

<b>DECISION-MAKER:</b>	CABINET
<b>SUBJECT:</b>	TRANSFORMATION PROGRAMME UPDATE
<b>DATE OF DECISION:</b>	25 FEBRUARY 2025
<b>REPORT OF:</b>	<b>COUNCILLOR FIELKER LEADER OF THE COUNCIL</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	<b>CHIEF EXECUTIVE</b>	
	<b>Name:</b>	<b>Andrew Travers</b>	Tel: 023 8083 2943
	<b>E-mail</b>	andrew.travers@southampton.gov.uk	
<b>Author:</b>	<b>Title</b>	<b>TRANSFORMATION DIRECTOR</b>	
	<b>Name:</b>	<b>James Wills-Fleming</b>	Tel: 023 8083 2054
	<b>E-mail</b>	james.wills-fleming@southampton.gov.uk	

<b>STATEMENT OF CONFIDENTIALITY</b>
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None

<b>BRIEF SUMMARY</b>
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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. In July 2024 Cabinet approved a strategy and initial definition of the council's "adapt | grow | thrive" Transformation Programme. A further update on the programme was provided to Cabinet in October 2024.

This report, and main appendix "Transformation Update-February 2025", sets out the progress made towards delivering the Transformation Programme, and the current status and expected outcomes of each Portfolio of activity within it.

<b>RECOMMENDATIONS:</b>
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	(i)	That Cabinet agrees the updates to the expected outcomes of the Portfolios of activities within the adapt   grow   thrive Transformation Programme as set out in the 'Current Portfolio Status' section, including the 'Key delivery progress' for each Portfolio, within the main appendix – "Transformation Update- February 2025".
	(ii)	agrees the £34.5m of expected savings from the delivery of transformation activities for 2025/26, supported by updated business cases, set out within the main appendix – "Transformation Update-February 2025"

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<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	To enable Cabinet to review the progress made in delivering the council's comprehensive, organisation-wide, "adapt   grow   thrive" transformation programme.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
	To not update Cabinet on the adapt   grow   thrive 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.
<b>DETAIL (Including consultation carried out)</b>	
	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 called "adapt   grow   thrive"
	The full content and delivery of the programme was initially defined through seven Portfolios containing a total of 28 Business Cases. These working documents were produced by all service areas and were summarised in the Transformation Update report approved by Cabinet in July 2024.
	The July Cabinet report set out the intention to provide regular future updates on the progress made across the Transformation Programme to Cabinet, aligned to the main quarterly budget reporting schedule. The first of these updates was provided in October 2024, and this report provides the current position of the programme.
	Since the July and October Cabinet reports, good progress has been made in further developing and delivering against these business cases and the main appendix – "Transformation Update- February 2025" – sets out the current status of each Portfolio and Programmes of activity within it.
	The main appendix also sets out the currently expected financial benefits expected to be delivered by each Portfolio in the 'key delivery progress' sections.
	Overall, the Transformation Programme has identified over £50m of financial savings opportunities across the Medium-Term Financial Strategy (MTFS) period. c£10m of this has been delivered in the current financial year 2024/25. An additional £24.5m is to be saved in 25/26, <b>bringing the cumulative savings delivered for 2025/26 to £34.5m</b> . A full summary of the expected financial savings is included in the main appendix.
	To support the budget-setting process, individual "Savings Summaries" have been produced covering every saving contributing to the 2025/26 budget. These summaries will accompany the separate Budget report presented to Cabinet at the same meeting.

