

Savings & Transformation Strategy 2024/25 – 2033/34

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 2024/25). 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 2024/25, the Council will receive a Funding Guarantee which means there is an in-year balanced budget without reliance on reserves. However, beyond 2024/25 a Fair Funding Review and Business Rates reset is likely to change the financial outlook.

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 customer 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 £9.49m in 2024/25 to £3.42m in 2027/28 before seeing a modest increase year on year thereafter; where the latest projected funding gap between expenditure and income is **circa £1,705,000** (*subject to the balance of £75k of tranche1(a) savings being delivered by April 2024 as agreed by Cabinet December 2023*). **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 of Temporary Accommodation of £400,000.

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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Leader of the Council

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Cabinet Member for Finance and Housing

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Savings and Transformation Contributions in Previous Years of STS	Savings and Transformation Contributions Identified during 2023/24	Total Saving Achieved to Date	Theme	Indicative Years	Future Savings identified but not yet in budget	Target
£ 000's	£ 000's	£ 000's			£ 000's	£ 000's
844	68	912	Income Generation & Cost Recovery	2024 - 2028	75	500
621	27	648	In-Service Efficiencies	2024 - 2028		80
441	25	466	Service Change & Reduction	2024 - 2028		500
866	0	866	Contracts	2024 - 2028		50
270	0	270	Organisation Structure Change	2024 - 2028		250
433	0	433	Partnership Funding	2024 - 2028		25
313	0	313	Asset Management	2024 - 2028		300
3,788	120	3,908	TOTAL		75	1,705

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

Savings & Transformation Strategy updated January 2024