

Future Tandridge Programme Update

Audit & Scrutiny Committee 11 April 2024

Report of: Chief Executive Officer

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive summary

The overall aim of the Future Tandridge Programme ('FTP') programme is to transform the operating model for the Council, to create a smaller, more strategic, agile and responsive organisation, with resources targeted at Council priorities and which is underpinned by a more business-like approach to the way that the Council operates.

A key part of the FTP is the identification and delivery of savings identified in the Service Reviews and to ensure a balanced budget is delivered for 2023/24.

An overview on 2023/24 savings and the impact to residents and the Council can be found in the Strategy & Resources Committee 2023/24 Budget and Medium-Term Financial Strategy report of 31st January 2023. This report should be read in conjunction with the budget papers. A further update on the delivery of savings was included in the FTP report to Strategy & Resources Committee respectively on the 30th March, on the 29th June, 28th September and 30th January 2024.

As agreed with this Committee previously, the focus of this report is on governance, risk and issue management to maximise the opportunity for the FTP to be successful.

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

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Recommendation to Committee:

1. To note the direction of travel for the FTP and the savings identified for delivery in 2023/24.
2. To note progress made and next steps on the savings identified for delivery in 2024/25.
3. To note the approach to risk management being applied and the current programme level risks identified in Appendix B.

Reason for recommendation:

To continue to provide confidence in the governance structure of the FTP and to demonstrate that there is a clear risk management process with escalation in place.

1 Background

1.1 Financial context

At the Strategy & Resources Committee on 30th June 2022, a savings requirement of up to £2m for 2023/24 was identified to meet the likely shortfall between income and projected expenditure and identified the need for service reviews to deliver a significant proportion of these savings.

The Draft Budget report to the Strategy & Resources Committee on 1st December 2022 set out the savings that needed to be delivered in 2023/24. This was reconfirmed as part of the final budget which was proposed to Strategy & Resources on 31st January 2023. On 9th February 2023, these were approved by Full Council and therefore became the approved savings plan for 2023/24. The final savings plan totals £1.7m.

This report focuses on the governance and risk management arrangements for the FTP. The focus has now firmly moved to delivering the programme, ensuring the planned savings translate to successful achievement of a balanced outturn for 2023/24.

Alongside this, planning for 2024/25 is progressing, including the need for a new Corporate Plan to shape the priorities of the Council and inform future budgets. Details of the 2024/25 budget process were taken to Strategy & Resources Committee on the 29th June 2023 and further details provided on 28th September. A member workshop took place on 31st October, where the draft budget was subject to informal consultation with Members. This was followed by Strategy and Resources Committee consideration in November and was taken to committee for final approval in January/February. The final budget was presented to Strategy and Resources Committee on 30th January 2024.

1.2 Future Tandridge Programme

A key part of the programme is the consistent and rigorous review of all services which fundamentally challenges how and why the Council provides the services it does. The focus is on identifying outcomes which support the longer-term operating model for the Council, balanced against short term opportunities to deliver the budgeted savings in 2023/24.

During 2023, a full progress update on the programme was reported to this Committee on 31st January 2023; 30th March 2023, 29th June, 26th September 2023 and on 30th November 2023 and February 6th 2024.

The delivery phase of the programme is now progressing with plans developed by all service workstreams, with key milestones, resource requirements and associated risks.

The latest programme roadmap and programme highlight report and can be found in Appendices A and E.

1.4 Savings approach for 2024/25

Work has completed on identifying the savings target for 2024/25 and the details were included in the Strategy & Resources Committee paper for 30th January 2024. The delivery of the 2024/25 budget will be subject to risk management arrangements consistent with the FTP and 2023/24 savings. Management of those risks will be reported to Audit and Scrutiny Committee during 2024/25.

2 Governance

Through the delivery phase of the programme, the governance and workstream structure for the programme operates at three levels, further details of which can be found in Appendix C.

3 Risk and Issue Management

3.1 Risk and issue management is undertaken at programme and workstream level. Programme level risks are recorded on a programme risk register and managed through the Programme and Benefits Delivery Board.

Risks are identified, reviewed, assessed and appropriate mitigation is determined to seek to reduce the level of risk identified.

3.2 Each risk has an assigned owner and is given both a pre and post mitigation rating. Risks are assessed through the Programme and Benefits Delivery board and regular service review meetings with the FTP team and Heads of Services which are updated regularly to reflect where the mitigation or scores may have changed.

3.3 Following a review of the FTP risk management process, the process has been modified to make more transparent the changes in post mitigation scoring. Individual mitigating actions relating to a risk and their relative status clearly indicate whether the status has resulted in a change in the score. Where a mitigating action has been completed, this will result in a lowering of the post

mitigation risk score. Where mitigating actions have not started or are in progress, this will be indicated in the Mitigating action status column. Additionally, the risk register now tracks any changes in the risk score in order to provide an audit trail. Further conversations are due to take place with the Chair of Audit & Scrutiny to provide additional assurance on the methodology used.

- 3.4 A view of the current FTP Programme Risk register can be found in Appendix B of this document.
- 3.5 Risks and Issues are also managed at workstream level where these are specific to individual workstreams or projects. Project level risks are escalated to programme level for management through the Programme and Benefits Delivery board where their significance to the overall success of the programme warrants this.
- 3.6 In addition to the above, all Heads of Service will capture risks relevant to delivery of their savings which are reviewed with the Programme team and escalated as required.

