

Future Tandridge Programme Update

Audit & Scrutiny Committee 6th December 2022

Report of: Chief Executive Officer

Purpose: For information

Publication status:

Wards affected: All

Executive summary

The overall aims of the Future Tandridge Programme ('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.

A key part of the FTP is the identification and delivery of savings identified in Service Reviews earlier in the year, to address the Council's significant budget gap in 2023/24.

A detailed update on progress is included on the Agenda for the Strategy and Resources Committee of 1st December. This report should be read in conjunction with that.

As agreed with the Chair of Audit and Scrutiny, 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, the savings identified for delivery in 2023/24 and the associated business cases set out in the report to the S&R Committee on 1st December.
2. To note the governance structure established to oversee the programme, including the alignment between savings and benefit delivery and continuing organisational development.
3. To note the proactive 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.

1.0 Background

1.1 Financial context

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

The report to the Strategy and Resources Committee on 1st December sets out the savings which are planned to be delivered in 2023/24 (subject to Committee approval). It is important to note that the financial position of the Council is continuing to evolve and, should current assumptions prove overly optimistic, further savings from services may need to be found.

The savings plan currently totals £1.7m. Work is in progress to identify alternate means of balancing the budget (a reserve list of savings) which may be necessary if funding proves to be insufficient.

The report to Strategy and Resources sets out:

- 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
- Business cases for Communications and Assets and FM service areas
- An update on the Digital / Customer Service Transformation and the work being carried out to produce a business case for future review
- An update of progress on Operations, Locality and Waste since the update to the Community Service committee in October.
- Next steps on FTP following consideration / approvals along with the lead-in to the final budget to be approved by Council in February 2023.

Final Committee consideration will take place in January 2023 leading to a final budget report to Strategy and Resources Committee on 31st January and Full Council on 9th February 2023.

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 2022/23 and 2023/24.

A full progress update on the programme was reported to the Strategy and Resources Committee on 29th September and updates have been taken to the Community Services and Housing Committees.

Following this, an all-member briefing was held during September and during November additional subject-specific briefings were provided on:

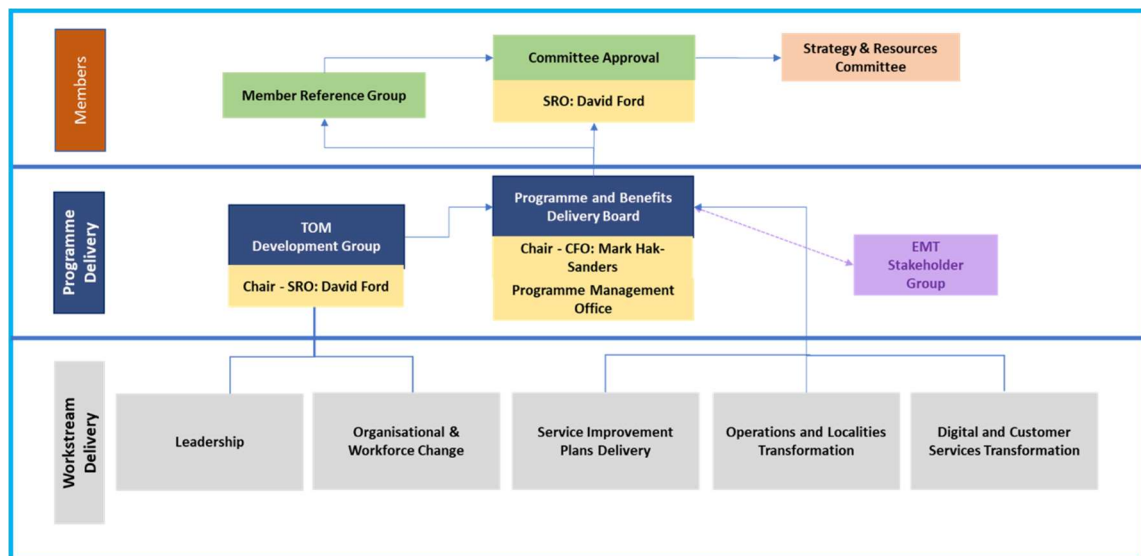
- Digital and Customer Services
- Assets and FM
- Operations and Localities including Waste

Member feedback from these sessions will be used to inform the further development of plans.

The delivery phase of the programme is now underway. As part of this phase, plans have been developed by all service workstreams, with key milestones, resource requirements and associated risks.

