

DECISION-MAKER:	CABINET
SUBJECT:	TRANSFORMATION PROGRAMME UPDATE
DATE OF DECISION:	16 JULY 2024
REPORT OF:	COUNCILLOR FIELKER LEADER OF THE COUNCIL

<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

<p>When Council set the Budget for 2024/25 on 6 March 2024, it was agreed that a comprehensive Transformation Programme be established as part of its plans to address the structural budget deficit. This report, and main appendix “Transformation Update-July 2024”, sets out the progress made towards establishing a Council-wide Transformation Programme, including the governance arrangements that have been put in place, and an overview of the programmes of transformation activity currently defined within it.</p>

RECOMMENDATIONS:

	(i)	That Cabinet agrees the transformation strategy set out in the report and appendices and the establishment of the “adapt grow thrive” transformation programme.
	(ii)	agrees the overall programme structure and governance arrangements for the “adapt grow thrive” transformation programme.
	(iii)	agrees the initial definition, scope and expected outcomes of the current 28 programmes of activities within the transformation programme, including the ‘key next steps’ for each of these, set out within the main appendix – “Transformation Update-July 2024”.
	(iv)	delegates authority to the Chief Executive after consultation with the Leader of the Council to take all consequential decisions necessary to deliver the agreed programme scope within the governance and decision-making framework set out in the main appendix.

REASONS FOR REPORT RECOMMENDATIONS	
1.	To enable Cabinet to review the progress made in setting up a comprehensive, organisation-wide, transformation programme, including the governance structure and content of the currently defined transformation activities that are to be delivered.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	To not establish a Council-wide Transformation Programme. This was rejected due to the critical nature of the programme in supporting the council achieve financial sustainability and deliver much-needed reform of services.
DETAIL (Including consultation carried out)	
3.	To address the council's structural budget deficit for the 2025/26 financial year, and beyond, we are focussed on delivering transformation across the organisation through a single comprehensive Transformation Programme.
4.	The Transformation Programme has been established to deliver the c£40m of savings required for the 2025/26 financial year through addressing what we do, how we work, and what technology, process and structural changes are needed to enable us to reshape the organisation to deliver quality services within a sustainable budgetary framework. The programme is to be called "adapt grow thrive"
5.	New governance arrangements aligned to the Transformation Programme are now in place, with Portfolio Boards led by each Executive Director reporting into the Transformation Board chaired by the CEO. Steps have been taken to strengthen the delivery and assurance capacity and capability of the council. A Transformation Director has been appointed and is in-post, and additional recruitment to the core Projects/PMO team is underway.
6.	The high-level scope of the programme is set out in the main appendix – "Transformation Update-July 2024" - and is organised across seven service-themed Portfolios, each led by an Executive Director.
7.	The full content and delivery of the programme has been initially defined through 28 Outline Business Cases (OBCs). These working documents have been produced by all service areas and are summarised in the main appendix. The key next steps for each of the 28 OBCs is also set out in the main appendix – "Transformation Update-July 2024". It is important to note that the content and structure of the programme is subject to change over time as we gain greater levels of understanding about our current areas of improvement, and as new opportunities are identified.
8.	Also included as an appendix is a presentation titled 'Transformation Strategy' summarising the broader national, regional and city context that the transformation programme sits within, along with a summary overview of the programme structure.
9.	Regular future updates on the progress across the Transformation Programme, along with individual OBC-specific updates as and when required, will be presented to Cabinet and Overview and Scrutiny Management Committee. General updates to Cabinet will be aligned to the main quarterly budget reporting schedule, with the next Transformation update anticipated to be presented to Cabinet in October.
RESOURCE IMPLICATIONS	

<u>Capital/Revenue</u>	
10.	The funding requirement for the Programme is up to £10.62M in 2024/25, matching the Exceptional Financial Support (EFS) application for this component. In 2024/25 transformation funding will be primarily drawn from capital resources. The Programme will be multi-year and further resource requests will come forward for future years, including how these will be funded.
<u>Property/Other</u>	
11.	There are no specific new property implications arising from this report. Any property implications required to deliver the Transformation Programme will be defined through the individual business cases.
12.	Cabinet have previously agreed the Phase 1 Disposal list being delivered under the Asset Development and Disposal Programme (ADDP).
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
13.	S1 Localism Act 2011, S101 Local Government Act 1972 and discrete legislation referred to as appropriate in each OBC.
<u>Other Legal Implications:</u>	
14.	None
RISK MANAGEMENT IMPLICATIONS	
15.	Failure to deliver the required actions and associated transformation programme within the required timeframe would prevent the council from setting a balanced budget 2025-26. The establishment of the programme is also a key aspect of the EFS “minded to” decision. This risk is being managed on the Corporate Risk register, with the programme governance and structure as set out in this report and associated appendices acting as key mitigations to prevent this risk from materialising. Reporting to Cabinet on the overall budget position is provided through the regular Budget/MTFS updates.
POLICY FRAMEWORK IMPLICATIONS	
16.	None specifically but our approach to organisation structures is to ensure that the impact on current and future workforce is assessed in line with policy and employment law to reduce any risk to the organisation. Enable and support the organisation to assess and take advantage of opportunities that will arise, putting us ahead of the curve and support the creation of a modern, agile organisation. Any changes to work practices, digitalisation or otherwise will be assessed strategically from a people perspective with a view to evolving the workforce to take advantage of improvements, ensuring that learning is in place and transformation including reduction in employee numbers is supported.

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	ALL
<u>SUPPORTING DOCUMENTATION</u>	

Appendices	
1.	Transformation Update-July 2024
2.	Transformation Strategy July 2024 Presentation
3.	ESIA Data-Organisation wide equality analysis

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

As a local authority, we are required by the Equality Act 2010 to comply with the Public Sector Equality Duty. This means that we need to carry out an equality analysis of our services and any proposed changes. For workforce related analysis, consideration has been given to the complexity and timelines of all the transformation projects resulting in the following approach being taken:

- Complete an organisation wide equality analysis which will be the baseline going forward and used for the transformation programme. See attached appendix – “ESIA Data”. Further equality analysis will be conducted and compared against the baseline at key milestones of the transformation programme.
- Individual projects will be accountable for managing any opportunities and mitigations.
- The People and Culture programme will be accountable for reporting and overseeing the analysis. HR will support the projects and look across the whole system in order to maximise opportunities.
- A review of Equality Strategy is underway and any recommended ambitions/targets will be included in future reporting.

Further ESIA's relating to specific programmes and projects will be drafted as required.

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	yes
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Data Protection Impact Assessment

It is expected that many of the programmes set out in this report will require DPIAs to be carried out.

A full assessment of this requirement will be carried out as part of developing the programmes through to the next stage of business case approval and/or as they move to implementation. Each programme will be responsible for ensuring the required DPIA is in place to the satisfaction of the Data Protection Officer, and this will be monitored and managed through the programme and portfolio governance and assurance processes.

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	yes
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	

