

14 October 2020

Report of	Assistant Director – Corporate and Improvement	Author	Richard Block ☎ 506825
Title	Covid-19 Recovery – Business Case for Council Efficiency and Transformation Programme		
Wards affected	All wards		

1. Executive Summary

- 1.1 This report provides details of a Budget Strategy that will deliver a balanced budget in 2021/2022 and start identifying savings required by the Medium Term Financial Forecast in future years. The report explains proposals to make budget savings through improving efficiency, reviewing models of service provision, becoming more commercial and harnessing the potential of our communities.

2. Recommended Decision

- 2.1 To approve the proposals set out in the business cases at Appendix A and all actions necessary to prepare to implement them prior to final approval by Cabinet in January 2021.

3. Reason for Recommended Decision

- 3.1 To ensure robust proposals are developed and can be implemented to deliver a balanced budget in 2020/2021 and in future years.

4. Alternative Options

- 4.1 Although this report details wide ranging options, other opportunities to generate budget savings have been considered but were rejected due to the severity of the impact on frontline services.

5. Background Information

- 5.1 Covid-19 has had a seismic impact on the Council and our finances. The scale of these impacts and details of our ongoing budget gap are detailed in the report of the Head of Finance also being considered by Cabinet at this meeting.
- 5.2 Council services have also been transformed to adapt to the new normal and this transformation will need to continue so services are fit for a post Covid-19 world and can be delivered with the finances available.
- 5.3 The size of the budget gap we face combined with the unprecedented challenges presented by Covid-19 requires a rapid response and development of budget savings proposals at a scale never previously faced by this Council.
- 5.4 To respond to these challenges a crosscutting corporate budget strategy has been developed under 5 themes with each theme being led by an Assistant Director. The themes are described below:

Theme	Description	Lead
Priorities	The Covid-19 pandemic has presented the Council with unprecedented service and financial challenges changing some of the key financial planning assumptions, and priorities upon which the previous draft Strategic Plan presented in March 2020 was based. As a result, a review and reprioritisation of priorities should be undertaken	Rory Doyle – Assistant Director Environment
Efficiency	Reviewing opportunities to further optimise the efficiency of council services, tasks, and processes. This can be achieved by accelerating our shift to digital and implementing innovative and modern solutions to how we manage, organise and process work within the organisation.	Leonie Rathbone – Assistant Director Customer
Service Provision	Reviewing levels and models of service provision. This includes reviewing current service standards to identify the optimum standard for the new level of resources available. It also involves reviewing services and organisational structures to	Richard Block – Assistant Director Corporate and Improvement

	ensure they are fit for purpose for our “new normal”	
Commercial	Understanding and maximising income across all Council services, optimising fees and charges, finding and predicting new income opportunities and commercial projects including reviewing the use of our assets	Mandy Jones – Assistant Director Place and Client
Communities	Communities have so much potential, there are skills, abilities and a desire within Communities to make change happen, own and sustain it. Local Authorities and other Service Providers are beginning to understand the need to work differently with their communities going forward and focus on their strengths not imposing solutions to perceived weaknesses.	Lucie Breadman - Assistant Director Communities

- 5.5 Officers from across the organisation have been involved in developing workstreams for each theme to ensure a budget strategy that is joined up and not siloed.
- 5.6 The detailed templates at appendix A show proposals to make budget savings of more than £1.7 Million in 2021/2022 and a cumulative total of £2.1 million by 2024. They also show the associated implications to services, residents and staff. Proposals that have the least impact on frontline service have been identified wherever possible. To protect frontline services, this does mean some increases to charges for discretionary services are proposed.
- 5.7 The proposals would result in the overall level of full time equivalent staff (FTE) employed by the Council reducing by 28 FTE. 8 of these roles are currently vacant so if these proposals were approved, 20 FTE staff would be at risk of redundancy.
- 5.8 All changes to staffing would be made in line with the Organisational Change Policy and if approved by Cabinet, formal consultation will be commenced with officers whose job is at risk of redundancy. Staff will be redeployed into other roles where possible to avoid redundancies. Provision has also been made in the Medium Term Financial Forecast for costs associated with redundancies.
- 5.9 Any staff who are eventually made redundant will be provided with a package of support including coaching, training, and support to apply for other jobs.
- 5.10 An overall summary of the savings generated by each theme is shown below along with the associated reduction in staff FTE required:

