

Future Tandrige Programme Update Strategy & Resources Committee Thursday, 29th September 2022

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:

- The budgetary context, in terms of the timetable to deliver the budget and an update on the likely financial position and scale of savings required
- Progress to date in delivering Service Reviews, with updates on all service areas currently in scope
- The direction of travel for becoming a Commissioning Council
- The direction of travel for our digital transformation
- An expected resourcing plan for the delivery phase of the FTP
- Next steps on FTP following consideration / approvals along with the lead-in to the final budget to be approved by Council in February 2023.

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

Contact officer: David Ford – Chief Executive dford@tandrige.gov.uk
Mark Hak-Sanders – Chief Finance Officer (Section 151)
mhaksanders@tandrige.gov.uk

Recommendations to Committee:

That S&R Committee:

1. Notes the progress to date on delivering the Future Tandridge Programme, the direction of travel for the Service Reviews and associated savings targets included in Appendix C.
2. Notes that Officers will continue to update their business cases where these are required to achieve the target savings and will bring these for Committee approval where necessary over the coming months.
3. Approves the £500,000 resource investment from capital receipts required for the Future Tandridge Programme set out in Appendix I to move the programme into delivery, including the delivery of the target savings of £1.7m identified in this report.

Reasons for recommendations:

This report builds on the papers presented to Council on 10th February 2022 and to this Committee on 30th June 2022. As a public body, the Council is required to set a balanced and deliverable budget and to demonstrate value for money in all its services, whilst operating in an uncertain and restrained financial environment.

The Future Tandridge Programme and Service Reviews are the mechanism for delivering value for money, providing assurance that services are specified to deliver to an agreed quality within available funding.

1. Introduction

- 1.1. On 30th June 2022, the Committee considered two reports; one setting out the 2023/24 Budget Setting Process and a connected report setting out an update on the Future Tandridge Programme. This report updates the Committee on the Future Tandridge Plan, dovetailing into the 2023/24 budget process.

2. **Budget Timetable Update**

2.1. The table below is an updated extract of the budget setting timetable, with comments on completion status.

| Time Period / Date | Activity / Milestone | Progress |
|-------------------------------------|--|--|
| 30th June 2022 | 2023/24 Budget Process Report to S&R Committee | Complete |
| July – September 2022 | Initial estimates of pressures and savings developed, alongside each service area’s business case. Review of fees and charges Review of staff allocations and charges to Housing Revenue Account | Initial estimates complete Fees and charges review to commence Staff allocations review complete |
| August – September 2022 | Engagement with Members on 2023/24 initial pressures, savings, fees and charges | This report sets out initial pressures and savings. Workshop on 20 th September 2022. Fees and charges review to commence. |
| September 2022 | Committee Cycle – Service Business Cases and initial pressures and savings | Committee cycle underway – Communities and Housing Committees postponed to October |
| October – November 2022 | Engagement with Members on 2023/24 Draft Budget | Draft Budget to S&R on the 1 st December. |
| 1st December 2022 | 2023/24 Draft Budget and Capital Programme, including Tax Base to S&R | Further Business Cases and updates on specific savings will come back through subsequent Committee cycles along with the emerging budget. |
| December 2022 | Expected publication of Local Government Finance Settlement – finalisation of funding estimates | |
| December 2022 to January 2023 | Engagement with Members on 2023/24 Final Budget Engagement with residents and Business Rate payers on 2023/24 Budget | |
| January 2023 | Committee Cycle – 2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy | |
| 31st January 2023 | 2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy to S&R Committee | |
| 9th February 2023 | 2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy to Council | |

2.2. Inflation, fees and charges are emerging as key issues. The two are linked, because the Council’s budget is impacted by inflation in contract costs (which are often unavoidable) and also inflation in fees and charges raised by the Council, which Members will need to approve as part of the budget process.

2.3. Given the acute increase in inflation, but also uncertainty on the range of potential high points (between 13% and 18%), discrete projects to review inflation and set out proposed fees and charges are planned and will feature in the Draft Budget.

