



Report to the Finance, Performance and Resources Select Committee

Title:	Transformation Programme Update
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Report signed off by Cabinet Member:	Peter Hardy, Cabinet Member for Resources
Electoral divisions affected:	Potentially all electoral divisions

Purpose of Agenda Item

At the request of the Chairman of this Committee this is a report to provide the Committee with an update on plans for phase 2 of the Council's Transformation programme.

Background

1. Through prudent management, the County Council has managed to reduce its spending by driving out efficiencies, transforming the way it provides its services and focussing its activities into areas of most need, particularly front line services. This approach has enabled the County Council to reduce its spending over the past three years by £68m. £21m of these reductions have been delivered through the County Council's original Transformation Programme.
2. Attached at **Appendix 1** is the Transformation Year-end report for 2012/13 that gives an over view of the programme and key changes across the organisation to make these savings.
3. Looking forward, the next few years are likely to be just as challenging and uncertain for the sector. The Government has indicated that it intends to continue to reduce public sector spending to reduce the national debt. In particular, within Buckinghamshire, we are forecasting the following impacts:
 - Efficiency savings of £34m
 - Service reductions of £5m



- Additional income of £5.5m
 - A 37% reduction in Revenue Support Grant
 - Below inflation increase in council tax
4. In response to this challenge the Council's Leadership Team (comprising all Council Directors) has been developing a new Target Operating Model for the Council. This target operating model will outline a revised structure, systems and processes that are needed by the Council in order to deliver the Council's Strategic Plan within the finances available. The revised transformation programme will be aligned to deliver this target operating model.

Report

5. At the Finance, Performance and Resources Select Committee induction session the meeting was given a brief overview of the progress being made in developing a revised Target Operating Model for the Council and Transformation Programme. In that presentation there was a commitment made to update the Select Committee quarterly on the progress with the programme.
6. Attached at **Appendix 2** is a presentation that will be made to the meeting setting the context for the Council and development of the Transformation Programme. The presentation also updates on progress with the Target Operating Model. At **Appendix 3** is the current programme for development and engagement with the Transformation Programme.
7. The revised Transformation programme is at an early stage of development and it is an opportune time for the Finance, Performance and Resources Select Committee to input their thoughts into the development process.
8. To stimulate and focus this debate there are two questions below that are posed to the meeting for consideration.
- a. Does the Select Committee have any comments on the proposed Target Operating Model, in particular the model of moving towards a leaner Head Office function?
 - b. Does the Select Committee have any ideas on areas where we could be innovative in reducing costs and providing outcomes for our residents?