approved “the development of shared services for Revenues and Benefits with Reigate and Banstead Borough Council”. The following work has been undertaken since that point:

- A Joint Project Plan has been developed.
- A legal agreement for tactical sharing is being finalised between the two Councils, taking the form of a section 113 agreement, similar to the Finance Joint Working agreement.
- Fraud training and Anti-Fraud measures are underway, provided by RBBC.
- Joint inspections work is underway.
- Vacancies at TDC are to be imminently filled by RBBC staff and opportunities for TDC to provide support to RBBC are being developed.
- The longer-term commercial approach is under development.

In addition to the shared service approach, internal improvements continue to be actively pursued alongside the delivery of day-to-day functions. These include:

- Housing Benefit performance improvement: The Government’s Housing Benefit Award Accuracy indicator for TDC ranged between 89% to 95% for 2022/23. The threshold for being considered upper quartile nationally is c.84%. This also represents an improvement from 60% in Q1 2022, although prior years were significantly impacted by Covid-19.
- Backlog reduction measures continue. The number of open items has increased for Council Tax and Business Rates from 495 in March 2023 to 2,960 in September 2023. Whilst this represents a significant increase, volumes typically vary over the course of the year and the September 2023 figures represent a reduction from 3,405 items at the equivalent point in 2022. The service is also focussing more on the age of outstanding items rather than the absolute numbers as a better indication of resident experience. This is a new metric and historic data is not available.
- The service has also created a development plan with a number of actions aimed at improving efficiency and performance, in tandem with joint working. This will include automation and continued roll out and promotion of the NEC online account servicing tools.

4.2 Community Services and Housing Committee updates

Grounds Maintenance Options Appraisal

The Grounds Maintenance delivery model options appraisal has now concluded and an update has been provided in the September Housing and Community Services Committee papers. A summary of the update is provided below.

Four delivery options were assessed during the options appraisal, each was thoroughly investigated and scored by officers on a qualitative and quantitative basis and the risks and benefits of implementation of each were considered.

The four options in scope for appraisal were as follows:

- a) **Option 1:** Tendering of all grounds maintenance activities, including the activities currently delivered in-house (HRA funded activities).
- b) **Option 2:** Insourcing the current externalised services to an expanded in-house delivery team, including harmonising TUPE transferred staff onto Council terms and conditions of service.
- c) **Option 3:** Transferring all grounds maintenance activities delivered external and in-house into a Local Authority Trading Company (LATCo), to include some sub-contracting of activities using local small to medium enterprises.
- d) **Option 4:** Transferring all grounds maintenance activities to a shared services arrangement with a neighbouring Council.

The emerging view from the appraisal is that there are risks in putting the whole service out to the market as there may not be market appetite for this work and could leave the Council in a single bidder situation.

However, the other options also come with concerns that are detailed below:

- In house – one of the major concerns regarding bringing the whole service in-house are the financial implications of transferring contractor staff on Council terms and condition or to have to recruit more operatives on these conditions. The key issue is the financial impact of the Local Government Pension Scheme.
- LATCO – whilst the LGPS impact is reduced for transferring or new staff the incumbent operatives (10 FTEs) would still be on the Council conditions. Therefore, any immediate LGPS savings would not be realised. There could also be issues with managing a two-tier workforce. In addition there are the costs for the setup and running of the LATCO, such as HR, Finance and Governance.

- Shared Services – there is currently limited interest from other local authorities who can work to the Council’s timescales which means that this option is not feasible at this stage, although remains under consideration.

There are pros and cons with each option and there is concern about the market appetite for a full procurement. The recommended approach is to implement a hybrid option of in-house, and outsourced work based on logical lot structures. This approach does lead itself to being developed into a shared service or LATCO should the opportunity arise in the future. This approach also allows the flexibility to react to immediate service issues and to future budgetary changes.

Lot Structure Approach

As part of the data improvement and analysis of work packages, the view is that the work is best split into areas of specific activity (lots) rather than geographical approach.