3. **Financial Overview**

3.1. In June, three budget scenarios for 2023/24 were presented to Committee; Pessimistic, Optimistic and Neutral. These scenarios presented a range of potential targets for 2023/24 savings based on the assumptions made at the time. Previously, the Bank of England expected inflation to peak at 10% (BoE Monetary Policy Report May 2022); this has now increased to an expected peak of 13% (BoE Monetary Policy Report August 2022). Other commentators have predicted a rise of up to 18%, however this predated Government announcements on freezing energy prices.

3.2. In addition to the general rate of inflation, discussions with our energy provider have indicated that a 100% increase in energy costs is likely to occur in 2023/24. This will be kept under continual review as the budget emerges and options to limit its impact will be explored.

3.3. Therefore general inflation and energy costs have added significant pressure to all three scenarios, increasing the projected allowance for inflation by £200k in each case. The neutral scenario would now indicate a savings target of £1.7m. The service reviews and management structure changes are currently based on achieving this target.

3.4. The emerging economic position would appear to make the pessimistic scenario more likely, or at least more credible. Officers are planning to identify savings that go beyond the £1.7m; developing a reserve list of measures that Members may need to consider in the January committee cycle. To achieve a balanced budget in the pessimistic scenario, would require a further £500k beyond the £1.7m.

3.5. The table below compares the scenarios presented on 30th June, with a refreshed position based on current assumptions. This is a precursor to the Draft Budget, planned for 1st December Committee.

| 2023/24 Indicative Budget | | | | | |
|---|---------------------------------|--|---|---|--|
| | Full Council (February 2022) £m | Indictive Refreshed Position (Optimistic) £m | Indictive Refreshed Position (Pessimistic) £m | Indictive Refreshed Position (Neutral) £m | Comments |
| Opening Budget | 11.351 | 11.351 | 11.351 | 11.351 | |
| Indicative Pressures | 1.280 | 1.600 | 1.900 | 1.700 | Increased expectation of inflationary impact |
| Net Budget | 12.631 | 12.951 | 13.251 | 13.051 | |
| Indicative Funding | 11.044 | 11.624 | 11.044 | 11.351 | Plausible range of potential funding |
| Gap - i.e. Savings to be delivered | (1.587) | (1.327) | (2.207) | (1.700) | |
| 30th June S&R update | (1.587) | (1.127) | (2.007) | (1.500) | |
| Increase | 0.000 | (0.200) | (0.200) | (0.200) | |

3.6. The £1.7m of indicative pressures in the neutral scenario primarily includes:

| Pressure | Indicative Value £m | Comment |
|--|----------------------------|--|
| Allowance for a pay award and staffing increments | 0.300 | Proposals for a pay award will be developed with Members alongside the budget process. |
| Allowance for inflation | 0.600 | Full inflation review commenced in September alongside review of fees and charges. |
| Capital Programme Financing Costs | 0.200 | Assumes that the planned level of borrowing takes place in 2022/23. A review of the Capital Programme is planned. This may be mitigated by using the Redstone receipt to reduce borrowing costs. |
| Pension Triennial Valuation | 0.100 | Awaiting further information from the Pension Fund on the extent to which contributions may need to increase. |
| Service Pressures | 0.400 | Including £300k for Housing Benefit and HRA recharge reviews, with a further allowance for indicative service pressures to be refined in October. |
| Contribution to sustainable reserves and contingency | 0.100 | DLUHC have refused our application to use the Redstone receipt to move reserves toward a more sustainable level. Alternate uses for the capital receipt balance are under consideration, however a modest addition to contingency is likely to be required to mitigate risks in the delivery of savings and to ensure the Council continues to recover its depleted reserves position. Further consideration of the reserves position will be set out in the Draft Budget. |
| Total | 1.700 | |

3.7. The savings table in Section 6 sets out the expected composition of a £1.7m savings plan to meet the neutral scenario, subject to Member approval of the business cases and investment required to deliver.

