

Service review savings proposal

Report to: Executive Board

Date of meeting: 16th October 2024

Report author(s): Andrew Byrom, Chief Digital & Information Officer (Interim)

Report of: Interim Assistant Chief Executive - People, Digital & Change and Interim Assistant Chief Executive – Finance, Traded and Resources

Executive Portfolio: Councillor Coupar, Resources

Scrutiny Board: Strategy & Resources

Proposal title:	Deletion of non-income generating vacant posts prior to a wider structural review of IDS (Integrated Digital Services)
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Potential savings / additional income (net of investment)

Year	2025/26	2026/27	2027/28
Saving / £'000s	-3,087	-1,294	-1,036

Are there equalities implications?

Yes

Will you be carrying out an equality impact assessment screening prior to the final decision?

Yes

Overview of proposal

As the overall council reduces in size in line with the reset and prioritisation agenda to meet our financial envelope and the broader reshape and organisational design work is progressed as part of the Financial Challenge programme, this creates opportunities to reshape and redesign the Support Services functions across the Strategy & Resources Directorate, including IDS.

Over the coming months and years, many of the council's services, including where and how they are delivered, will change, significantly impacting upon the requirements of IDS. New technology, ongoing building rationalisation and implementation of the authority's Digital Strategy will continue to bring greater opportunities for efficiencies and streamlining of systems and processes.

Against this context, IDS will carry out a full structural review to ensure staffing resources and capabilities remain aligned to the council's current and future digital priorities. Prior to the review, IDS will delete approximately 47 FTE non-income generating vacant posts (both JNC and NJC) that have remained unfilled for a significant period in order to deliver a part-year saving in 2024/25, with a full-year saving from 2025/26. Following the full structural review, and through a mix of workforce measures including the Voluntary Leaver's Scheme and Flexible Retirement scheme, further savings will be delivered.

Details of indicative IDS staffing savings to be achieved over the next three years are as follows.

Description	Potential savings / £'000s				Potential budgeted FTE impact			
	25/26	26/27	27/28	Total	25/26	26/27	27/28	Total
Deletion of vacant posts	-2,335	0	0	-2,335	-46.70	0.00	0.00	-46.70
IDS structural review	-752	-1,294	-1,036	-3,082	-15.00	-25.00	-20.00	-60.00
Total	-3,087	-1,294	-1,036	-5,417	-61.70	-25.00	-20.00	-106.70





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Planned consultation and engagement

As part of the structural review, meaningful consultation with staff and trade unions will be carried out, looking at options to help shape the detailed proposals across IDS and prior to any decisions being taken in accordance with the council's Managing Staff Reductions Policy, which seeks to avoid, reduce or mitigate the need for compulsory measures through voluntary measures. However, compulsory measures cannot be ruled out.

Recommendations

Executive Board is requested to:

- Note the deletion of non-income generating vacant posts in IDS to deliver full-year savings of £2,335k in 2025/26;
- Consider the proposal to carry out a structural review across IDS to ensure staffing resources and capabilities remain aligned to the council's current and future digital priorities that will deliver further savings of £752k in 2025/26 and £3,082k over the next three financial years, and approve this going out to consultation as part of the council's Medium-Term Financial Strategy and preparation for setting the 2025/26 Budget; and
- Note that the Interim Assistant Chief Executive People, Digital & Change will be responsible for the development and implementation of this proposal.





Service review savings proposal

Report to: Executive Board

Date of meeting: 16th October 2024

Report author: Victoria Bradshaw, Interim Assistant Chief Executive – Finance, Traded and Resources

Report of: Interim Assistant Chief Executive – Finance, Traded and Resources, and Interim Assistant Chief Executive – People, Digital and Change

Executive Portfolio: Cllr Coupar, Resources

Scrutiny Board: Strategy and Resources

Proposal title:

Financial Services staffing reductions and efficiencies

Potential savings / additional income (net of investment)

Year	2025/26	2026/27	2027/28
Saving / £'000s	-903	-474	-532

Are there equalities implications?

Yes

Will you be carrying out an equality impact assessment screening prior to the final decision?

Yes

Overview of proposal

Financial Services has a 2025/26 savings target of £903k (approximately 10% of its 2024/25 net managed budget) as part of the council’s approach to delivering a balanced budget in 2025/26 and onwards. The service has a three year savings target of £1.909m for 2025/26 to 2027/28 which will be achieved.

Financial Services comprises five main service areas: Financial Management; Exchequer Services; Revenues; Internal Audit, Corporate Governance & Insurance; and Procurement & Commercial Services. This paper does not include detailed proposals for each of these functions at this point, but does explain the approach to achieving staffing reductions and efficiencies totalling £1.909m across Financial Services as a whole. Detailed proposals for each service area will be drawn up following appropriate consultation and engagement.

As the overall council reduces in size in line with the reset and prioritisation agenda to meet our financial envelope and the broader reshape and organisational design work is progressed as part of the Financial Challenge programme, this context provides opportunities to reshape and redesign the Support Services functions across the Strategy & Resources Directorate, including Financial Services.

In addition, new technology brings greater opportunities for efficiencies and rationalisation of processes meaning some roles, over time, will no longer be required. For example, the Core Business Transformation programme which in its initial phase will be replacing the council’s finance and core procurement systems and modernising the underlying processes.

To ensure the delivery of the identified £1.909m savings over the three years 2025/26, 2026/27 and 2027/28, a programme reviewing non-pay budget streams (for example growing income opportunities where benefits will be realised in 2025/26, efficiencies and transformation) will be undertaken across the Financial Services’ functions. Alongside this, through a mix of workforce measures including the Voluntary Leavers’ Scheme and Flexible Retirement scheme, the number of





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FTEs within Financial Services functions will be reduced, reflective of the wider organisational reductions.

Details of indicative savings to be achieved split by Financial Services' functions are as follows, although given the ambition of a more integrated approach across these service areas and with wider Support Services, the overall savings might be achieved through a slightly different balance.

Service area	Potential savings / £'000s				Potential budgeted FTE impact			
	25/26	26/27	27/28	Total	25/26	26/27	27/28	Total
Financial Management	-553	-300	-300	-1,153	-11.06	-6.00	-6.00	-22.66
Exchequer Services	-107	-45	-48	-200	-2.14	-0.90	-0.90	-3.90
Revenues	-123	-44	-44	-211	-2.46	-0.90	-0.90	-4.26
Internal Audit, Corporate Governance & Insurance	-55	-20	-20	-95	-1.10	-0.40	-0.40	-1.90
Procurement & Commercial Services	-65	-65	-120	-250	-1.30	-1.30	-2.40	-5.00
Total	-903	-474	-532	-1,909	-18.06	-9.50	-10.60	-37.72

Planned consultation and engagement

Meaningful consultation with staff and trade unions will be carried out, looking at options to help shape the detailed savings proposals for each of the Financial Services' functions and prior to any decisions being taken in accordance with the council's Managing Staff Reductions Policy, which seeks to avoid, reduce or mitigate the need for compulsory measures through voluntary measures. However, compulsory measures cannot be ruled out.

Recommendations

Executive Board is requested to:

- Consider the proposal to deliver savings across Financial Services of £903k in 2025/26 and £1,909k over the next three financial years, and approve it going out to consultation as part of the council's Medium-Term Financial Strategy and preparation for setting the 2025/26 Budget; and
- Note that the Interim Assistant Chief Executive – Finance, Traded and Resources will be responsible for the development and implementation of this proposal.