The following lot approach is recommended:

<u>Service</u>	<u>Proposed Delivery Option</u>
<u>Housing Grounds Maintenance inc Hedge Cutting</u>	<u>In House</u>
<u>Parks And Open Spaces Maintenance inc Sportsgrounds and specialist work</u>	<u>Outsource</u>
<u>Cemetery Maintenance and Grave Digging</u>	<u>Outsource</u>
<u>Associated Grounds Maintenance Work</u>	<u>Outsource / In house</u>
<u>Playground Inspections and Maintenance</u>	<u>Outsource/In House</u>
<u>Arboriculture</u>	<u>Outsource</u>

There will be the opportunity for a provider to tender for more than one lot and therefore potential outcomes are a single provider, or a number of smaller contracts.

To support delivery of grounds maintenance and other operations services, an intelligent client model will be set up at Tandridge, this will provide the following regardless of delivery models:

- Strong contract and supplier management
- Mutually agreed service objectives and expected outcomes
- Clearly defined service specifications and expected outcomes
- Trust and good working relationship
- SMART Key Performance Indicators built into the service
- Regular performance reviews
- Actively monitoring work whether internal or externally delivered
- Expectation of check and challenge with supplier
- All above form part of the commissioning and continuous approach being developed by officers.

Subject to approval regarding the lot approach further market testing will be carried out to assess the market appetite for the suggested way forward. An update report will be taken to the November Committee including a detailed procurement timetable and project plan.

Work will also commence on setting out the various specifications, developing the key performance indicators and investigating cloud-based monitoring systems. Developing the intelligent client model will require resourcing in the next phase of transformation investment.

The recommendations to Community Services and Housing were approved.

5. Future Tandrige Programme Progress

5.1 Programme Outcomes Progress Table

In order to deliver the benefits outlined in the Future Tandrige programme, the key outcomes have been identified and a number of workstreams defined with responsibility for delivering these outcomes. Below is a table that details the key outcomes defined for the programme, the progress made so far to deliver these outcomes and future deliverables and their respective milestones.

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps
Vision and strategy	D Ford G Valenza TOMDG	Approved Corporate Plan. Service planning and delivery embedded, linked to Corporate Plan	Corporate plan	Stakeholder meetings, Member workshops - tbc Resident survey – tbc Emerging themes - tbc	Draft plan for review – June 24 Plan published - tbc
Leadership	D Ford TOMDG	Fewer, more capable managers. Structure clearly linked to Corporate Plan.	Clear Senior Management Structure to deliver Council priorities	Phase 1 – December 2022	Phase 2 – Consultation Launched September 2023 Implemented January 2024
Commissioning	D Ford M Hak-Sanders TOMDG	All internal and external services operate to clear specifications with performance metrics which are actively managed, developed and improved Commissioning structure fully in place and operational	Continuous improvement including commissioning process and business partnering	Continuous improvement approach drafted including Principles proposed Guides, templates and processes defined – July 2023	Business partnering approach – Sept 23 Further and ongoing analysis of shared service opportunities (market analysis data) – Sept 23 Skills and capabilities analysis – Oct 23 Define roles and governance- Oct 23 EMT Training and behaviours rollout – Dec 24 KOF Training - tbc Timetable in place – Oct 23
Support services	D Ford EMT TOMDG	Service Plans identify needs in advance. Resources are directly linked to requirements. Business Partnering is the norm.	Business partnering across all support services.	Continuous improvement approach drafted, business partnering will be a part of the delivery model improve phase. Business Partnering embedded for Finance	Part of the continuous improvement rollout Dec 23 onwards

5.1 Programme Outcomes Progress Table

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps
FTP Phase 1 - Service reviews	M Hak-Sanders Prog Delivery & benefits board	New Target Operating Model	Continuous improvement approach including commissioning best practice Develop intelligent client skills and capabilities	Service improvements implemented as reported in Appendix B	Further service review improvements – March 2024
Operations Transformation	T Pearson-Rose Prog Delivery & benefits board	Delivering operations, localities and Waste in the most cost effective and best way for our residents	GM Options appraisal Waste review Long term strategic plan for playgrounds, pavilions and toilets	Grounds maintenance options appraisal – options finalised and taken to committee for approval – September 23	Agree new Grounds maintenance delivery model for Oct 24 onwards – Nov 23. Detailed delivery timetable for procurement and restructuring.
Digital & Customer transformation	M Thompson Prog Delivery & benefits board	Full resident / customer self-service / online access. Integrated systems across key functions such as Planning, Housing and Customer Services	Website redesign My account resident self-service including Planning, Housing and Customer service functions Integrated internal council line of business systems ChatBot for residents Upgraded telephony system	Business case approved – March 2023 Digital project manager in place – April 2023 Implementation partner selected – August 2023 - Telephony solution selected – August 2023 - Licences agreed with Salesforce – August 2023	Implementation partner engaged – Sep 23 Upgraded Telephony system – Dec 2023 MyAccount – June 24 ChatBot – Sep24 Integrated internal Council line of business systems using Mulesoft - TBC Internal Testing and user acceptance testing.