3.8. Due to inflationary pressures and the risk to delivery of some of the savings identified for 2023/24, work has started on a reserve list of areas for potential savings for further investigation that would be required to meet the £2.2m savings target indicated by the pessimistic scenario.

3.9. This reserve list will involve more challenging areas that have not been considered through the service reviews (for example car parking, waste collection, fees and charges) and is likely to require difficult choices to be made, including potential service reductions. The development of this list will form part of the budget process with options brought back for consideration by Members in December and January for approval.

4. FTP - Background

4.1. The overall aims of the FTP programme are 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.

- 4.2. The longer-term objectives of the FTP need to be balanced with the pressure to move forward quickly to deliver savings required in 2022/23, and to meet the financial challenge that the Council faces in 2023/24 and beyond.

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

This identified two broad phases:

Phase 1 - mobilisation and design – c6 months

Phase 2 – delivery – c12 months

The programme is now reaching the end of Phase 1. The total investment in delivering Phase 1 was £250k, which has been funded from capital receipts under national flexibilities to use receipts for transformation.

Included later in this report is a forecast of the programme resources required to deliver Phase 2 of the programme, which includes the delivery of c£1.7m of savings in 2023/24.

4.3. **Critical Success Factors**

At the start of the programme, Critical Success Factors were identified (included as Appendix A). These will form the basis for assessing the overall success of the programme during the delivery phase.

4.4. **Phase 1**

During Phase 1, the programme was structured into 4 workstreams:

Leadership

- Senior Management restructure – building a new senior management team equipped to lead and deliver the Future Tandridge Programme and its outcomes.
- Strategic Plan – the development of a new corporate vision and a new Strategic Plan to guide the Council from 2023/24.

Organisational and Workforce development

- Implementing leaner management and service structures to deliver the new operating model.
- Supporting the delivery of the Service Reviews and reductions in staffing levels emerging from them.
- Developing a consolidated People plan to support the delivery of the FTP.

Service review and redesign

- A prioritised, consistent and rigorous review of all services which fundamentally challenges how and why we provide services including the demand for these services, the most appropriate delivery model, performance, cost and value for money.
- A focus on identifying outcomes which support the development of the longer-term operating model balanced against the need to identify short term opportunities to deliver savings in 22/23 and 23/24.

Finance and benefit delivery

- The Tandridge Finance Transformation (TFT) programme was formally closed at the end of June 2022 and responsibility for benefit delivery moved under the FTP Programme and Benefits Delivery Board (see section under Governance below).
- It is worth noting that the TFT programme has been shortlisted for the 2022 Public Finance Awards under the category of 'Aligned Service Delivery' in recognition of the partnership working between the Surrey and Tandridge finance teams.

5. Phase 1 key findings

- 5.1. During Phase 1 there has been a strong focus on the Service Reviews (Workstream 2) because of their importance in shaping the direction of the delivery phase and identifying savings necessary to meet the budget pressures in 2022/23 and 2023/24.
- 5.2. In undertaking these reviews, as reported to the Committee previously, key themes have emerged which, taken together, will inform the objectives for the delivery phase of the programme and the development of the future operating model for the Council.
- 5.3. A summary of these key findings is included in Appendix B, along with a high-level view of the changes which will form part of the delivery phase of the programme.
- 5.4. **Becoming a Commissioning Council**
Foremost amongst these is a desire for the Council to move towards a commissioning model. It is evident that up to now the Council has taken an ad-hoc approach to commissioned services with many service areas suffering from the lack of a clear specification for services, performance standards, data and/or metrics, and a lack of the skills necessary to undertake commissioning effectively.
- 5.5. Going forward it will need to adopt a more rigorous approach to defining service objectives, service specifications, assessing the most appropriate delivery model (including outsourcing, delivering internally or delivering in partnership), and establishing clear performance metrics which are actively managed, developed and improved, whether services are provided externally or internally.
- 5.6. Whilst this does not mean outsourcing every service, in the current context it is likely to lead to more services being provided by third parties, coupled with a stronger focus on assessing and managing within what the Council can afford.
- 5.7. Moving to this model will be a key objective through the delivery phase of the FTP. This change is not something that will be achieved overnight and in order to support this change to a commissioning-led approach, the Senior Management team and Heads of Service will need to adapt to a new way of working, to support the shift to a commissioning function.

