

OPEN

Corporate Policy Committee

06 August 2025

Transformation Plan and Improvement Update

Report of: Karen Wheeler, Interim Assistant Chief Executive

Report Reference No: CPC/43/25-26

Ward(s) Affected: All

For Decision

Purpose of Report

- 1 This report provides an update on the Council's Transformation Plan including revenue and capital expenditure, financial and non-financial benefits for 2024/25 and associated governance and decision-making arrangements.
- 2 The report sets out the governance and decision-making to date since agreement to develop the Plan in March 2024, progress on delivery in 2024/25 and the proposed frequency of reporting on progress moving forward.
- 3 The report proposes that the Corporate Improvement and Delivery Plan incorporates transformation activity so that there is a single overarching plan for the Council enabling transparent reporting and effective Member and stakeholder oversight of all significant transformation and improvement activity, assurance of progress, pace of delivery and benefit realisation.

Executive Summary

- 4 In March 2024, Corporate Policy Committee agreed an approach to transformation for the Council including the development of a Transformation Plan as a condition of Exceptional Financial Support from government. The report explained: "*The transformation programme will facilitate deeper and broader service redesign, supported where appropriate by the investment in enhanced digital*

capabilities, which will be required to contribute to the savings required for the next 5 years from 2024/25 to 2028/29 as set out in the MTFS.”

- 5 Following a competitive procurement process, Inner Circle Consulting (ICC) were appointed in April 2024 to provide additional capacity and expertise to progress the development of the Transformation Plan, and to support delivery of the transformation programme.
- 6 The Transformation Plan was submitted to government by the end of August 2024 deadline with the agreement of Corporate Policy Committee the same month. Since submission, Members have received informal briefings and updates contained within budget reporting and the Medium-Term Financial Strategy (MTFS), however, comprehensive and regular progress updates including revenue and capital expenditure, and the financial and non-financial benefits across the programmes have not been provided.
- 7 This report provides an update on the Transformation Plan including revenue and capital expenditure, financial and non-financial benefits for 2024/25 as well as associated governance and decision-making arrangements to date.
- 8 In June 2025, Corporate Policy Committee agreed to the development of a Corporate Improvement Plan to both meet the expectations within the non-statutory Best Value Notice received in May 2025 and significantly improve the Council’s own oversight and assurance of progress at the required pace. The Best Value Notice references delivery against the Council’s agreed Transformation Plan.
- 9 This report proposes that the development of an overarching Corporate Improvement and Delivery Plan also incorporates transformation activity so that there is a single plan for the Council enabling transparent reporting and effective Member and stakeholder oversight of all significant improvement activity, cost-benefit, outcomes for residents, assurance of progress and pace of delivery.
- 10 In 2024/25 the Council agreed a £3 million earmarked transformation reserve creation from general reserves approved by full Council in July 2024. This has been invested in capacity and expertise provided by ICC, an independent review of fees and charges as well as additional senior officer capacity through the Acting Director of Transformation role throughout 2024/25.
- 11 This has delivered the following outputs and benefits:
 - (a) Transformation Plan submitted to Government, August 2024