5.1 Programme Outcomes Progress Table

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps
Organisational design	M Thompson TOMDG	Smaller, more agile organisation. Capabilities are defined, invested and developed. Talent is identified and developed	People plan Skills matrix Job description review	Appraisals for all staff – March 23 EMT behaviours now in place and cascaded to staff as part of appraisal process – March 23 JDs reviewed in each success restructure.	Engage Org Design resource. Skills matrix in development with KOF
Culture	D Ford EMT TOMDG	'One team' Council. Pay and reward linked to performance. Modern, agile ways of working	Develop pay and reward scheme – integrated into appraisal process Performance management - Training and development Staff forum set-up	Key officer forum in place - tbc Staff forum in place – July 23	Pay and reward scheme – Mar 24 Performance management - Training and development.
Process and Data	Lead to be identified	More routine processes are simpler and automated. Data is used to drive insight and improvement.	Data insights strategy Service specifications for all services	Reviewing service specifications as part of Continuous improvement process.	Data insights strategy – tbc Service specification data as part of ASPIRE continuous improvement approach – Sept 24 onwards Develop customer experience and insight data – June 24 onwards.

This table will be regularly updated to reflect progress and provided in future Strategy and Resources Committee papers.

5.2 Benefits realisation monitoring

As part of a best practice approach to programme delivery; outcomes and the benefits they provide are being mapped into a benefits realisation plan. This plan provides information such as forecast benefits, timescales and benefit owners. A number of benefits of the Future Tandridge Programme will be delivered after the initial programme has been closed, to ensure these benefits are delivered as planned, they will be handed to an owner in the business, such as a Head of Service, who will be responsible for ensuring that they put in place processes to enable the benefit to be realised.

Benefits to be realised include financial savings, service improvements, and performance metrics.

6. Commissioning and continuous improvement

6.1 Principles

Officers have continued to develop the approach to commissioning and continuous improvement since the last Committee update in June and have proposed the following principles.

- **Commissioning and continuous improvement applies to all services** irrespective of whether a service is provided internally or externally.
- **It extends to support services** to ensure they support front line delivery and provide value for money.
- It uses an objective framework to determine the **most appropriate delivery mechanism** to achieve the Council objectives as set out in the TDC Corporate Plan.
- **The frequency of applying the commissioning cycle and priority areas** aligns to Council priorities, the size of the service, impact on residents, takes account of existing contractual arrangements.
- Resources and governance to support should be **appropriate to a Council the size of TDC.**
- The consideration of **'digital first'** should be applied to potential improvements, ensuring that due consideration is given to residents who are not able to engage with digital tools.
- Improvement will be based on an **evidence and knowledge base** to support and inform the commissioning approach, including **robust modelling and analysis** of cost, performance and different delivery options.
- **Service specifications should link directly to the achievement of council priorities.**
- **Performance & contract management** to drive value from contracts, shared services & internal services.
- **Partnership working** - developing influential partnerships and relationships with partners and service providers to deliver council priorities.

The principles of commissioning are essentially a method of continuing improvement. The behaviours and process should apply universally – following an established improvement approach, tailored from best practice including the LGA cycle.

6.2 Training and adoption across the Council

Training will be required to upskill officers, firstly EMT then Key officer Forum and then wider to other officers. All heads of service will be responsible for ensuring that the approach is embedded and operating correctly in their service areas. Key officers have already been enrolled in Contract Management training provided by the Government Commercial Function.

Building the skills internally to manage contracts and relationships with external suppliers will be vital to enable scrutiny and challenge to ensure the best possible outcomes to service delivery.

Officers are now developing documents and tools and will be agreeing the timetable to roll out the approach across the Council.

6.3 Link to corporate objectives

A key part of embedding continuous improvement and commissioning is ensuring there is a clear link between strategic objectives and service plans and that this cascades downwards to individual objectives set as part of the appraisal process, to embed consistent performance management across the council.