5.8. In addition, the Council will need to bring in new skills and external support as well as to invest in the development of the skills and capabilities of existing managers and staff in areas such as:

- client and contract management to drive performance and value from existing and new contracts and shared service arrangements.
- building evidence & knowledge
- specifying outcomes and/or services required
- developing influential partnerships and relationships with other partners and service providers to deliver outcomes.

This will form a key element of the delivery phase of the programme, both through the development of a new operating model and a strengthening of the management structure and the resources available within the Council to develop a focus on commissioning and contract management as a core skill.

5.9. **Vision, Strategy and Policy**

At a strategic level, becoming a Commissioning Council means being clearer on the needs and requirements of residents and service users and evaluating carefully what the contribution of the Council should be (alongside that of other partners), within the resources it has available.

5.10. It is evident that the current Strategic Plan does not effectively drive service priorities and objectives and is not owned and embedded in the organisation. Coupled with the absence of an effective policy function, this serves to create a strategic 'gap' between the Council's overall aims and the way in which this is delivered.

5.11. The approach to developing a new Strategic Plan and the associated policy function is currently under review and will need to be addressed as part of the delivery phase of the programme.

5.12. **Management Structure**

Interim changes have been made to the structure which have delivered savings of £125k in 2022/23. During the delivery phase of the programme, as the Council moves to adopting the commissioning model, there will be a requirement for a further senior management restructure both to strengthen the skills and capabilities available to the Council and to achieve the savings identified for delivery in 2023/24.

5.13. **Organisation and Workforce development**

Formative progress has been made on organisational and workforce development during Phase 1. This can be expected to accelerate through the delivery phase of the programme.

The existing Strategic Plan has been used to link the Council stated objectives, service plans and individual staff objectives. Service areas have created service plans using these, alongside current priorities, to set individual objectives to ensure that employees are contributing to delivery of the Council's strategic goals. This will form part of the performance management framework being implemented across the Council.

6. Summary of Service Reviews

- 6.1. A summary of progress for each of the service reviews is included as Appendix C, along with a RAG assessment of current confidence in delivery of target savings and the quality and depth of the review undertaken.
- 6.2. This overview is split between those reviews which come under the Housing and Community Services Committees and those which are the responsibility of the Strategy & Resources Committee.
- 6.3. The table below summarises the overall expectation of savings for the Future Tandridge Programme, setting out total savings to be delivered over the current and following financial years, along with a high-level indication of the target saving as a % of the 2022/23 net budget before savings.

| Service Area | Original Budget (Before Savings) £000 | Total Saving 2022/23 to 2023/24 £000 | % Saving | 2022/23 Savings Target £000 | 2023/24 Savings Target £000 |
|---|---------------------------------------|--------------------------------------|------------|-----------------------------|-----------------------------|
| Ops and Localities | 1,348 | 311 | 23% | 72 | 239 |
| Waste | 2,284 | 184 | 8% | 111 | 73 |
| SBCP | 0 | 100 | | | 100 |
| Regulatory | 277 | 67 | 24% | 16 | 51 |
| Community Partnerships* | 418 | 100 | 24% | 50 | 50 |
| Housing Statutory* | 378 | 20 | 5% | 20 | 0 |
| Subtotal before External Funding | 4,705 | 781 | 17% | 269 | 512 |
| Housing Statutory - External Funding | | 210 | | 10 | 200 |
| Communities and Housing in Current Scope | 4,705 | 991 | 21% | 279 | 712 |
| Asset Management | 596 | 223 | 37% | 111 | 112 |
| Comms | 310 | 123 | 40% | 76 | 47 |
| IT | 1,317 | 173 | 13% | 138 | 35 |
| Customer Services | 636 | 173 | 27% | 45 | 128 |
| Human Resources | 382 | 104 | 27% | 39 | 65 |
| Democratic Services | 569 | 15 | 3% | 7 | 8 |
| Legal | 477 | 67 | 14% | 43 | 24 |
| Revs & Benefits | 535 | 142 | 27% | 42 | 100 |
| Finance | 914 | 41 | 4% | 41 | 0 |
| Management Structure | 1,555 | 450 | 29% | 125 | 325 |
| S&R Services & Management in Current Scope | 7,291 | 1,510 | 21% | 667 | 844 |
| Corporate | (343) | 283 | | 165 | 118 |
| Total in Current Scope | 11,653 | 2,784 | 24% | 1,111 | 1,674 |
| Outside Current Scope (e.g. Planning & Parking) | 809 | | 0% | | |
| Grand Total | 12,462 | 2,784 | 22% | 1,111 | 1,674 |