4. Savings delivery update

- 4.1 Savings delivery for 2023/24 is tracked monthly by the programme team in conjunction with Finance and Heads of Service. A recent internal audit review on the Council's arrangements for savings delivery provided 'substantial' assurance. The audit is being repeated in the current financial year and is nearing conclusion.
- 4.2 The table, below, is the key indicator of progress in delivering the savings. The position has improved since the previous update to Committee in January 2024. Whilst £255k remains amber, £220k of this relates to homelessness costs (£150k) and rental income (£70k) where certainty will only be gained much closer to year-end. Whilst this position is based on the Quarter 3 update to Strategy & Resources Committee on the 26th March 2024, the financial year is now complete and Finance are in the process of finalising homelessness costs and rental income with Housing and Assets respectively.

		January	February			Variance
RAG status	RAG rating determination	Total Jan 2023 £000	Staff savings 23/24 £000	Non-Staff savings 23/24 £000	Total Feb 23/24 £000	Movement Jan to Feb £000
	Savings delivered	£961	£572	£418	£990	£29
	Clear plans, realistic timescales	£252	£65	£198	£263	£11
	Some risks to delivery or detailed delivery plan still in development	£255	£0	£255	£255	£0
	Significant risks to delivery, delivery plan yet to be agreed	£40	£0	£0	£0	(£40)
	Savings target will not be met this year	£146	£120	£26	£146	£0
	Totals	£1,654	£757	£897	£1,654	£0

This review shows that £990k of savings are marked as complete, i.e., all necessary actions have been taken in order to deliver the saving.

A further £263k is marked as green, this relates to delivery of improvements relating to the Southern Building Control Partnership, ongoing work to develop a shared service with RBBC to deliver Revenues and Benefits to other local authorities, along with an element of savings expected in Customer Services and Operations.

The position across delivered and green rated savings has improved by £40k since the Quarter 2 report.

£26k in Regulatory Services is marked as unachievable in 2023/24, due to a change in the management leads at Tandridge District Council and Mole Valley District Council 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 Mole Valley District Council. £35k in IT is also marked as unachievable in 2023/2024, with the saving being rephased into 2024/25.

£85k of Senior Management restructure savings has been marked as unachievable for 2023/24 due to a portion of the management structure saving being reinvested into Planning.

The Amber element of £255k reflects the risks to delivery of savings planned over the final quarter of the year. This consists of the following:

- £150k saving from better utilisation of the Homelessness Grant Funding, where the final position is being agreed.
- £70k of Assets and FM savings, which are partly dependent on increased lettings at the Council Offices, Oxted and Quadrant

House in Caterham 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 and the final position for the year is being agreed.

- £25k in Revenues and Benefits – marked as amber as relies on working with external partners with plans being progressed in detail.
- £10k in Customer Services – reviewing outgoing mail, printing and postage savings opportunities.

4.4 A summary of the black rated items can be found in Appendix D and further details were provided to Strategy and Resources Committee on 26th March; the purpose of this report is to demonstrate at a programme level that risks in the delivery of savings are being managed adequately.

4.5 In addition, during 2022/23 a 'Savings Delivery' audit was carried out by SIAP as part of the internal audit plan. This determined that the assurance for savings delivery was "substantial; a sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified."

A repeat of this audit is nearing completion for 2023/24 to ensure that the assurance remains in place.

5 Resourcing

Work to identify an Organisational Development lead remains ongoing, including discussions with neighbouring authorities on whether resource can be shared.

Resourcing requirements for the remainder of the programme were detailed in the November Strategy & Resources Committee report.

6 Comments of the Chief Finance Officer

The FTP is the key mechanism for driving value for money from Council services and for delivering the £1.7m savings target for 2023/24. Effective risk management, and the oversight of Audit & Scrutiny committee, are key elements of ensuring the success of the programme. The full financial context to the FTP is set out in the 2023/24 Budget and Medium-Term Financial Strategy report to Strategy & Resources on the 31st January 2023, as updated by subsequent reports to Strategy & Resources Committee. With delivery of the 2023/24 savings plan nearing completion, attention will now turn to delivery for 2024/25 and planning for 2025/26.

7 Comments of the Head of Legal Services

The delivery of the savings associated with the FTP are key to supporting the Council in closing the financial gap in the current and future years. Risks are assessed regularly and significant issues reported to the Programme and Benefits Delivery Board. This ensures that issues, concerns and risks are

responded to and dealt with appropriately. It also means that the timely delivery of savings are monitored closely.

7 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/fait, sex and sexual orientation. Marriage and civil partnership status applies 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.

The Officers have reviewed the impact of the closure of the Finance Transformation programme and the outcome of this is that the action have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the Budget-setting process and decision-making by using equality impact assessments.

8 Climate change

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

Appendices

Appendix A - FTP Programme Roadmap

Appendix B - FTP Risk Register

Appendix C - Programme Governance

Appendix D – Overall Assessment of Savings overview 23/24

Appendix E - FTP Programme highlight report – March 2024

Appendix F - Glossary of Terms

Background papers

S&R Committee Report 1st February 2022

S&R Committee Report 30th June 2022

S&R Committee Report 29th September 2022

S&R Committee Report 1st December 2022

S&R Committee Report 31st January 2023

S&R Committee Report 30th March 2023

S&R Committee Report 29th June 2023

A&S Committee Report 5th July 2023

A&S Committee Report 26th September 2023

A&S Committee Report 28th November 2023

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