A fundamental step in embedding the new behaviours that form part of the continuous improvement cycle will be to ensure that all services can articulate clearly their objectives and the expected outcomes. Specifications and service KPIs and SLAs to measure performance will be put in place in all services, with scheduled reviews and results shared whether internally or externally delivered.

A prioritisation matrix will be used to confirm the relative priorities of reviews and where corporate resources are needed. A corporate commissioning and continuous improvement support function will provide Procurement, Commercial Finance, PMO and Project Management expertise.

6.4 Next steps

Officers are now developing documents and tools and will be agreeing the timetable to roll out the approach across the Council.

7. 2024/25 Budget Setting Process

This section of the report sets out an update on progress to developing the 2024/25 budget, following the context and timetable setting report to Strategy & Resources Committee on the 29th June 2023.

7.1 Financial Context

The 2023/24 Budget of £11,935m and the MTFs to 2024/25 was approved by Full Council on 9th February 2023, having been considered by the Strategy & Resources Committee on the 31st January 2023.

The 2023/24 Budget was balanced with funding of £11.935m and a savings plan for 2023/24 of £1.654m. Total savings over a 3-year period to 2023/24 amount to £5.4m.

7.2 Savings Scenario Planning

The 29th June 2023 Strategy & Resources Committee report set pessimistic, optimistic and neutral scenarios for funding, spending pressures and savings for 2024/25. A range of potential savings targets were set out:

- The **pessimistic** scenario assumes £1.4m savings are required, consistent with the most recently approved MTFs.
- The **optimistic** scenario assumes that this requirement is reduced to £500k.
- The **neutral scenario** assumes a mid-point pending a full risk-based review at £750k.

Further information on how these scenarios are calculated is set out in the 29th June 2023 paper to S&R, and assumptions will be thoroughly reviewed as part of the Draft Budget.

Officer effort has since been focussed on developing a savings plan for consultation with Members that meets the neutral scenario, and holds contingency plans for the pessimistic and optimistic outcomes.

As part of early preparation, planning is already underway to determine areas of work that will contribute to the savings plan. The five key elements of the savings plan will be as follows. Each section has an indicative range of potential savings, based on a high-level review of possible opportunities. This remains an initial estimate based on early development work, and will take more shape as the budget process develops.

The key elements of the savings programme were set out in the 29th June 2023 Committee report as follows:

FIVE ELEMENTS OF THE SAVINGS PLAN TO BE DEVELOPED				
Full-year effect of 2023/24 savings and remaining service review KLOES	Early commissioning reviews, delivery model assessments and procurement activity	Review funding levels for each service – in which areas do we have discretion to vary the amount we spend or how we fund it, e.g. if there is external funding available	Commercial opportunities to increase or generate new income	Early digital gains & process review in services that are not prioritised for commissioning, including self-service opportunities
Range: £25-£100k	Range: £50-£200k	Range: £75 - £200k	Range: £75 - £150k	Range: £50 – £100k

The range of potential savings identified in June was between £275k and £750k. This indicated that the neutral savings target is a stretch and that further work would be necessary to identify areas for saving and convert them into deliverable plans.

Progress in June included:

- An externally facilitated commercial workshop to begin the creation of a long-list of opportunities, and start the development of a commercial strategy.
- A full review of outstanding lines of enquiry from the 2023/24 service reviews.
- The development of the Council’s approach to commissioning, and prioritisation of services for consideration.
- Process mapping alongside the Digital Project.

Since the June Committee, the following steps have been completed:

- Development of Commercial strategy principles, set out below.
- Finalisation of the Council’s approach to commissioning.
- Savings planning with Heads of Service including scrutiny by Finance and Management Team.

The initial review of savings with Management Team has produced the following progress to-date, totalling potential savings of £586k. This leaves a further £164k to identify to meet the neutral scenario. Work continues to develop credible savings plans.

Theme	Value identified to date £000
Full-year KLOEs	25
Commissioning	181
Funding Reviews	195
Commercial Opportunities	139
Process Reviews	46
Total to-date	586

7.3 Commercial Strategy

The Council is considering the potential for commercial activities to support its financial challenges and meet its corporate priorities. Internally, work has commenced on developing initial opportunities to increase commercial income.