*The budget for the Westway contribution is held in the Housing Committee, but is being managed through the Community Partnerships review

6.4. The programme has aimed to prioritise savings in S&R services and through the management structure, with the larger percentage savings in those areas. The saving planned within the Housing General Fund Committee is predominantly through making more efficient use of external funding and not directly related to service delivery; although structures will be reviewed within the existing budget to ensure that they are robust, resilient and efficient.

6.5. Detailed business cases have been developed and shared with Committee members for those services areas which fall under the Community Services and Housing Committees. These will be considered by those Committees at the rearranged meetings following the Queen's funeral.

Key recommendations from the business cases include:

6.6. **Housing**

A new structure and service improvement plan is being developed for the Housing Landlord Service with a clear direction of travel.

6.7. This will have a focus on the need to collect meaningful, comparable data to ensure an accurate options appraisal can be undertaken in 12 months' time, alongside a strong focus on resident engagement in accordance with the new Renters Reform Bill and the Social Housing Regulation Bill.

6.8. **Community Services**

A twin track approach for Operational Services leading to a decision on the future delivery model for the service:

1. Internal Improvement programme - to initiate an internal improvement programme to deliver better service outcomes, achieve savings and mitigate operational risks and issues. This will include the redesign of Operational Services, the development of service specifications and associated performance metrics, improvement in technology and an interim restructure of services.
2. Market readiness preparation – to undertake early market engagement to assess the market readiness and appetite to deliver Operational Services, in whole or in part.

6.9. **Strategy and Resources Committee**

A summary of those services which fall under this Committee is set out in the table below, along with target savings identified for delivery in 2023/24 and options under consideration for future delivery models.

| Service | Head of Service | Target Savings (000's) | Savings confidence | Operating model review | Delivery model options under consideration | Staff savings | Depth of Service Review |
|-------------------------------|------------------------------|------------------------|--------------------|------------------------|--|---------------|-------------------------|
| Back Office / Enabling | | | | | | | |
| Assets and FM | Alison Boote | £112 | | Y | In house / work with delivery partners | Y | |
| Communications | Giuseppina Valenza | £47 | | Y | Reshaped in house short term / Potential outsource | Y | |
| Digital and IT Cross Cutting | Mel Thompson / Vicky Barrett | £35 | | N | In house BAU / change delivery external / outsource | N | |
| Customer Services | Mel Thompson | £128 | | Y | Transformed In house | Y | |
| Human Resources | Aretha Pitkin | £65 | | Y | Reshaped in house model / shared service / outsource | Y | |
| Democratic Services | Alex Berry | £8 | | Y | In house model | Y | |
| Legal | Lidia Harrison | £24 | | N | In house / as-is model | N | |
| Revs and Bens | Mark Hak-Sanders | £100 | | Y | Shared Service / hybrid | Y | |

6.10. The savings are RAG rated according to the depth of the review and confidence in delivery. The RAG rating will be kept under review and will ultimately inform consideration of the level of contingency required to support the 2023/24 budget, and decisions on whether further measures are required to assure a balanced position.

