

**Eden District Council**

**Executive**

**5 November 2019**

**Council**

**7 November 2019**

**One Eden Case for Change**

<b>Portfolio:</b>	Leader
<b>Report from:</b>	Chief Executive
<b>Wards:</b>	All Wards
<b>OPEN PUBLIC ITEM</b>	

**1 Purpose**

- 1.1 The purpose of the One Eden Programme is to transform Eden District Council into an organisation which is sustainable and fit for the future. A Council that delivers services to meet customer's needs - residents, businesses and partners. Additionally, the Council will have a workforce with the skills and capacity to ensure that customers' needs are met and that the organisation is well managed and effective.
- 1.2 The programme would deliver savings through a rigorous review of the revenue budget, redesigning the way work is undertaken and reducing the size of the workforce.
- 1.3 The aim is to mitigate the impact of any changes to the Council on the workforce. In order for officers to progress the development of a detailed business case, including the options for delivering a whole organisation transformation, Council is being asked to provide a mandate for this by agreeing the case for change.

**2 Recommendation**

**Executive**

Council is recommended to agree:

- (1) the Case for Change; and
- (2) that a business case for the One Eden programme be submitted to Council in February 2020 and shall include the detailed financial implications of the One Eden programme.

**Council**

It be agreed that:

- (1) the Case for Change be agreed; and
- (2) a business case for the One Eden programme be submitted to Council in February 2020 and shall include the detailed financial implications of the One Eden programme.

### **3 Report Details**

- 3.1. The Council's External Auditors, Grant Thornton, have formally recommended that the Council should:

*'Identify recurrent savings or income generation opportunities (including quantifying the potential impact of the One Eden project) to respond to the challenges identified in the Medium Term Financial Plan'*

- 3.2 The financial demographic and technological challenges facing all Councils are forcing them to re-think the way they deliver services leaving difficult choices about either:

- reducing levels of service;
- increasing charges;
- changing or reducing the ambitions they have for local communities; or
- innovating and changing all that they do and how they do it, known as whole organisation transformation.

- 3.3 The One Eden programme would deliver savings through a rigorous review of the revenue budget, redesigning the way work is undertaken and consequently reducing the size of the workforce.

#### **Customer Focus**

- 3.4 Customer demand is changing. Councils are now face growing demand from residents and government to embrace digital technology. Recent staff engagement has highlighted the need to maintain one to one contact, by phone and face to face, for some customers. It has also highlighted that customers' expectations are increasing and expect to be able to make contact with the Council at any time through email and online, and a rapid response is demanded. The most cost effective way to deliver services is to transact online.

- 3.5 The Council has developed a set of values and these will ensure that the future Council has greater focus on the customer and continues to deliver services that are accessible to all.

#### **Our Values**

##### **Customer Focus**

- We ensure that customers are at the heart of everything we do, providing responsive services and treating customers with respect.
- We communicate clearly and concisely, tailoring the content and style to suit audience and promote free-flowing communication.
- We are clear on our purpose and what we are best placed to deliver, facilitate and enable on behalf of communities, partners, staff and businesses.
- We act as advocates and champion the causes that matter in Eden.

## **One Team**

- We operate and recognise ourselves as One Team, representing Eden District Council's best interests and focused on delivering the Council's corporate priorities.
- We value everyone's role in the organisation.
- We encourage cooperation, teamwork and collaboration across our services and outside the organisation, building networks, sharing knowledge, and trusting each other to get the job done.
- We support colleagues and assist each other to deliver the Council's goals.
- We promote Better Health for all in the workplace

## **Planning Ahead**

- We lead through taking a long-term view, engaging with people and developing plans based on quality information.
- We are forward-looking and use data and knowledge to help us anticipate demand and deliver dynamically.
- We make evidenced based decisions, ensuring that everything we do is requirements led.
- We consider key factors in our plans and decisions including value for money, sustainability, equalities, and rural issues.

## **Continuous Improvement**

- We are creative and innovative in the way we problem solve and are empowered to deliver.
- We design services which are fit for purpose, doing the right things well and prioritising where we can make the biggest positive impact on people's lives.
- We are ambitious and strive to improve our performance, do more and demonstrate a pride for Eden in all we do.
- We have a positive 'can do' approach and aim to be flexible.