In parallel, a best practice Commercial Strategy is being developed to provide staff with a suitable formalised structure to frame their strategy on commercialisation and further details will be provided in the November 2023 Strategy and Resources committee paper.

Commercial Strategy Principles can be found in Appendix C.

7.4 Overall position

The pessimistic, optimistic and neutral scenarios set out a range of assumptions which will need refinement as the budget process develops. Government funding is unlikely to be confirmed before the Local Government Finance Settlement in December 2023. In the meantime the Council, in common with Local Government as a whole, will lobby the Government for additional funding to meet the impact of high inflation on the cost of delivering services.

7.5 2024/25 budget governance

The FTP and the approach to 2023/24 savings represent the key mechanism to identify the savings needed for 2024/25. All savings will be managed through the FTP Governance model. The Programme Benefits and Delivery Board, part of the overall FTP Governance, will oversee delivery.

Further work is required to pursue areas of potential savings including key lines of enquiry developed from the FTP in context of the likely funding gap for 2024/25 and the likelihood of further constrained funding in 2025/26 and beyond.

7.6 Timetable Update

The 2024/25 Budget Process will culminate on the 8th February 2024, when Council is scheduled to discuss and approve the budget and MTFs. The Constitution determines that the S&R Committee “shall consider the aggregate of all Committee estimates and, after making such amendments as it thinks fit, submit the aggregate estimates to the Council for approval, together with recommendations as to the Council Tax to be levied for General Fund expenditure.” For 2024/25, S&R is scheduled for the 30th January 2024. An indicative timetable leading up to that point was set out in June, including plans to engage with the other Policy Committees. Progress to-date is set out below.

Time Period / Date	Activity / Milestone	Progress
29th June 2023	2024/25 Budget Process Report to S&R Committee	Complete
July – September 2023	Initial estimates of Pressures and Savings developed: <ul style="list-style-type: none"> • Review of fees and charges • Review of commercial opportunities • Early digital gains • Commissioning benefits and associated savings • Savings from service reviews 	Complete: A process has been identified to review fees and charges, commercial opportunities are long listed and initial savings plans have been developed.
August – September 2023	Engagement with Members on 2024/25 initial Pressures, Savings, Fees and Charges	In progress: informal engagement has started and will continue throughout the process. MRG review of proposals to-date is now scheduled on the 4 th and 18 th October.
September 2023	Committee Cycle – FTP update and progress on	This report

	identifying 2024/25 savings	
October – November 2023	Engagement with Members on 2024/25 Draft Budget	
30th November 2023	2024/25 Draft Budget and Capital Programme, including Tax Base to S&R	
December 2023	Expected publication of Local Government Finance Settlement – finalisation of funding estimates	
December 2023 to January 2024	Engagement with Members on 2024/25 Final Budget Engagement with residents and Business Rate payers on 2024/25 Budget	
January 2024	Committee Cycle – 2024/25 Final Budget, Capital Programme and Medium-Term Financial Strategy	
30th January 2024	2024/25 Final Budget, Capital Programme and Medium-Term Financial Strategy to S&R Committee	
8th February 2024	2024/25 Final Budget, Capital Programme and Medium-Term Financial Strategy to Council	

7.7 Consultation

Engagement with Members will take place through MRG, informal workshops where needed and ultimately through Committee. MRG progress updates are scheduled on the 4th and 18th October and an informal member workshop will be scheduled in advance of the Draft Budget.

8 Implementation Resource Forecast Update

In September 2022, the Committee approved the first £250k of a total £500k investment required to deliver this phase of the FTP, including the £1.7m savings target. The second £250k was approved in March 2023.

The estimated investment in programme resources required to continue to deliver Phase 2 is detailed in Appendix D. This investment is required to continue to support delivery of the workstreams set out above. £500k remains the indicative requirement.

Opportunities are continuing to be given to current staff to be part of the programme team helping to develop and deliver the programme, however there are gaps in skills and capacity in some specialist areas required to deliver the programme successfully and this will continue to need an investment in expert support and to deliver the changes identified through the programme.