2.0 Governance

Through the delivery phase of the programme, the governance and workstream structure for the programme is at 3 levels as set out below. The terms of reference of the key governance groups are included in Appendix C.



2.1 Member level

Formal oversight of the FTP and decision making will continue to be through the Strategy and Resources Committee, with individual committees making decisions for the services within their remit.

Alongside the formal Committee process, oversight of progress will be through the Member Reference Group. This includes the Leader and Deputy Leader of the Council, the Chair of Strategy and Resources Committee and representatives from each of the political groupings.

Wider Member engagement will continue to be undertaken on specific topics with regular progress updates provided to all Members.

2.2 Programme Level

At programme level, delivery of the FTP and the associated savings and benefits will be through the Programme Delivery Board, chaired by the CFO and supported by the PMO. This Board has overall accountability for delivery of the programme.

A key principle of the FTP is to ensure that the management team and Heads of Service (HOS) lead and own the delivery of changes in their service and the associated savings. HOS are directly responsible individually for:

- development of the business case for their service
- identification of savings and other linked benefits
- development of the delivery plan for their service
- identification of key risks and issues and their mitigation

In support of the Programme Delivery Board, HOS are collectively accountable (as the EMT) for overall progress, holding each other to account for delivery of the programme, communicating key messages and ensuring effective engagement with Council staff.

The TOM Development Group oversees the development of the Leadership and Organisation Change workstreams and the change control process for the FTP. Once changes are formally approved, these will come under the remit of the PDB to ensure their delivery.

2.3 Workstream / Project Level

There are 5 key workstreams which support the delivery of the overall programme objectives. Due to their significance and complexity, this will include dedicated Project Boards to oversee delivery of:

- Digital and Customer Services Transformation
- Operations and Localities Transformation

Delivery of the other workstreams will be managed through the Programme Management Office with project management and other support provided where this is required to ensure delivery. Support to the Service Improvement Plans workstream will be provided on an agile basis with programme resources prioritised according to need / risk. This will be subject to ongoing review through the Programme Delivery Board.

3.0 Risk and Issue Management

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 PDB.

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

Each risk has an assigned owner, and is given both a pre and post mitigation rating. Risks are assessed through the PDB and updated where the mitigation or scores may have changed.

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 PDB where their significance to the overall success of the programme warrants this.

In addition to the above, Heads of Service will capture risks relevant to delivery of their savings which are reviewed with the Programme team and escalated as required.

A view of the current FTP Risk register can be found in Appendix B of this document.

4.0 Resourcing

The resources needed to oversee delivery of the FTP from October to March were approved at the Strategy and Resources Committee on 29th September. This included funding for the overall programme management and dedicated funding in support of individual workstreams. Progress on the use of resources in support of delivery will be provided in future reports.

5.0 Comments of the Chief Finance Officer

Progress in delivery of the Future Tandridge Programme was reported to Strategy and Resources Committee on 29th September and again on 1st December 2022, including an update of likely financial pressures for next year. As a result of the increased impact of inflation, constrained income generation, and continued uncertainty on Government funding, the Draft Budget for 2023/24 currently shows a funding shortfall that the Council will need to address. The nature of measures required to close this gap will depend on the final level of funding, to be confirmed by the Local Government Finance Settlement expected in December.

In light of the above, delivering the £1.7m of savings planned through the Future Tandridge Programme will be the minimum requirement for 2023/24. Therefore, arrangements for managing the risks within FTP, and adequate resources to mitigate them and deliver the programme are key to the overall success of the 2023/24 budget and MTFs. A resourcing plan to deliver the 2023/24 savings was set out to S&R on the 29th September, with funding approved to the end of the financial year.

6.0 Comments of the Head of Legal Services

As this report updates this Committee on the governance of the transformation programme ('FTP'), there are no legal implications directly arising from this report. Nevertheless, the Committee should consider this report, acknowledge the work completed to date and note the risk management approach that has been adopted to deliver the FTP across the Council. Where Members have concern, these should be raised as the very difficult financial circumstances facing this Council is expected to continue for the foreseeable future. Whilst it is recognised that it will become progressively more difficult to identify efficiencies as the FTP progresses, the Council needs to continue to seek efficiencies through service reviews and transformation initiatives wherever possible so the scale of savings can be achieved.

7.0 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.

8.0 Climate change

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

Appendices

Appendix A – Programme highlight report - October

Appendix B - FTP Risk Register

Appendix C – Governance Groups

Appendix D - 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

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