

This report is public	
Transformation Programme	
Committee	Overview & Scrutiny Committee
Date of Committee	18 March 2025
Portfolio Holder presenting the report	Portfolio Holder for Strategic Leadership, Councillor David Hingley Leader
Date Portfolio Holder agreed report	10 March 2025
Report of	Shona Ware, Assistant Director Customer Focus

Purpose of report

Overview and Scrutiny have requested answers to questions relating to the council's Transformation programme. This report responds to the questions raised and answers them as they have been asked.

1. Recommendations

The Overview and Scrutiny Committee resolves:

- 1.1 To comment on the contents of this report and make any recommendations.

2. Executive Summary

- 2.1 This report provides an update to the Overview and Scrutiny Committee on the Council's Transformation programme, covering an introduction, next steps, strategic alignment, and implications.
- 2.2 The programme began in June last year with an external consultant supporting services to deliver a 3 phase piece of work:
 - Phase 1 – Cost Based Service Catalogue
 - Phase 2 – Demand & Effectiveness Proposals
 - Phase 3 – Service Level Options
- 2.3 Central to the process were the end-of-phase Panel sessions. The Panel's role was to confirm proposals were credible, implementation of them was achievable, the risks were appropriately assessed, and the potential benefits realistic.
- 2.4 PA Consulting were commissioned in January 2025 been to help us develop plans for achieving the transformation opportunities identified from the first three phases, specifically covering:
 - Programme Set up.
 - Agile Delivery – Process Automation

- Culture Change

This work concluded w/c 3 March, and the final report (as part of a case for change) will be considered by Executive in May.

- 2.5 The savings that have been built into next year's budget are from the £4.1m of identified effectiveness changes from the phase 2 work. These are the efficiencies that services had identified without impacting service delivery and the levels residents currently receive from us.
- 2.6 Any impact on service delivery will depend on the financial situation facing the council at the time of budget setting and as per the usual process there would be wide consultation on any proposed service level changes.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no direct financial implications arising from this report, although the costs and benefits of the transformation programme will need to be carefully monitored as part of the Council's budget and programme management practices. Joanne Kaye – Head of Finance and Deputy S.151 Officer 10/3/25			
Legal	There are no legal implications as this is an update to ONS. Shiraz Sheikh – MO / AD Law & Governance			
Risk Management	There are no direct risk management issues directly arising from this report. Celia Prado-Teeling Performance Team Leader 10/3/25			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				Not applicable
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?				Not applicable
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?				Not applicable

Climate & Environmental Impact				Not applicable
ICT & Digital Impact				Not applicable
Data Impact				Not applicable
Procurement & subsidy				Not applicable
Council Priorities	The Council's transformation programme supports the four new Council Priorities.			
Human Resources	Not applicable			
Property	Not applicable			
Consultation & Engagement	Not applicable			

Supporting Information

3. Background

3.1 Overview and Scrutiny have requested the following questions be answered:

- A brief introduction to the development of the Cherwell District Council Transformation Programme, including the progress to date and next key steps.
- The next steps to developing a multi-year transformation programme.
- How the Cherwell District Council Transformation Programme aligns with the Council's digital strategy, and integration of the cross-cutting effectiveness strategies and programmes.
- The main impacts on front line Council service delivery and services to residents, including an areas of service reduction/rationalisation and any anticipated improvements.
- The anticipated financial implications including anticipated main costs and savings.
- Any significant Equalities Implications especially for particular groups or communities (cross referenced to Protected Characteristics).

4. Details

Question 1): A brief introduction to the development of the Cherwell District Council Transformation Programme, including the progress to date and next key steps.

4.1 The programme began in the summer last year with an external consultant supporting services to deliver the following:

Phase 1 (6-weeks)

- 4.2 Create a services catalogue with baseline costs to provide a clear view of current services and their delivery costs. This concluded on 20 August 2024. We will be refining and updating these baseline costings in preparation for next year's budget setting process.

Phase 2 (7-weeks).

- 4.3 Identify potential changes to the baseline cost for services to reflect:
- A) Demand Changes- decisions outside of the budget **holder's control** that could impact the baseline costs agreed in Phase 1. For example, the implementation of the building safety levy.
- B) Effectiveness Changes — efficiencies from existing ways of working and service levels **currently provided**. These included:
- Effectiveness changes that were specific to the service (e.g. HR only).
 - Common effectiveness changes – actions being delivered by **two or more** service areas commonly relating to non-staff cost reductions such as **printing**).
 - Cross-cutting effectiveness opportunities that have dependencies **with one or more** additional services. For example, how the Council deals with Freedom of Information (FOI) requests.

This work concluded on 9 October 2024 and resulted in 16 demand changes being identified and 53 effectiveness changes. The prospective effectiveness changes identified would potentially deliver savings of £4.1m over the next three financial years. Of this, £1.2m of savings were built into the 2025/26 budget.

Phase 3 (3 weeks).

- 4.4 Produce a range of potential service levels that could be provided in the future, including service improvements as well as possible reductions. This was to identify where CDC could realign current service levels if it had to respond to possible future financial challenges. These options would help members to make more informed decisions about changes to service levels should that need arise.

This work concluded on 7 November 2024. We will be refining these scenarios with services over the next few months as they are currently at a very high level. The report presented to the Executive in January 2025 is included in Appendix 1.

- 4.5 Central to the process were the end-of-phase Panel sessions. The purpose of the sessions was to review, and challenge'. The Panel's role was to confirm proposals were credible, implementation of them was achievable, the risks were appropriately assessed, and the potential benefits realistic.