8.1 2024/25 and Medium-Term Developments

Resources are also required to develop and deliver the 2024/25 savings programme, commissioning, continuous improvement and the intelligent client functions related to contract and in-house service management. An indicative initial overview of resourcing was set out to MRG in September, as follows, with a proposed requirement of £500k to be funded from Capital Receipts. The intention is to bring further details on this to Strategy & Resources in the 2024/25 and Draft Budget report in November:

Phase 3 - Development & Delivery of the 2024/25 savings programme	
	1-year £000
Programme Management	90
PMO	50
Programme Support	40
Commercial Finance Analyst	70
Sub-total - baseline transformation resource	250
External Support	150
Contingency	100
Additional indicative amounts - to be designed as necessary	250
	500

This resourcing is required not only to develop and deliver the 2024/25 savings programme, but also to begin preparations to keep the Council on a sustainable footing across the Medium-Term Financial Strategy period. The Council is likely to face significant challenges both in terms of funding reductions, the continued need to improve service delivery and inflationary cost increases. This will be set out in full in the Draft Budget, and updated as the budget is finalised.

At this stage, Committee approval is being sought for £90k of the baseline transformation resource, covering 12 months of Programme Management. This will ensure robust development, scrutiny and challenge of the next phase of organisational change over the medium-term. The remainder of the resource will be subject to further justification to Committee as and when required.

9 Comments of the Chief Finance Officer (s151)

It is imperative that the Council has robust plans to deliver the agreed savings programme for 2023/24 and to develop realistic savings proposals for 2024/25.

This report updates on the progress to-date in delivering the planned savings and identifying opportunities to deliver savings in future. The report sets out next steps and the risks associated with delivery of the programme. At this early stage of the financial year, the position is reasonable. Certainty on the amounts flagged as amber will increase as the year progresses and will be reported regularly to Committee.

The Council should ensure that the investment in the FTP and improvement plans is sufficient to assure successful delivery, whilst looking to make best use of limited resources, primarily funded through one-off capital receipts. The total resource projection is unchanged from the £500k previously reported to Committee, however the 2024/25 budget process is likely to require investment to deliver planned change. This will be quantified and set out in future Committee reports.

10 Comments of the Head of Legal Services

Whilst the FTP represents a significant financial commitment by the Council, this report has no legal implications. . The Council has a fiduciary duty to its taxpayers to be prudent in the administration of the funds it holds on their behalf and an equal duty to consider the interests of their community which benefit from the services it provides. It is the responsibility of Officers to ensure that Councillors have been provided with sufficient information so that the Council is able to close the financial gap in the forthcoming year. In essence, this is a direct reference to ensure that Councillors understand where and how the savings are to be made and the impact this may have on service areas and delivery of services to Tandridge residents.

The report outlines that the FTP remains on track to deliver the required outcomes and timelines to cost and budget. However, pressures remain and it will be important to continue to take a robust and consistent approach to governance.

11 Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.

Officers will continue to review proposed changes against the initial equalities screening tool prior to final implementation and take mitigating action if necessary.

12 Climate Change implications

There are no direct impacts on environmental aspects in this budget report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

13 Background papers

- Strategy & Resources Committee 1st February 2022 - [Future Tandridge Programme](#)
- Strategy & Resources Committee 29th September 2022 - [Future Tandridge Programme Update](#)
- Community Services Committee 18th October 2022 - [Community Services Committee – Future Tandridge Programme Update](#)
- Housing Committee 4th October 2022 - [Future Tandridge Programme Update](#)
- Strategy & Resources Committee 1st December 2022 [Draft Budget 2023/24 and Future Tandridge Programme Update](#)

- Community Services Committee 9th March 2023 – restricted papers
- Housing Committee 20th June 2023 - [Future Tandrige Programme update](#)
- Audit and Scrutiny Committee 27th June 2023 - [Future Tandrige programme update](#)
- Strategy & Resources Committee – June 2023 - [Future Tandrige Programme update](#)
- Community Services Committee - September 2023 – [Future Tandrige update](#)
- Housing Committee - September 2023– [Future Tandrige update](#)
- Audit and Scrutiny Committee - September 2023 – [Future Tandrige update](#)

Appendix A – 2023 Service Review updates

Appendix B – 2024/25 savings progress

Appendix C – Draft Commercial Strategy Principles Document

Appendix D – Programme Resource Forecast

Appendix E – Programme highlight report – July/August 2023

Appendix F – Programme Roadmap

Appendix G – Programme Risk Register