

Winchester City Council – Productivity Plan 2024

In November 2023 the Cabinet initiated a bold, organisation-wide transformation programme to seek out and to deliver transformational changes to the way we deliver services in order to save £3m a year within 3 years: ‘Transformation Challenge 2025’ (TC25). A comprehensive and detailed review of the operating model for the delivery of all our services to deliver the necessary savings and protect our core services for those residents and customers in the greatest need”¹

TC25 is building on the solid foundations of work over the last five years to address our financial challenges through efficiency reviews and service transformation plans.

Background

In 2020, the city council agreed a [Council Plan](#) to take us through to 2025 with five key priority areas. These priorities were evidence-based, using the results of our residents’ survey to make sure the council was focussed where most local people wanted us to be. The key priorities were supplemented in 2023 by 4 additional areas of enhanced focus.

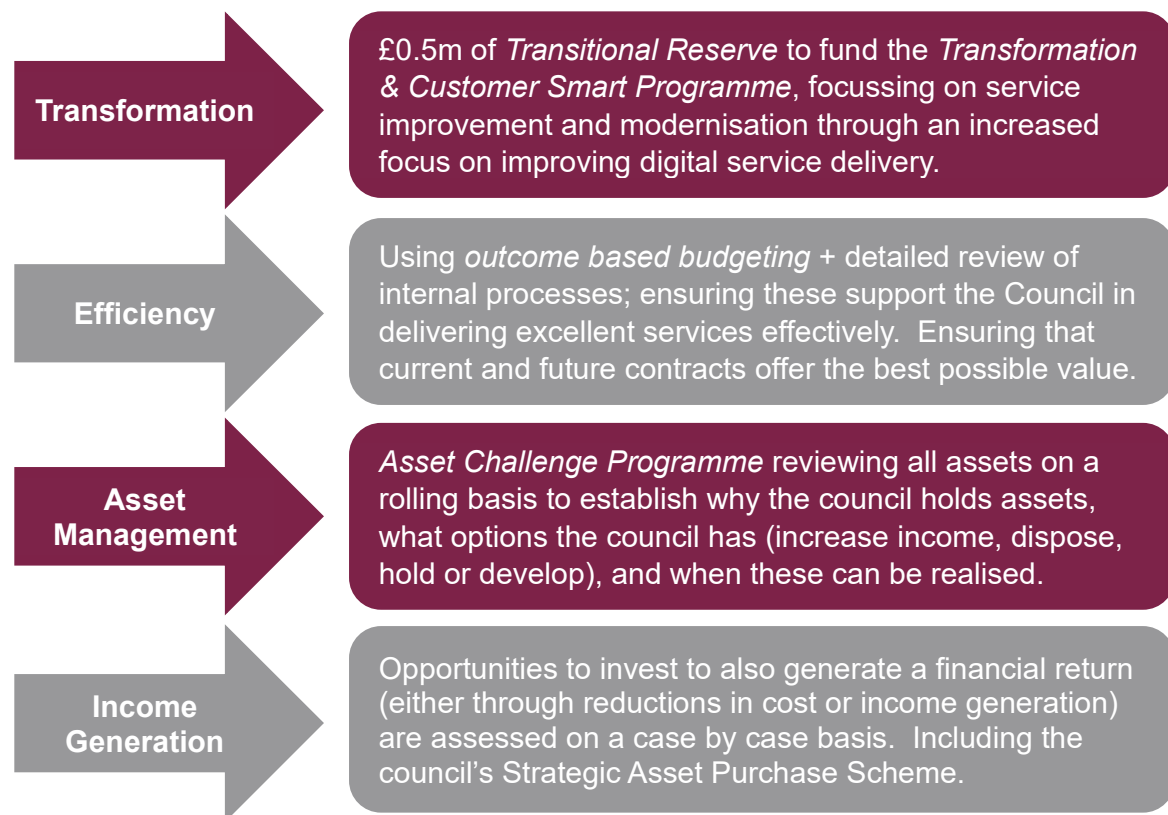


Graphic: Council Plan Priorities and areas of enhanced focus, Feb 2023

Delivery of the [Council Plan](#) and the council’s [Capital Investment Strategy](#) is dependent on maintaining a sustainable financial position. The council has long forecasted financial pressures in the medium term, primarily caused by uncertainty around the Government’s Fair Funding Review and the wider lack of long-term funding settlements for local government. More recently these pressures have been amplified by high inflation, high interest rates and below-inflation council tax rises; resulting in forecast annual budget shortfalls of over £3m by 2027.

The [2020/21 General Fund Budget](#), approved by the council back in February 2020, had already started to address and plan for the financial challenges by grouping the options to address the medium term financial challenge around four themes: transformation, efficiency, asset management, and income generation.

