

## **REPORT TO COUNCIL**

Date of Meeting: 22 July 2025

Report of: Chief Executive

Title: Request for a non-recurring budget to support organisational transformation and efficiency.

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

This report seeks agreement from Members to create a two-year, non-recurring budget from reserves to support the council's organisational transformation and efficiency programme of work. As well as transforming the way the council operates it will also help to ensure that the council leaves a legacy of well-run public services following Local Government Reorganisation (LGR).

#### **2. Recommendations:**

It is recommended that Council approves a one-off budget of £800,000 to be spent over the next two years as set out in Appendix A in order to support the council's organisational transformation and efficiency work programme. The budget will be funded from reserves.

#### **3. Reasons for the recommendation:**

The key reasons for making this recommendation are set out below;

- The delivery of our Digital Customer Strategy requires total transformation of our operating model.
- Infrastructure investments have been made within the Strata business plan to enable us to utilise new ways of working but the council will need to invest to make full use of the new systems that are available.
- AI and digital technologies are developing at unprecedented pace, and we need to upskill our staff to deliver benefits for residents and the organisation.
- The Senior Leadership Structure and the HR Improvement Plan are delivering significant change for the organisation which we must build on.
- LGR provides a further impetus for increasing the pace at which we transform so that we leave a legacy of public services in the best possible position: delivering the goals in the Corporate Plan are critical to the credibility of the leadership which will be under even greater scrutiny as the public becomes engaged with the LGR process.
- Investing in skills, learning, development and digital and AI knowledge over the next 2 years is critical to ensuring there is a work force with the capability to deliver digital

services and the long term efficiencies needed to achieve financial balance and a well-run council requires.

#### **4. What are the resource implications including non financial resources**

The creation of this additional budget will ensure that the council is adequately resourced to deliver its organisational transformation and efficiency programme of work, which is essential to delivering the long-term reductions required to balance the budget.

The £800,000 is available from an earmarked reserve which was approved to pay compensation to businesses affected by the sale of Mary Arches Street car park. Due to the Guildhall Shopping Centre performing better than predicted, this excess budget was used to pay the compensation. This has resulted in the earmarked reserve being returned to the general fund balance.

#### **5. Section 151 Officer comments:**

This funding has become available as a result of the strong financial performance of the Guildhall Shopping Centre, which can be used to fund initiatives in support of regeneration and new housing. As Councillors are aware, the resetting of the business rates retention scheme by Central Government means significant reductions in spend will be required over the next three years. The proposal here is essential to enable the Council to invest to deliver the ongoing reductions required to deliver financial stability. If approved the year 2 funds will be transferred to the Transformation Fund earmarked reserve.

#### **6. What are the legal aspects?**

The Local Government Act 2000 requires all expenditure to be approved by Full Council.

Legislation does not prescribe how much the minimum level of reserves should be. The section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances. Section 25 of the Local Government Act 2003 requires the section 151 officer to report on the adequacy of the Council's financial resource.

The transfer of funds from the general fund balance for the purposes set out in this report is a function of the full council.

#### **7. Monitoring Officer's comments:**

The £800k originally set aside for Mary Arches St car park has been returned to the General Fund balance as it was no longer required. Instead, the cost of compensation to businesses affected by the sale of Mary Arches car park is being met from the Guildhall Shopping Centre surplus as a legitimate use of the surplus to support regeneration and housing initiatives.

This has the impact of enabling £800k from the General Fund balance to be set aside in an earmarked reserve for the Transformation Fund.

## 8. Report details:

The council is going through a period of significant change. In addition to the work that will be required to transition to a new authority as part of LGR, there is also a need to invest in the council's staff and ICT infrastructure to ensure that the council can take advantage of digital technology and continue to deliver well-run services for its customers and residents

A summary of key areas of work that will be delivered are set out below:

- **Learning and Development** – proposed establishment of a Learning and Development Manager role to help build a capable, agile and future ready workforce. This will include leadership and management development, apprenticeships, mandatory compliance training and a review of the Learning Management System.
- **Corporate Health and Safety Training** – an independent review has highlighted the need for a re-launch of health and safety at work policy and practice.
- **Rapid Impact Team** – this is a multi-disciplinary team consisting of officers and consultants that review how we currently deliver services. The review identifies improvements to service delivery that results in financial efficiencies and accelerated digital transformation. The intention is to roll this out across all of the council's key services.
- **Customer Digital Strategy** – the pace of technological advances is accelerating. The Strata Business Plan will deliver the infrastructure to enable us to transform but there is a requirement to bring in temporary staff with the skills to implement new systems and develop AI and low code digital skills across the workforce.
- **Project Management** – to provide skilled capacity to project manage delivery of the change programmes.

The full programme of work, including a breakdown of costs is set out in Appendix A.

## 9. How does the decision contribute to the Council's Corporate Plan?

This decision will contribute to the council's priority of delivering a well-run council.

## 10. What risks are there and how can they be reduced?

Without investment in staff and ICT infrastructure, there is a serious risk that the council's workforce will not have the capability to deliver the digital services and long-term efficiencies needed to achieve the financial balance that a well-run council deserves. It is also crucial that the council leaves a legacy of well-run public services to transition to the new authority after the completion of LGR.

Implementation of this programme of work will reduce these risks significantly.

## 11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act at this stage. Equalities Impact Assessments will be undertaken, when necessary, as part of the project development process.

## **12. Carbon Footprint (Environmental) Implications:**

The recommendation in this report will have positive impact on the council's carbon footprint.

- Travel – enabling customers to access our services online will reduce the need for customers to travel to the city centre to access services.
- Waste - there will be a reduction in paper usage as more services and application processes are available online
- Processes – improved processes and procedures will help to reduce the energy consumed to deliver services

## **13. Are there any other options?**

The alternative option is to continue as is. However, without investment, the speed at which the council can deliver against the priority of leading a well-run council will be significantly delayed.

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## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

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