

Savings & Transformation Strategy 2025/26 – 2034/35

INTRODUCTION

By way of context, since 2010/11 the Council has seen its Settlement Funding Assessment (core funding) decrease by some 59% or £3.9m (from £6.6m in 2010/11 to £2.7m in 2025/26). The fall in core funding has been, in part, negated by the grant award under the New Homes Bonus (NHB) scheme and other grant income.

In 2025/26, the Council will continue to receive Funding Floor Grant which means there is an in-year balanced budget without reliance on reserves. However, announcements on changes to core financial support to local authorities covering grants and Business Rates are due to take place during 2025/26, with an expected implementation for the 2026/27 Financial Year. This along with other external factors concerning the Council Refuse, Recycling and Street Cleansing contract are the two biggest estimated challenges for the financial outlook for the authority.

We are fortunate that we do not have to make all the required savings and transformation contributions in one year and can spread the challenge into ‘tranches’ as set out within the Council’s Medium Term Financial Strategy (MTFS).

Nevertheless, the Council have acknowledged that we need to balance residents’ expectations with the need to make these savings and transformation contributions and achieve as much as possible in the earlier years to provide the best long-term financial sustainability.

In the latest iteration of the MTFS it is assumed government grant funding and increased business rates income to be retained will reduce from circa £7.16m in 2025/26 to £3.48m in 2028/29 before seeing a modest increase year on year thereafter; where the latest projected funding gap between expenditure and income is **circa £2,800,000**. **Plus** the initiative already built into the MTFS, the scaling back of office accommodation in the sum of £200,000 and reductions in the costs and client numbers of Temporary Accommodation of £625,000.

OBJECTIVES

In developing this Strategy, the Council has set the following objectives:

1. To deliver sufficient savings and transformation contributions in order to bridge the funding gap identified in the MTFS, and to deliver as much as possible in the earlier years in order to minimise risk to the Council’s finances.
2. To direct resources in line with the principles of the Council’s Corporate Strategy.
3. To maintain the Council’s reputation of good front line service provision.

4. To adopt a 'mixed' approach to addressing the funding gap through a series of 'themes'.
5. To be open to accept 'cultural' change/transformation in the ways we work and offer services to the public in order to release efficiencies and savings.
6. To engage, as appropriate, with stakeholders when determining how savings and transformation contributions will be achieved.

THE STRATEGY

It is recognised that there is no one simple solution to addressing the financial challenge faced. The Council will need to embrace transformation in a multitude of ways in order to deliver the savings and transformation contributions within an agreed timescale.

This Strategy sets out a measured structure and framework for delivering the necessary savings and transformation contributions through a series of 'themes'. Each theme has a deliverable target within a timeframe.

Whilst the framework includes some major areas where savings can be made without direct effect on services, by adopting this Strategy the Council has recognised that it may need to decide that some service areas should change/transform to accommodate saving requirements. That might mean doing things differently, with even greater efficiency – for example, with the help of new technology – and with increased income opportunities where circumstances allow this. It will in all likelihood also mean that services will simply need to be run with fewer resources, downsized or cease. All these approaches will require a shift in culture for the organisation so that we can be focused and flexible in the way in which we deliver services to our communities.

The Themes, Targets, and Timeframes for the Strategy are set out in the table below, and will be the subject of review at least annually.

Progress on identifying and implementing savings and transformational opportunities across the various themes will be regularly reported to and reviewed by Management Team and in-year update reports presented to Members as appropriate. The Council is committed to engagement with relevant stakeholders as proposals are brought forward.

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Chief Executive

Sharon Shelton
Director of Finance and Transformation

Matt Boughton
Leader of the Council

Kim Tanner
Cabinet Member for Finance and Housing

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Savings and Transformation Contributions Identified during 2024/25 £ 000's	Total Saving Achieved to Date £ 000's	Theme	Indicative Years	Target for April 2026 £ 000's	Target 2027 and Beyond £ 000's
	648	In-Service Efficiencies	2025 - 2030	80	600
310	776	Service Change & Reduction	2025 - 2030	120	500
	270	Organisation Structure Change	2025 - 2030	100	200
863	1775	Income Generation & Cost Recovery	2025 - 2030	300	400
	866	Contracts	2025 - 2030		300
10	443	Partnership Funding	2025 - 2030		20
	313	Asset Management	2025 - 2030		180
873	5,091	TOTAL		600	2,200

Note: This Strategy will be updated on at least an annual basis to reflect challenges set out in the Medium Term Financial Strategy.

The funding gap identified will be aligned with the both the Corporate Strategy and the Annual Service Plan during 2025/26.

Savings & Transformation Strategy updated February 2025.

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