

Report to: Cabinet

Date: 9 February 2022

Title: Recovery and Reset Programme

Report of: Robert Cottrill, Chief Executive

Cabinet member: Councillor David Tutt, Leader of the Council

Ward(s): All

Purpose of report: To update on progress of the Recovery and Reset Programme

Decision type: Non key

Officer recommendation(s):

- 1) Note the progress made with the Recovery and Reset Programme
- 2) Note the Recovery and Reset savings (including the Priority Based Budget savings) at Appendix A

Reasons for recommendations: The Recovery and Reset Programme provides a structured and accountable approach for delivering the level of significant organisational change needed to respond to current and future challenges. This work is sufficiently developed for its management and oversight to now form part of the council's business as usual activity.

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1. Introduction

- 1.1 For the last 18 months, the council has co-ordinated its response to the Covid-19 pandemic and the subsequent impact on the economy (both for the council and the borough) through the Recovery and Reset (R&R) programme. R&R aims to manage the priority activity to address the challenges of the council's new operational context in a sustainable way, and to respond to the changing needs and demands of residents.
- 1.2 Since its inception, the R&R programme has made strong progress in leading and delivering the changes required in support of the council's response to the Covid-19 pandemic and the work to manage the significant budget shortfall over the life of the Medium-Term Financial Strategy (MTFS) period.
- 1.3 Following the capitalisation direction from central government in early 2021 in response to the extreme financial pressures being experienced, the council was required to agree to an external assurance review being undertaken. This review

took place during the summer of 2021 and the resulting report was published in December – the report is being considered by Cabinet under a separate item on this agenda. The process of monitoring progress of the recommendations from the external assurance review will be undertaken as part of R&R activity.

1.4 This report provides an update on the R&R activity over the last period.

2. Financial Context

2.1 The table below sets out the budget challenges which were reported in the updated MTFS reported to Cabinet in September 2021. Further work with budget holders to consider the robustness and achievability of the R&R savings has resulted in a revised position.

2.2 Overachievement of 2021/22 savings targets has contributed to reducing the gap forecast in 2022/23. The budget planning process for 2022/23 has also identified other sources to manage the funding gaps in 2022/23, these include additional funding from collection fund and updated income projections.

	2021/22 £m	2022/23 £m
INITIAL FORECAST GAP	0.850	5.917
Less achievable R&R savings	(2,259)	(3,333)
Improved Funding position		(1,175)
2021/22 b/f		(1,409)
NET POSITION	(1,409)	0

2.3 The final detailed budget information is being considered in a separate item on this agenda.

3. Priority Based Budgeting

3.1 Cabinet previously received a report which explained the Priority Based Budgeting work being undertaken to reduce the need for borrowing and to address the projected budget shortfall in 2022/23. Cabinet approved a number of service and organisational changes. It was noted that a further report would present what further changes would need to be made to address the financial situation in future years.

3.2 Through the Priority Based Budgeting approach, each area of the council's expenditure has been scrutinised, and a range of budget reduction options prepared for members' consideration. For each service area, three levels of reduction were tested, with weight being given to:

- where efficiencies could be achieved without reduction in service levels
- minimising the potential impact on residents
- whether the service was statutory or discretionary
- managing and mitigating any risks associated with the service change
- whether the change could be short-term and reversible

- 3.3 The table at Appendix A sets out the latest update on the proposals that have been developed as a result of these considerations. Some of these proposals will deliver a level of budget reduction in the current financial year, whilst others will yield savings, or increased income generation, from 2022/23. These savings are now being incorporated into the 2021/22 revised and 2022/23 draft budgets and, as mentioned above, are being reported via a separate item on this agenda.
- 3.4 The savings set out in Appendix A are critical to delivering a balanced budget for 2021/22 and beyond and will allow for a reduced borrowing requirement. The savings identified contribute significantly to the reductions needed for 2022/23.

4. Recovery and Reset Progress

- 4.1 A range of key outcomes and benefits have been delivered (in addition to those previously reported to Cabinet) by the R&R programme so far, including:
- The Digital Democracy project, which launched the Modern.Gov system with members and officers for the electronic management of meeting agendas and papers, has progressed well with good levels of adoption of the new system. Discussions are taking place about the next phase of the project, including consideration of the future of hard-copy agendas and papers for meetings.
 - The procurement exercise for the project to explore a new Revenues and Benefits system completed in December, and a new provider and system was selected – the NPS system provided by NEC. NPS will provide significant automation improvements and reduce the need for manual activity. Since contract completion, the project team has worked with NEC to develop an implementation plan – the current window for “go live” of the new system is early 2023 working around the peak period of year-end-related activity.
 - The project to explore options for the identification of a single system to manage Environmental Health and Licensing activity is progressing well. Colleagues have identified the council’s requirements, ensuring operational benefits, efficiencies and savings can be delivered, and discussions with potential system providers are underway as part of a market testing exercise. The procurement phase of the project is due to commence in the coming months.
 - Work to identify new technology to automate a range of transactional processes within Customer First is due to be implemented in the coming weeks. A new generation chat bot will be implemented on the council’s website and, subsequently, on the contact centre phone line to allow customers to self-serve and find answers to their queries. The chat bot will, over time, reduce the volumes of queries into the contact centre, enabling the team to provide more in-depth support to those customers in the greatest need and to focus on more value-adding activity.
 - A new system to support the online facilitation of taxi licensing services is being finalised and will launch in the spring. The system – Digital Place – will offer a higher-level of automated and electronic processes for taxi drivers and operators to streamline the service provided to them, and to introduce efficiencies for the council. Once implemented, other service areas will be

scoped for further use of Digital Place to deliver additional improvements and savings across a wider range of service areas.