6.11. Appendix C includes a single page summary of progress for each of these service areas. Actions and milestones necessary to deliver these savings have also been identified and will form part of the plan for the delivery phase.

The Committee are asked to consider the direction of travel and the associated savings for these services. Further analysis is required in some areas and, where necessary, business cases will be brought back to a subsequent committee for approval.

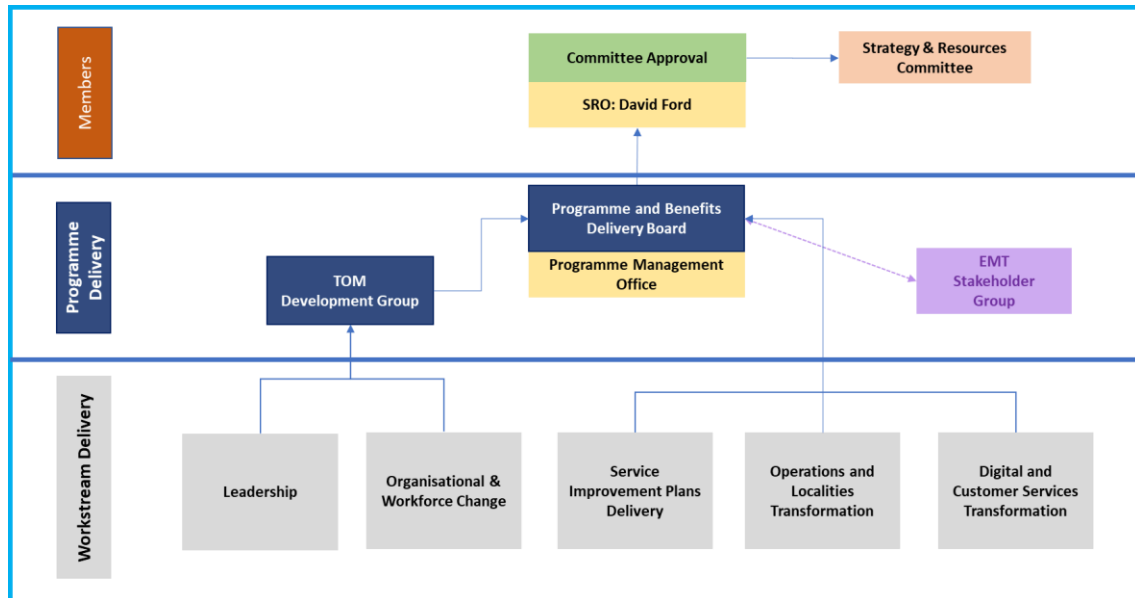
6.12. Detailed business cases with specific recommendations are underway. These will be shared with senior members and brought to this Committee for approval in time to ensure that savings identified can be delivered.

The first of these will be business cases for Assets and FM and Communications. Work is also underway to develop the business case for Digital and Customer Services Transformation which provides a strong opportunity to transform the resident experience and customer services function through investment in digital technology as presented to the All-member briefing on 20th September. This business case, including the required investment and benefits, will be brought for approval to the Committee on 1st December.

7. **Phase 2 – approach to delivery**

- 7.1. Through the delivery phase, the governance and workstream structure for the programme will be reshaped as set out below.

Governance



- 7.2. Overall Member oversight of the FTP and the impact on the financial position of the Council will continue to be through this Committee. Wider Member engagement will be undertaken on specific topics and regular progress updates provided to all Members.
- 7.3. The development of the leadership and organisational development workstreams will continue to be overseen through the **Target Operating Model (TOM) Development Group** along with the overall development of the operating model. This group will be chaired by the Chief Executive and will, in effect, be the guiding team for the development of the FTP.
- 7.4. As change projects are approved for delivery these will be overseen by the **Programme and Benefits Delivery Board** which will be chaired by the Chief Finance Officer. Further details on the governance model and terms of reference for these groups is included in Appendix D.