	<p>A Benefits Realisation Group has been established to provide financial control and assurance to the Transformation Board for the delivery of the cashable, non-cashable and demand mitigation benefits for the MTFs arising from the Transformation Programme. As part of this, the Group has a role in identifying and escalating, as appropriate, any risks and issues associated with non-delivery including the identification of mitigating actions.</p>
	<p>As our transformation plans have been further developed, we have started to identify the areas where the introduction of improved working practices means we can deliver services more efficiently, resulting in a reduction in the required number of establishment posts.</p>
	<p>At this time, we estimate a range of potential establishment post reductions of 135-159 Full-Time Equivalent (FTE) posts as a result of the improvement activity contained within the Transformation Programme. This number includes posts that are currently vacant. This is against an overall establishment of approximately 3,100 FTE. Where currently understood, the number of currently vacant vs. occupied posts has been assessed. Based on current information, this gives a potential reduction of between 61-85 FTE occupied posts. These totals are slightly lower than those estimated in October 2024. It is important to note that these figures are all indicative at this time and are subject to consultation. This is set out in more detail in the main appendix.</p>
	<p>The main appendix also sets out our approach to employee engagement and consultation. Our engagement will focus on connecting and reconnecting employees to our plans and how they can contribute through co-design and feedback.</p>
	<p>All consultations will be compliant with the council's policies and procedures to ensure that meaningful consultation takes place and that all employees are given the time and opportunity to engage with their managers and directors and share their views on proposed changes. Our approach to this complex and extended period of change is as follows:</p> <ul style="list-style-type: none"> <li>• The workforce and TU representatives will be kept informed and have the opportunity to discuss the organisation wide changes.</li> <li>• Individual directorate consultations will start at different times, and these will be required to provide an ESIA (Equality Safety Impact Assessment).</li> <li>• Employees at risk of redundancy will be given the opportunity to access redeployment opportunities and supported during the process.</li> <li>• An HR1 form will be completed to notify the government of potential redundancies and is required at least 45 days before the first dismissal redundancy notice is served.</li> <li>• A S188 (Trade Union Labour Relations Act) letter will be issued to the recognised trade unions of any proposed redundancies of 20 or more employees within a 90-day period. With consultation at both an organisation and directorate level.</li> </ul>
<p><b>RESOURCE IMPLICATIONS</b></p>	
<p><b><u>Capital/Revenue</u></b></p>	

The report sets out £50.8M of savings over the medium term. This is an improved position from the July report and will go a significant way to ensuring the council is sustainable in the medium term. The 2025/26 Budget and Medium-Term Financial Strategy report, elsewhere on the agenda, takes this position into account.

In order to support and ensure delivery of the Council’s transformation programme further resource is required, across all areas. The table below details the current estimated cost. Transformation costs are funded centrally.

	2024/25	2025/26	2026/27
	£M	£M	£M
<b>Forecast expenditure:</b>			
Transformation Team resource requirements	3.16	3.60	1.73
Enabling Services and Data & Digital resource to support the programme	0.99	2.61	0.66
Consultant support requirements (including Newton Europe)	7.27	5.16	
<b>Total forecast expenditure</b>	<b>11.42</b>	<b>11.37</b>	<b>2.39</b>

**Property/Other**

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.

Cabinet have previously agreed the Phase 1 and 2 Disposal list being delivered under the Asset Development and Disposal Programme (ADDP).

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

S1 Localism Act 2011, S101 Local Government Act 1972 and discrete legislation referred to as appropriate

**Other Legal Implications:**

None

**RISK MANAGEMENT IMPLICATIONS**

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 and pose a material risk to our aspiration to be a modern sustainable council. 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.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
	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.

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	ALL
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Transformation Update- February 2025
<b>Documents In Members' Rooms</b>	
1.	None
<b>Equality Impact Assessment</b>	
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Complete an organisation wide equality analysis which will be the baseline going forward and used for the transformation programme. Further equality analysis will be conducted and compared against the baseline at key milestones of the transformation programme.</li> <li>• Individual projects will be accountable for managing any opportunities and mitigations.</li> <li>• 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.</li> <li>• A review of Equality Strategy is underway and any recommended ambitions/targets will be included in future reporting.</li> </ul>	

Further ESIA's relating to specific programmes and projects are drafted as required and each programme delivering savings in 2025/26 has an associated ESIA.	
<b>Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.</b>	<b>yes</b>
<p><b>Data Protection Impact Assessment</b></p> <p>It is expected that many of the programmes set out in this report will require DPIAs to be carried out.</p> <p>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.</p>	
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>	<b>yes</b>
<p><b>Other Background Documents</b></p> <p><b>Other Background documents available for inspection at:</b></p>	
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>
1.	