- With many of the new ways of working introduced to support and embed hybrid working across the council, a review of internal communications is underway to consider how long-standing and new communication tools can be used to support the new operating model.
- The staff social club – the Water Cooler – has become well-established since its launch last autumn and staff have been developing it into an essential tool for interacting and socialising. The 45 groups created by staff – on themes related to personal interests, sports, pets and a range of equality, diversity and inclusion groups – are proving an effective way for staff to keep in touch and connect when working across a range of locations and in a hybrid way. The Water Cooler will be considered as part of the review of internal communications.
- The capital programme has been reviewed and income targets relating to the property portfolio (non-residential) are to be considered by Cabinet under a separate item on this agenda.
- Through the Strategic Property Board, assets/properties are being reviewed to identify a priority list for further consideration as to how they can best support the council to meet its current and long-term financial challenges.
- The Covid-19 community hub helpline has operated since March 2020 and, in recent months, levels of contact have been consistently very low. Plans were refreshed in December 2021 in anticipation of any changes to the levels of demand as a result of the omicron variant. At the point of writing the report, no material changes to the levels of contact have been observed. An oral update on the latest position will be provided at the meeting.

5. Consultation

- 5.1 No further consultation/consideration of consultation is required for the content of this report.

6. Corporate Plan and Council Policies

- 6.1 This report does not significantly adversely impact on the council's long-term strategic aims as set out in the Corporate Plan and associated policies.

7. Business Case and Alternative Option(s) Considered

- 7.1 In arriving at the proposals in this report, extensive options appraisal work was undertaken using a Priority Based Budgeting approach. Other savings options were considered and discounted because of the potential for their greater adverse impact on local residents, businesses or the economy. It is considered that the recommendations in this report provide the least disruptive and most sustainable way for the council to address its short-term financial challenges.

8. Financial Appraisal

- 8.1 As set out in the report.

9. Legal Implications

- 9.1 The Priority Based Budgeting proposals are necessary to achieve financial sustainability over the medium-term; they also represent a reasonable and proportionate set of measures, taking into account the factors at paragraph 3.2 above. This, together with the equality considerations mentioned at 11.1, makes the proposals acceptable in public law terms.

Lawyer consulted 10.01.22

Legal ref: 010741-EBC-KS

10. Risk Management Implications

- 10.1 The risks within R&R are regularly assessed and managed as part of the R&R and project management activities. The identification and management of any significant risks in relation to the programme will be reported, along with mitigation plans to address them. With regard to the Priority Based Budgeting proposals specifically, all have been subject to project management discipline including appropriate risk and impact assessment processes.

11. Equality Analysis

- 11.1 An Equality & Fairness Analysis has been undertaken on the R&R proposals. The outcome of this was reported to Cabinet in 2021. Screening of the additional proposals did not find any further risk of adverse impact on groups with protected characteristics.

12. Environmental Sustainability Implications

- 12.1 The proposals in this report do not adversely impact on the council's long-term carbon reduction aims, as set out in the EBC Climate Emergency Strategy.

13. Appendices

- Appendix A – Recovery and Reset Programme Savings

14. Background Papers

The background papers used in compiling this report were as follows:

- None

Appendix A

Recovery and Reset Programme Savings

	2021/22 £000	2022/23 £000
Reshaping Services		
HR reshaping	13.8	0.0
IT reshaping	0.0	68.1
Homes First reshaping - Housing Needs and Standards	34.4	0.0
Homes First reshaping - B&B	152.5	0.0
Homes First reshaping - Housing Benefit subsidy	750.0	0.0
Homes First reshaping - provision for debt	0.0	118.1
Environment First reshaping	5.6	-3.8
Neighbourhood First reshaping	108.1	0.0
Legal reshaping	0.0	25.0
CMT reshaping	192.9	9.3
Heritage reshaping	19.1	32.0
Finance reshaping	0.0	58.4
Business Planning & Performance reshaping	0.0	160.1
Voluntary & Community Grants (incl Ward Budgets)	85.25	125.0
Contract cleaning	50.0	50.0
Refuse - AWC	223.4	0.0
Weed control	14.0	7.0
Street Cleansing	38.8	117.0
Grounds maintenance	0.0	77.8
Public conveniences	47.5	100.0
Consolidate grounds maintenance operations	0.0	100.0
Events programme - cost neutral	0.0	100.0
Events programme - Airbourne	141.7	3.4
Bulky waste - cease free collections	20.0	40.0
Garden waste	50.0	71.5
RESHAPING TOTAL	1946.8	1258.9
Best Use of Assets		
Leisure Centre	0.0	20.0
Sovereign Leisure Centre	0.0	100.0
Cultural exemption	0.0	500.0
Congress Theatre	60.0	100.0
Golf course	0.0	43.0
Devonshire Park Theatre	280.0	280.0
Close 1 Grove Road and let out	130.0	480.0
Victoria Mansion (food street)	0.0	40.0
Hamden Park Retail Park relet	0.0	93.0
Rental income recovery	60.0	60.0
Sale of Cornish Cottages	0.0	6.0

ASSETS TOTAL	530.0	1722.0
Corporate		
Reduced cost of capitalisation - estimate	0.0	300.0
TOTAL SAVINGS	2471.3	3280.9