Going forward there will be 5 workstreams as follows:

- Leadership

This will continue as set out in Section 4 above.

- Organisational and Workforce change

This will continue as set out in Section 4 above.

- Operations and Localities Transformation

A project team will be established to delivery the recommendations set out in the report to Community Services Committee.

- Digital and Customer Services Transformation

A project team will be established to take forward the further development of the Digital and Customer Services transformation project, leading to a full business case for consideration and approval at the Committee on 1st December.

- Service Improvement Plans Delivery

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

7.5. **Risk**

Risk will continue to be managed in a consistent way across the FTP through the programme management office (PMO) and reported and managed through the relevant Board.

Further details on the approach to managing risk and the current programme level risks is included in Appendix E. Audit & Scrutiny committee will focus in more detail on the arrangements for identifying and managing risks in the FTP.

7.6. **Change Control**

It is inevitable that changes will be required to the scope of the programme through the delivery phase. These need to be carefully managed to ensure that changes are properly assessed to understand their impact on the successful delivery of the programme. A change control process has been established to manage changes through programme delivery.

7.7. **Programme Delivery - Resourcing**

Where possible opportunities are being given to current staff to be part of the programme team helping to develop and deliver the programme. It is also recognised that there are gaps in skills and capacity in some specialist areas required to deliver the programme successfully and that this will continue to need an investment in expert support and to deliver the changes identified through the programme.

7.8. The estimated investment in programme resources required to deliver Phase 2 (from October 2023) is detailed in Appendix I, totalling £500,000. This is a one-off investment for approximately 12 months to support delivery of the workstreams set out in section 7.4.

An overview of the function of each role is included in the table. Some of these roles will provide leadership and support to the programme as a whole as set out below:

| Role | Function | Est cost |
|--|--|-----------------|
| Programme Management | Operational oversight of the programme through design, options appraisal to delivery. Interface with key sponsors – P/T support from SCC | £30,000 |
| Programme Management Office (PMO) | Maintain overview of progress and ensure consistency in approach, documentation, reporting. Interface with sponsors – full time secondment from SCC. | £52,000 |
| Project administration | Admin support through programme / project delivery - attached to PMO – backfill for internal TDC provision | £20,000 |
| Business Analysis | Detailed data, performance and benchmarks, especially during design and options appraisal stages. (see Note) – external recruitment | £65,000 |
| HR advisory | Expert HR advice/support on revisions to working practices, employment terms and staff changes - external support | £25,000 |
| Project delivery Management | Manage detailed development and delivery of individual projects - c1.5 FTE mix of internal resources and external recruitment | £75,000 |
| Subject matter expertise (SME) | Support with expert external knowledge through design, options appraisal - external | £30,000 |

It is recommended that the Business Analysis role becomes a permanent part of the Council establishment beyond this initial 12-month period to provide ongoing commissioning capacity and support to the Council. This has been built into the financial assumptions for 2023/24 and will be considered as part of the budget approval.

Additional roles are required to support the delivery of specific workstreams as set out below:

| | | |
|--|--|-----------------|
| Org Development / Change Management | Support Organisation and Workforce change workstream through delivery, including staff and stakeholder engagement – external recruitment | £75,000 |
| Operational Services | Drive delivery of improvement plan and market readiness assessment and outsource (subject to approval) – external support | £100,000 |

7.9. A further business case setting out resourcing to deliver the Council's aspirations for digital transformation is being developed and will be brought to committee when complete.

- 7.10. In addition to the investment in programme delivery, there will also be exit costs associated with the management restructure and the wider organisational changes. Costs vary significantly according to an individual's salary, length of service and age and so cannot be easily quantified in advance. However, expectations for this phase are for costs not to exceed £650,000. Redundancies are approved on a case-by-case basis including an analysis of the cost to the Council and comparison to the associated savings. This cost is based on assessment of the average redundancy cost, aligned with the service reviews that may have an impact on staffing (i.e. excluding those which relate to better use of funding, or income generation).
- 7.11. The investment required will be funded under the national flexibilities to use capital receipts to fund transformative projects that reduce or contain the cost to the Council's revenue budget. Non-statutory redundancy costs cannot be funded by capital receipts. £75,000 was set aside in the 2021/22 outturn report to cover eventualities such as this however further resource may be required as redundancies are identified.