Theme	Total Savings from 2021-2024 (£000)	Number of staff reduced (FTE)
Priorities	0	0
Efficiency	469.5	13.8
Service Provision	1,069	13.6
Commercial	511	0
Communities	64	1
Total	2,113.5	28.4

6. Equality, Diversity and Human Rights implications

- 6.1 An equalities impact assessment has been carried out for each of the budget strategy themes. These are at appendix B.

7. Strategic Plan References

- 7.1 The Priorities theme has involved reprioritising the Council's new Strategic Priorities to ensure they can be delivered with the resources and staff capacity available. This resulted in the revised Strategic Plan that was considered by Cabinet in September and recommended to Full Council for approval in October.

8. Consultation

- 8.1 Informal consultation regarding the budget strategy proposals has been undertaken with Unison and staff throughout September and the results will continue to be used to further develop proposals to bridge our budget gap.
- 8.2 If Cabinet give approval to these initial proposals a 30 day period of formal staff consultation will be undertaken in November.
- 8.3 Wider public consultation will be undertaken with residents and other stakeholders during November using Webinars and an online survey.
- 8.4 The results of formal staff and public consultation will be provided to Cabinet when the final Budget Strategy proposals are considered in January 2021.

9. Publicity Considerations

- 9.1 A significant internal and external communications campaign has been initiated to publicise the scale of our budget challenge and the reasons for these proposals. The plan will now move to a consultation phase as detailed above.

10. Financial implications

- 10.1 The full financial impact of these proposals is shown on each business case. As stated above, these proposals could generate savings/additional income of £2.1 million by 2024. There will be associated transformation costs including those associated with redundancy. Provision has been made for these as detailed in the report from the Head of Finance also being considered by Cabinet at this meeting.

11. Health, Wellbeing and Community Safety Implications

- 11.1 The full implications of each proposal are shown in the impacts section of each business case. Most of these proposals have no direct external health, wellbeing, or community

safety implications as they relate to efficiencies and changes to the way we provide support services.

- 11.2 The proposals to reduce ward member budgets in the Communities Theme could have impacts as some would previously have been used to support health, wellbeing, or community safety.
- 11.3 In the Commercial theme increases in fees and charges for activities that have a positive health/wellbeing impact e.g. allotments may have a negative impact if it discourages people from undertaking these activities.

12. Health and Safety Implications

- 12.1 There are no direct public health and safety implications.
- 12.2 In terms of the Health and Safety of Council employees, these proposals will result in concern and stress particularly for the members of staff who would be at risk of redundancy. All staff will be fully supported through a range of mechanisms including direct support from their manager/HR, our employee assistance programme and from the network of trained mental health first aiders within the organisation.

13. Risk Management Implications

- 13.1 The individual risks associated with each proposal is detailed in the relevant business case.
- 13.2 If these proposals are not approved the most significant risk is that the Council is unable to deliver a balanced budget for 2021/2022 and alternative savings proposals are not identified.

14. Environmental and Sustainability Implications

- 14.1 Many of the proposals in the Efficiency Theme are associated with a greater use of technology and less use of printing and paper making them more environmentally sustainable.
- 14.2 Increases in car parking fees proposed through the Commercial Theme could influence the public to consider other forms of transport which would have a positive impact on air quality and congestion in Colchester.

Appendices

Appendix A – Business Cases for Each Budget Strategy Theme

Appendix B – Equality Impact Assessments