## **Delivering Ambition – Council Plan**

- 3.6 The Council has been asked to agree to a new Council Plan for 2019-2023. In order to deliver the ambition for Eden and future generations, the Council will need to transform the whole organisation and the way it invests and utilises its resources.
- 3.7 The Council Plan for 2015-2019 included a 'Quality Council' priority with the following objective:
- Ensure resilient finances through sound financial management and innovative income generating activities;
  - Ensuring any projected deficit is funded without having to withdraw more from our reserves than we have agreed in our 'Council's Reserves Policy' when setting the budget for each year; and

- Investigate the feasibility of a range of projects which could potentially generate additional income for the Council.
- 3.8 It is clear from the Medium Term Financial Plan agreed by Council in February 2019 as updated by the current financial position and the projections through to 2023, that this approach will not deliver the balanced financial position required by the Council.
- 3.9 The proposed Council Plan for 2019-2023 includes a 'Sustainable' priority and the following objective for achievement by March 2023:
- To have achieved financial viability by transforming the Council. This will deliver a new operating model focusing on customers, digital, office accommodation, workforce skills and income development.
- 3.10 The Council Plan also highlights environmental as well as financial sustainability with the aim of achieving net zero carbon by 2030 to which the One Eden programme can contribute by improving the Council's own environmental performance.
- 3.11 The Council Plan, if agreed by Council, would be supported by a number of enabling strategies and programmes of work including:
- | What?  | How?   |
|--|--|
| <ul style="list-style-type: none"> <li>• Eden Local Plan</li> <li>• Housing Strategy</li> <li>• Affordable Housing Strategy</li> <li>• Zero Carbon Strategy</li> <li>• Broadband Action Plan</li> <li>• Arts and Culture Strategy</li> </ul> | <ul style="list-style-type: none"> <li>• Financial Strategy</li> <li>• One Eden Programme Plan               <ul style="list-style-type: none"> <li>○ Accommodation Plan</li> <li>○ Digital project</li> <li>○ Commercial Plan</li> <li>○ Workforce Strategy</li> <li>○ Performance Framework</li> </ul> </li> </ul> |

### **Financial Strategy**

- 3.12 The Council is projected to have at least a £1.7m revenue budget deficit by 2022/23, by which time reserves will be depleted. Whilst £1.16m of this is related to the reduction in levels of government grant received by the Council, there remains a significant structural overspend on the operating budget for the Council. The Council continues to be under a duty to deliver Value for Money.
- 3.13 The Council is currently operating with a budget which is significantly larger than the benchmark for comparative local authorities. This position is not sustainable and this gap is represented by the savings requirement of at least £1.7m. Eden's base budget for 2020-21 is £9.5m and the benchmark for similar Councils is £7.5m. Salaries currently represent 65% of the budget and so it is reasonable to anticipate that a significant proportion of the savings target will need to be achieved through reduction in the number of staff currently employed by the Council. The impact of any reduction in posts from the establishment can be mitigated by the careful management of vacant posts and by filling any vacancies that arise with temporary appointments.
- 3.14 Actions to ensure that the Council operates in line with the principles of good be taken as part of the One Eden programme to support the delivery of the

savings required to achieve a balanced budget without using reserves are as follows:

- Good Housekeeping - review all revenue budgets (income and expenditure) budgets - Root and Branch;
- Review options for delivering income generating services;
- Develop the capital programme to address priorities utilising prudential borrowing and effective asset management;
- Improve project management and delivery;
- Clarity and transparency about the purpose of and delivery by 'Heart of Cumbria';
- Reviewing the risk appetite of the Council including the approach to treasury management;
- Recommending an increase in Council Tax to the maximum permitted amount. Based upon a current government consultation, the maximum permitted increase, in the absence of a referendum, is likely to be set at 1.99%;
- Asset management review; and
- Close management of vacant posts

3.15 The more rigorous the delivery of the activities above, the greater the proportion of the savings that can be achieved from reviewing the base budget. This would have a positive effect on the level of savings required for the reduction in headcount from the Council staff establishment.

### **One Eden Programme**

3.16 The purpose of the One Eden Programme is to transform Eden District Council into an organisation which is sustainable and fit for the future. A Council that delivers services to meet customer's needs - residents, businesses and partners. Additionally the Council will have a workforce with the skills and capacity to ensure that customers' needs are met and that the organisation is well managed as well as efficient.

3.17 The One Eden Programme will bring together a range of existing but unaligned projects including:

- Accommodation;
- Digital Programme;
- Commercial Plan Review;
- Workforce Development;
- Performance Management; and
- Communications and Engagement

3.18 The One Eden programme will deliver a wide range of benefits including:

- A Council re-modelled around customer outcomes;
- Reduced demand through increased self-service opportunities;

- Increased capacity for delivering better outcomes for customers with complex needs;
- Providing face to face contact for those customers who prefer this;
- Enabling specialists to focus on complex work;
- The development of locality working across the district;
- Staff development and progression;
- Increased resilience in teams;
- Removal of unnecessary process; and
- Removal of service based silos

### **Accommodation**

- 3.19 The Council has agreed to the principle of having its main base of operation on a single site. The feasibility work undertaken to date suggests that a revenue saving from the reduced running costs can be achieved. These will be in the region of £100k.

