

Future Tandridge Programme Update

Audit & Scrutiny Committee 24 September 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 FTP1 is the identification and delivery of savings identified in the Service Reviews and to ensure a balanced budget is delivered for 2024/25. An update on 2024/25 savings and the impact to residents and the Council can be found in the Strategy & Resources Committee June 2024 paper.

Work is continuing to define the savings plan as part of FTP2 and further details are provided in the September 2024 Strategy and Resources paper.

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: Financial prudence and sustainability.

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Recommendation to Committee:

1. To note progress made and next steps on the savings identified for delivery in 2024/25.
2. To note the approach to risk management being applied and the current programme level risks identified in Appendix B.
3. To note an update on the approach being taken to continue to deliver savings and transformation benefits (the detail of which is set out in report to the Strategy and Resources Committee on 27th June).

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

The Financial Context section of the MTFs report provided in Strategy and Resources paper for September 2024 sets out a budget gap of £1m per year over the life of the Medium-Term Financial Strategy (MTFS). It also provides an update to the Committee on the Future Tandridge Programme and provides an overview of the next phase of transformation.

This report focuses on the governance and risk management arrangements for the Future Tandridge Programme. The latest update on savings and an overview on progress being made on the programme can be found in Appendix A.

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 detailed next steps for the FTP were set out within the report to the Strategy and Resources Committee on 28th June 2024.

The latest programme highlight report can be found in Appendix D.

1.3 Savings approach for 2024/25

Work is progressing on delivering the savings agreed for 2024/25, the details of which 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 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.

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.

4. Savings delivery update

4.1 Savings delivery for 2024/25 is tracked and reported on monthly by the programme team in conjunction with Finance and Heads of Service. An update on 2024/25 savings can be found in Appendix A.

4. Comments of the Chief Finance Officer

With no real clarity on Government funding over the medium-term, our working assumption is that financial resources will continue to be constrained. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium-term.

It is a legal obligation that the Council sets a balanced budget for 2025/26. This relies on the identification of sufficient savings to meet spending pressures and any funding reductions. Drawing on already low General Fund reserves to cover a shortfall in savings is not a sustainable option and would only be used as an absolute last resort. The Council

needs to build, rather than draw on reserves to safeguard its medium term financial stability.

The Section 151 Officer confirms that the 2025/26 Draft Budget and MTFS will be based on reasonable assumptions, taking into account all known material, financial and business issues and risks and is confident that if the principles and recommendations set out in the report to Strategy & Resources Committee are implemented that a balanced budget can be set for 2025/26.

6. Comments of the Head of Legal Services

The Committee's role is to consider and challenge the progress of the FTP in the context of the Council's performance and financial management as they play a key part in delivering improvements in service and value for money. To that end, 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/faith, 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 report. Climate change implications will be assessed as part of any changes to service provision through a business case process.

Appendices

Appendix A – FTP and Savings progress overview 2024/25

Appendix B - FTP Risk Register

Appendix C - Programme Governance

Appendix D - FTP Programme highlight report – August 2024

Appendix E - 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 29th June 2023

S&R Committee Report 30th November 2023

S&R Committee Report 30th January 2024

S&R Committee Report 27th June 2024

A&S Committee Report 5th July 2023

A&S Committee Report 26th September 2023

A&S Committee Report 28th November 2023

A&S Committee Report 6th February 2024

A&S Committee Report 11th April 2024

A&S Committee Report 16th July 2024

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