¹ Para 11.11 of the General Fund Budget Options and Medium Term Financial Strategy report, [CAB3430](#), Nov 2023

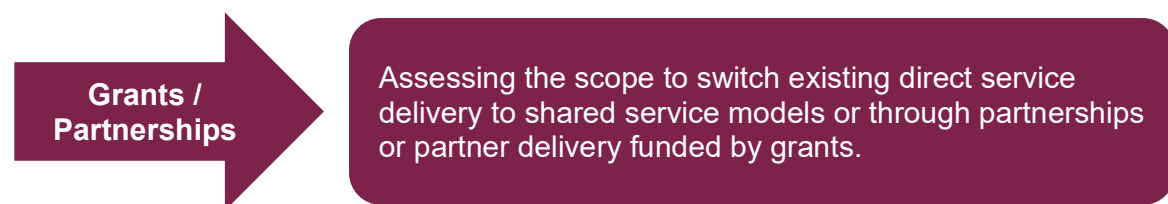


Graphic: Budget option themes, Feb 2020

By October 2020 when the next [MTFS and Budget Options Report](#) was being finalised for approval by Cabinet it was becoming clear that “*projections indicate the potential for significant longer term deficits*” and that a more radical and targeted approach to efficiencies and savings was needed. A strategic service review was commissioned, for completion by March 2023, to identify how the longer-term deficits could be addressed.

Strategic Service Review - 2021 to 2023

Building on the existing financial challenge themes, the Strategic Service Review process aimed to identify options for reducing net operating costs by up to £2m by March 2024 and £4m by March 2025. It added an additional theme of *Grants / Partnerships*:



Graphic: Additional strategic Review theme added in Oct 2020

It was also recognised that the Transformation stream needed to develop into “*digital transformation and “channel shift” (but with targeted support where required), a*

*review of the potential for adopting a more commercial approach, removing unintended barriers/blockages between teams/services*².

The Strategic Service Review identified 12 key areas of review³ and £450k of the Transitional Reserve was used to fund feasibility and “invest to save” work in these areas:

1. Review of capital programme, cash flow requirements and timing of future borrowing.
2. Future operation/management of Park and Ride services.
3. Tourism/Marketing/Visitor Info Centre Provision.
4. Digitisation and streamlining of Planning services.
5. Management of Public Conveniences.
6. Management/operation of off-street parking provision/enforcement.
7. CCTV Provision and monitoring.
8. Customer Services – Investment in Online/app reporting (and reduced postage).
9. Management of Grounds Contracts/Highway Grounds subsidy.
10. Grants - Review of programme.
11. Management of key corporate assets (asset challenge to be arranged).
12. Commercial operation and use of the Guildhall and Abbey House.

The success of these 12 reviews was limited, realising smaller savings than planned, but they proved to be a useful pilot for the next stage of our transformation journey.

Transformation Challenge 2025 ('TC25')

TC25 is a tier one corporate-wide, strategic project, sponsored by a new Transformation Board (of both executive leadership and cabinet members). The Board has clear terms of reference, setting out the transformation, financial, workforce and consultation principles of the programme. A Transformation Programme Lead, a Transformation Programme Manager and a Digital Programme Lead have been appointed to drive the programme and ensure success can be achieved and measured.



TC25 identified immediate savings of £0.6m within the first 6 months which were removed from the baseline budget. It is anticipated that significant investment will be required for, in particular, the digital aspirations of TC25. As the 2024/25 and 2025/26 budgets were forecast to be balanced before the £0.6m of immediate savings were realised, the resulting forecast surplus has been transferred to the Transitional Reserve to provide the investment necessary for transformation. Earmarked reserves will underpin the investment in service and digital redesign.⁴

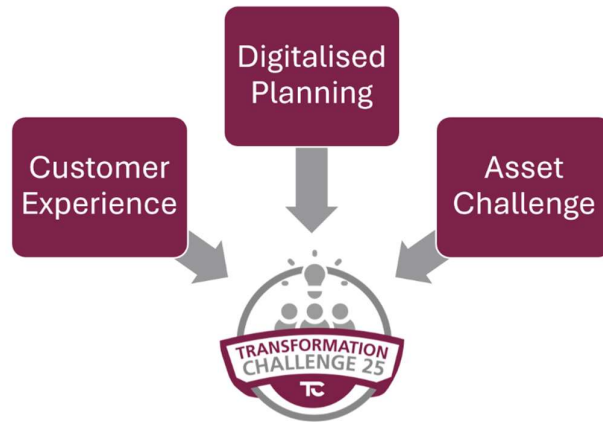
² Para 18.1 of the General Fund Budget Options and Medium Term Financial Strategy report, [CAB3318](#), Oct 2021

³ Para 18.3 of the General Fund Budget Options and Medium Term Financial Strategy report, [CAB3374](#), Nov 2022

⁴ General Fund Budget 2024-25 report, [CAB3444](#), February 2024

Year 1 critical work streams:

- Reviewing our customer contact channels, improving our online services / mobile app for a 'digital first' approach and customer preference.
- Making our planning services easier, simpler and more efficient to use online
- Driving income from our council properties



Graphic: TC25 Year 1 critical workstreams

These critical work streams will require significant time and investment to deliver the necessary transformation, customer behavioural change and savings, to they are being prioritised in year one. However, TC25 projects both large and small are underway right across all areas of the council.

TC25 YEAR 1 PROGRAMME – OTHER THINGS WE ARE DOING OR REVIEWING



Key Documents

General Fund Budget 2024-25 report, [CAB3444](#), Feb 2024

Capital Investment Strategy, [CAB3443](#), Feb 2024

General Fund Budget Options and Medium Term Financial Strategy report, [CAB3430](#), Nov 2023
[Council Plan 2020-2025 \(2023 edition\)](#)

General Fund Budget Options and Medium Term Financial Strategy report, [CAB3374](#), Nov 2022

General Fund Budget Options and Medium Term Financial Strategy report, [CAB3318](#), Oct 2021

2020/21 General Fund Budget, [CAB3211](#), Feb 2021