



Cabinet

Item
7(i)

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Report of	Chief Operating Officer and Shared Director of ICT and Transformation	Author	Jane Goodenough jane.goodenough@colchester.gov.uk
Title	Fit for the Future Transformation Portfolio		
Wards affected	All		

1. Executive Summary

- 1.1 This report provides details of proposals to reimagine what we do as a Council and how we deliver services so it we are 'Fit for the Future'. The proposals are in the form of an integrated portfolio of activity covering all services that will transform their delivery, generate additional income, and reduce our net operating costs by 25% over the next 3 years.
- 1.2 Details of the overarching portfolio of activity are provided as well as information about each programme. Enabling plans to ensure governance, people and communications implications are managed effectively are also included.

2. Recommended Decision

- 2.1 That Cabinet resolves to adopt the portfolio of activity to transform the Council and ensure services are fit for the future and deliver savings required in the Medium-Term Financial Forecast.

3. Reason for Recommended Decision

- 3.1 To ensure there is a robust portfolio of activity to future-proof the Council, create efficiencies and increase income so that we are adequately prepared to meet the funding gap.

4. Alternative Options

- 4.1 Progressing with initiatives that are not cohesively brought together is not a viable or effective option. The portfolio of work was designed collaboratively across our senior leadership team in order for relationships and dependencies between projects to be identified, including enabling resources." While several programmes of work have been identified, the 'Fit for the Future' portfolio needs to be kept under review and additional options for transforming services will be considered to deliver the anticipated savings required.

5. Background Information

- 5.1 The scale of the financial challenge we face as a Council is huge. The cost-of-living crisis, alongside the recovery from the Covid-19 pandemic and rising energy costs have placed significant pressure on our budgets and we simply cannot continue to operate as we are.
- 5.2 Our response to this financial challenge must be radical; to close the budget gap and future-proof our organisation, we will need to reduce our net operating costs by 25% over the next 3 years. This will be through a combination of additional income and reduced cost of providing services.
- 5.3 To achieve this, we need a fundamental portfolio of work that reimagines what we do as a Council and how we deliver it. The 'Fit for the Future' transformation portfolio will make sure that we are exactly that; fit for the future of our city, of our organisation and of our people.
- 5.4 Whilst this portfolio of work will help to align us with the Medium-Term Financial Forecast and ensure we are closing the budget gap identified, it will also prepare us for the longer-term financial challenge that lies ahead.
- 5.5 This portfolio of work will involve a significant change in our relationship with our residents, communities, and partners. The changes we make will have a very significant and visible impact across the city, and we must work to realign people's expectations of the services we deliver. As our duty, and at the heart of what we do as a local authority, we will continue to do all we can to protect those residents who are the most vulnerable and do what we can to mitigate the impact changes may have on them.
- 5.6 The proposed 'Fit for the Future' portfolio of activity to achieve this is shown at appendix A. This shows each theme with individual programmes, key milestones, forecast savings/income and implications. Priority has been given to developing detail for elements that deliver savings in 2024/2025 but information is also included for programmes that deliver savings in later years where this is available.
- 5.7 Effective internal and external communications will be essential to the success of 'Fit for the Future'. A proposed fully integrated internal and external communications plan is attached at appendix B.
- 5.8 Our staff are key to the success of these proposals and the changes to staffing and roles in the Council arising from 'Fit for the Future' are significant. As such, a workforce plan has been developed to ensure staff are supported through the changes ahead. This is attached at appendix C.
- 5.9 Effective governance will be key to ensuring appropriate oversight and decision making from senior officers and councillors. Proposed governance arrangements are attached at appendix D.
- 5.9 The activity proposed in this paper will also need to remain flexible and adaptable to any future pressures or changes in circumstances. It will be regularly reviewed through the governance outlined.

6. Equality, Diversity and Human Rights implications

- 6.1 As changes are made to services and staffing structures, equality and diversity implications will be assessed using individual equality impact assessments.

7. Strategic Plan References

- 7.1 'Fit for the Future' will directly deliver against the Modern City Services strand of the strategic plan. When making any changes to services a key consideration of the future service provision will be contribution to all objectives of the Strategic Plan.

8. Consultation

- 8.1 The detailed communications plan at appendix B demonstrates the commitment to engage and consult with staff informally. Staff and the recognised trade union will also be consulted formally about any changes to staffing structures and roles.
- 8.2 Stakeholders and the public will also be consulted throughout using various mechanisms and existing networks including One Colchester and the Residents Panel.

9. Publicity Considerations

- 9.1 The detailed communications plan at appendix B demonstrates how changes arising from 'Fit for the Future' will be managed.

10. Financial implications

- 10.1 'Fit for the Future' is essential to deliver budget savings required by the revised Medium Term Financial Forecast. By developing a 3-year planned strategic programme of change, savings can be delivered progressively avoiding the need for the development of new budget savings plans each year.
- 10.2 The forecast budget savings from each element of 'Fit for the Future' are shown in appendix A and show a roadmap to the delivery of a balanced budget over the next 3 years of the medium-term financial forecast. These are a combination of additional income and reduced operating costs.
- 10.3 Investment will also be required to facilitate many aspects of the portfolio and as reported to Cabinet in January 2024, the Council's available reserves allow for this. Investments will be made on a case-by-case basis only once a robust business case is made.

11. Health, Wellbeing and Community Safety Implications

- 11.1 As changes are made to services and staffing structures the health, wellbeing and community safety implications will be assessed.

12. Health and Safety Implications

- 12.1 There are no specific implications.

13. Risk Management Implications

- 13.1 Each programme that makes up 'Fit for the Future' will have its own risk register which in turn will feed into an overall risk register for the portfolio of activity. This will be reviewed and managed through the governance proposed at Appendix D.

14. Environmental and Sustainability Implications

- 14.1 The implications of each programme will be carefully considered as changes to services are considered).
- 14.2 Several elements of 'Fit for the Future' have real potential to support the Council's strategic objectives relating to environmental sustainability such as the review of the waste strategy, review of our assets, and the review of the street care and greening services.

Appendices

Appendix A – Details of the 'Fit for the Future' Portfolio

Appendix B – Communications plan

Appendix C – Workforce plan

Appendix D – Proposed governance

Background Papers

None.