### **Digital Project**

- 3.20 Eden District Council embarked on the journey to create a Council wide digital platform in July 2016 delivering the following:

- Website;
- Customer Relationship Management and Online Forms;
- Online Customer Account;
- Single View of the customer;
- Mobile working;
- System Wide Dashboards and Reporting;
- Integration with Revenues and Benefits;
- Integration with existing or replacement systems for a range of services

- 3.21 The functionality and integration to be delivered through this programme will be required to support any new operating model with reduced headcount and new ways of working.

### **Review of the Commercial Plan**

- 3.22 The Council has a Commercial Plan and this needs reviewing to ensure the viability of any opportunities to generate income are assessed and that effective programme management is put in place to drive delivery. The target for generating additional revenue to contribute to the savings requirement. Options to be explored include:

- Generating revenue income from capital investment;
- Reviewing the fees and charging regime;
- Providing services to new customers;
- Selling specialist services; and

- **Review of Contracts**

- 3.23 An outcome of the review of the Commercial Plan will be to set a target for the net revenue increase that can be achieved by 2022.
- 3.24 The agreement by Council of a mandate to work towards a business case for the One Eden Programme will support further staff engagement in the process, maintaining morale and ensuring staff have the training to enable them to deliver any new ways of working.
- 3.25 Transformation of the Council will support the delivery of the Council's priorities, failure to support the principle of a whole organisation transformation will jeopardise the ability of the Council to deliver services and priorities.

## **4 Policy Framework**

- 4.1 The proposals within this report would support the Sustainability priority, should the Council Plan for 2019 to 2023 be agreed.

## **5 Consultation**

- 5.1 Consultation has taken place with staff and members in various workshops and presentations regarding the emerging proposals for One Eden.

## **6 Implications**

### **6.1 Financial and Resources**

- 6.1.1 The Medium Term Financial Plan as agreed by Council in February 2019 identified a shortfall of £1.7m. Early indications arising from the financial modelling undertaken in preparing the Budget and Medium Term Financial Plan for consideration in February 2020 are that the deficit will have increased.

### **6.2 Legal**

- 6.2.1 All legal requirements will be followed in developing and implementing the One Eden programme.

### **6.3 Human Resources**

- 6.3.1 There will be Human Resources implications arising out of the need to make savings but it is too early to quantify them.

### **6.4 Statutory Considerations**

<b>Consideration:</b>	<b>Details of any implications and proposed measures to address:</b>
Equality and Diversity	There are no immediate issues relating to Equality and diversity arising from these proposals.
Health, Social Environmental and Economic Impact	Without a viable Council it will not be possible for the Council to deliver or collaborate on these issues.
Crime and Disorder	There are no direct implications.

Children and Safeguarding	There are no direct implications.
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## 6.5 Risk Management

Risk	Consequence	Controls Required
Business continuity will not be achieved with the current structure and utilisation of resources. The risk of service failure becomes acute by December 2022 if no remedial action is taken	Severe financial consequences and depletion of Council resources.  Jeopardising the ability of the Council to deliver services and priorities.	The proposals within this report mitigate that risk.
Compulsory redundancies being required if a decision is not made to undertake a transformation programme before April 2020.	Lowering of staff morale and staffing decisions not being made in a planned and strategic way.	The proposals within this report mitigate that risk.
The Commercial Plan may not deliver the level of revenue.	Additional required from other elements of the programme with the consequence of increased reductions on the number of posts to be removed from the establishment.	The proposals within this report mitigate that risk.

## 7 Other Options Considered

7.1 No other options are suggested.

## 8 Reasons for the Decision/Recommendation

8.1 To enable members to give officers sufficient support for the case for change and to enable further detailed work to be carried out with a view to providing more detailed proposals to members in February 2020.



### Tracking Information

<b>Governance Check</b>	<b>Date Considered</b>
<b>Chief Finance Officer (or Deputy)</b>	
<b>Monitoring Officer (or Deputy)</b>	24 October 2019
<b>Relevant Director</b>	24 October 2019

**Background Papers:**      **Council Plan 2019 – 2023 (draft)**  
   **Council Plan 2015 – 2019**

**Appendices:**                **None**

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