- 4.6 **The Panel** consisted of:

- Stephen Hinds, Corporate Director - Resources and Transformation (**SRO and Chair**)
- Ian Boll, Corporate Director — Communities
- Michael Furness, Assistant Director - Finance and **Section 151**
- Shona Ware, Assistant Director - Customer Focus (**Deputy Chair**)

- Shiraz Sheikh, Assistant Director - Law, Governance and **Monitoring Officer**
- Claire Cox, Assistant Director, Human Resources and Organisational Development (*non-scoring Panel member*).

Question 2) The next steps to developing a multi-year transformation programme.

- 4.7 The transformation team will be working with services over the next few months to develop an implementation plan for the remaining effectiveness changes. We have also commissioned PA Consulting to help us develop plans for achieving the transformation opportunities identified from the first three phases, specifically to:
- Programme Set up.
 - Agile Delivery – Process Automation
 - Culture Change

This work concluded w/c 3rd March, and the final report (as part of a case for change) will be considered by Executive in May.

Question 3) How the Cherwell District Council Transformation Programme aligns with the Council's digital strategy, and integration of the cross-cutting effectiveness strategies and programmes.

- 4.8 Digital enablement and agile service delivery are key to delivering transformation; therefore, an integral part of this work and the head of IT is heavily involved in the programme, with our digital strategy underpinning our transformation work.
- 4.9 Our approach to delivering the cross-cutting effectiveness opportunities, those that the Council had identified prior to and throughout the phase 3 work, form part of the latest piece of work Phase 4 work. These will underpin the “case for change” and initial work regarding automation with Blue Prism and OAS already underway.

Question 4) The main impacts on front line Council service delivery and services to residents, including an areas of service reduction/rationalisation and any anticipated improvements.

- 4.10 The savings we have built into next year's budget of £1.2m are from the £4.1m of identified effectiveness changes from the phase 2 work. These are the efficiencies that services had identified **without** impacting service delivery and the levels residents currently receive from us. We still have further potential effectiveness changes to consider and build into future budgets before having to consider any service level reductions. Therefore, any impact on service delivery will depend on the financial situation facing the council at the time of budget setting and as per the usual process there would be wide consultation on any proposed service level changes.

Question 5) The anticipated financial implications including anticipated main costs and savings.

- 4.11 As outlined above, upon completion, the primary 3-phase piece of work was carried out at an intense pace and is now complete, having identified an indicative £4.1m of effectiveness changes, plus additional income streams over the life of the programme whilst maintaining current service levels of circa £2.4m, thereby leaving

the council with a solid evidence base to move forward in our transformation and change journey. There were a number of cross-cutting initiatives It should be noted that some effectiveness changes and income streams were able to be brought online for the 2025/26 financial year to assist with the coping of budget pressures, and these have been presented via the annual budget setting process. The work carried out in Panel 3 identified how the Council could, if it needed to and wanted to, select levels of service delivery, and the indicative example developed through this process showed how a potential additional £4.5m of savings could be made through changes in service levels throughout the organisation (with further work to develop these models further to allow Executive approval if and when required). Whilst a significant element of the additional income is derived from a new government funding stream, there are high level of uncertainty relating to its continuous deployment, especially taking into account future local government funding reforms.

- 4.12 As with all work, there is an element of “optimism” in those potential savings identified at this early stage. Following the government green book approach, it would be prudent to reduce our expectations of the amounts that can be delivered by 10%, thereby equating to a totality of circa £10m. As programmes are developed, these figures will be more accurately forecast in their savings delivery.

Table 1: Summary of Effectiveness Changes across the Council

2025/26 to 2027/28 (Cherwell District Council)	Saving Target Aim @ 20%	Effectiveness Saving	Income Generates
<u>Service Area</u>			
Customer Focus	551,000	-278,759	0
Digital Innovation	313,000	-84,584	0
Environment 1	2,527,000	-1,075,081	-175,000
Environment 2		-49,990	-6,400
Finance	835,000	-645,000	0
Growth & Economy	159,000	0	0
Housing & Wellbeing	1,253,000	-447,349	364,256
Human Resources	248,000	-115,738	0
Law & Governance	469,000	-40,000	0
Planning & Development	936,000	-474,385	-314,400
Property	753,000	-751,474	0
Regulatory Services	334,000	-55,039	0
	8,378,000	-4,017,400	-131,544

Table 2: Additional Income Streams

Cherwell District Council	Additional Income
<u>Service Area</u>	£'000
Customer Focus	-5
Environmental Services (1)	-1,944
Planning and Development	-443
Total	-2,392

- 4.13 With regards to future spend on implementing the transformation programme moving forwards, the work developed as part of Phase 4 (including the Case for Change) will identify the indicative costs for the programme as a whole and for each “stream” which will be supported by businesses cases for the relative elements. As

a general rule of thumb, it could be expected that one-off costs of implementation could range from 25-45% of the indicative annual saving.

Question 6) Any significant Equalities Implications especially for particular groups or communities (cross referenced to Protected Characteristics).

4.14 There have been none currently as we have been in the fortunate position to be able to deliver a balanced budget next year using efficiency savings. If we have to consider any service level reductions in the future to respond to financial pressures, then Equality Implications will be identified and considered during the consultation phase of the normal budget setting process.

5. Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Several alternative options were considered and deemed to be less favourable. All these options were considered in the report referred to in this report and listed in the appendix 1 below.

6 Conclusion and Reasons for Recommendations

6.1 To comment on the contents of this report and make any recommendations.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected.	N/A

Document Information

Appendices	
Appendix 1	Draft PA Consulting Report on Transformation
Background Papers	None

Reference Papers	None
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Corporate Director Approval (unless Corporate Director or Statutory Officer report)	Corporate Director for Resources and Transformation