8. Next Steps

- 8.1. Subject to any comments from this Committee on the recommendations included within Appendix C for each service area, Officers will continue to update their delivery plans for the improvements and savings identified. Where appropriate and necessary, revised business cases will be brought to a future Committee for review.
- 8.2. Following approval of the Programme Delivery Resources budget (Appendix I), existing programme roles will be confirmed and recruitment to vacant roles will commence.
- 8.3. The reserve list of savings required to bridge the gap between the neutral and pessimistic cases will be further developed and an update to the Committee provided in December as part of the budget process. The budget process will continue as set out in section 2.1

9. Comments of the Chief Finance Officer (s151)

- 9.1. As set out in section 3, the emerging budget position appears to be extremely challenging, particularly as it is being developed with no indication from Government on likely funding levels for 2023/24.
- 9.2. It is imperative that the Council has robust plans to deliver on a range of potential savings requirements, the final value of which will become clearer after Government funding announcements, expected in December.
- 9.3. The Council should ensure that the investment in the FTP is sufficient to assure successful delivery, whilst looking to make best use of limited resources, primarily funded through one-off capital receipts.
- 9.4. Ongoing investment in savings delivery and improvement of services is likely to be required for 2024/25 and beyond as the Council pursues continuing improvement of its services with constrained Government funding. Further capital receipt funding is likely to be required to meet the cost of that investment. Identifying assets which have the potential to generate a capital receipt will be a theme of the Assets and FM review, weighed up against potential alternate uses for each asset.

9.5. This report and its counterparts on the agenda for Community Services and Housing Committee is a milestone in terms of setting out progress on the Future Tandridge Programme and the likely savings plan. The Draft Budget, scheduled for December Committee will provide further detail on the financial position, including a review of spending pressures, reserves and funding projections.

10. Comments of the Head of Legal Services

This report updates the Committee on the progress of the transformation programme and the associated savings proposals. The financial forecasts will be incorporated in the Medium Term Financial strategy. Legal advice and support will be provided as and when required. Work will progress on delivery of the FTP as set out in this report under the auspices of this Committee and the TOM Development group. The FTP will involve the appointment of various consultants to assist with the programme and, therefore, it will be important to ensure that each appointment complies with the Council's procurement and commissioning rules and ensure that appropriate terms and conditions are agreed with each consultant prior to commencement of work.

11. Equality

11.1. 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.

11.2. 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.

11.3. 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.

11.4. 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.

11.5. The Officers have reviewed their budget changes against the initial equalities screening tool. This has highlighted and concluded that all of savings within the 2022/23 budget will not have any direct effect on residents or service delivery (such as removal of vacant posts, renegotiation of contracts and Reserve adjustments).

11.6. The outcome of this is that the budgetary changes 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.

12. Climate Change implications

12.1. 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.

Appendices

Appendix A – Critical Success Factors

Appendix B – Overview of key findings and delivery objectives

Appendix C – Summary of Service Review updates

Appendix D – Governance

Appendix E – Risk management

Appendix F – Programme Delivery Resources

Appendix G – Glossary of Terms

Background papers

- Strategy & Resources Committee 1st February 2022
- [2022/23 final budget and 2023/24 MTFS](#)
- Strategy & Resources Committee 1st February 2022
- [Future Tandridge Programme](#)
- Strategy & Resources Committee 7th April 2022
- [Budget – Tranche 2 Pressure and Savings Distribution](#)
- Strategy & Resources Committee 30th June 2022
- Community Services Committee 8th September 2022 (Postponed)
- Housing Committee 15th September 2022 (Postponed)