- (b) Programme and project management governance and reporting implemented from September 2024 including a Programme Management Office (PMO)
 - (c) Target Operating Model and service design principles developed November 2024 that provide a consistent framework to guide the transformation of the Council and its services
 - (d) Artificial Intelligence (AI) Policy agreed by Corporate Policy Committee in March 2025
 - (e) Fees and charges review resulting in £0.821m delivered from 1 April 2025
 - (f) Savings included in the MTFS of over £24.4 million in 2025/26
 - (g) Business cases in development to realise these savings
- 12 Funding from reserves for transformation of £3.5m and £5.3m has been agreed by full Council in February and July 2025 respectively. Spend against this investment and the financial and non-financial benefits will be reported to Corporate Policy Committee in October as part of the financial reporting for quarter 1 2025/26.
- 13 Capital investment of £5m has been agreed for the digital programme in 2025/26 and a further almost £6m over the following two years as set out in the MTFS. Expenditure and financial and non-financial benefits will be reported in detail in October. The foundations have been laid in 2024/25 with the agreement of the AI Policy and approval to commission and award a contract for the deployment of an AI platform and framework at Corporate Policy Committee in March 2025. These are expected to generate significant financial benefits, contributing to the Council's approved budget and MTFS, with projected financial benefits of £40 to £60 million over a five-year period and £12-14 million per annum ongoing from year three onwards.
- 14 Financial commitments and savings identified within the Transformation Plan have been agreed through Corporate Policy Committee and full Council including within the budget setting process and agreement of the MTFS 2025-29. As detailed business cases are developed and where they result in a change in policy, service Committees will be engaged and invited to both scrutinise and agree the proposals. Member Task and Finish Groups may also be created to support policy shaping and inform final decision making. Service Committees will also be involved throughout the budget setting process for 2026/27 in the Autumn informing any savings proposals to come forward into the budget and MTFS. Any additional financial investment in transformation outside of the budget framework and envelopes already agreed would also require Member decision in line with the Constitution.

RECOMMENDATIONS

1. Note and comment on the delivery of the Transformation Plan in 2024/25 including expenditure, financial and non-financial benefits
2. Note that Service Committees will be the decision makers for relevant transformation business cases that propose a significant change in Council policy and inform the budget setting process with Corporate Policy Committee providing oversight and decision making for the overall transformation plan, budget and MTFS as set out in the Constitution
3. Agree that this Committee receives a progress update on delivery of the Transformation Plan, financial and non-financial benefits, for quarter 1 2025/26 alongside the first financial review (quarter 1) in October 2025
4. Agree that the approach to a new overarching Corporate Improvement and Delivery Plan includes transformation
5. Agree that the Corporate Improvement and Delivery Plan is a standing item for quarterly progress updates from October 2025 aligned to financial reporting going forward

Background

- 15 The report to Corporate Policy Committee in March 2024 called “*Cheshire East Approach to Transformation*” set out the financial position and need for transformation. It was recognised that the type of systemic changes that were needed for the Council to improve its services and become financially sustainable are complex and will take a number of years. The report set out the objectives for the transformation approach:
 - (a) Support the Council to address the 4-year funding gap of £100m as outlined in the MTFS.
 - (b) Invest in digital technologies to enable services to adopt technology for various activities and processes, thus enabling the Council to fully leverage technological opportunities to accelerate its processes.
 - (c) Develop an organisational workforce that is flexible ensuring all staff have the necessary skills to work effectively within a transformed Council.
- 16 Under the Chief Executive’s delegated authority to take all necessary steps to implement a whole organisation transformation programme as agreed in March 2024, Inner Circle Consulting (ICC) were appointed in April 2024 following a competitive procurement process. Five suppliers were invited to take part in the process with three going forward to the

final presentation stage following initial scoring. The final stage focused on resources, knowledge transfer, mobilisation and benchmarking capabilities.

- 17 ICC were appointed to provide additional capacity and expertise and to meet the timescales set by Government as part of the Council's application for Exceptional Financial Support. ICC, alongside additional and existing Council capacity, at strategic and practical levels, supported the Council to progress Phase 1, developing the Transformation Plan, and Phase 2, to support delivery of aspects of the transformation programme, including some resource to support the creation of a Programme Management Office (PMO).

Transformation Plan and Exceptional Financial Support (Phase1)

- 18 The Council received a grant award from the LGA of £105,000 to support the development of the Transformation Plan. An initial diagnostic was undertaken by ICC to identify transformation opportunities. ICC then supported the Council to deliver phase 1, running from May to September 2024, working with officers to develop the Transformation Plan. With approval from the Corporate Policy Committee, the plan was submitted on time to the Ministry for Housing, Communities and Local Government (MHCLG) in August 2024. Exceptional Financial Support was secured on that basis.

Transformation Mobilisation (Phase 2)

- 19 Working with the Council, ICC set up structured programme and project governance to oversee delivery of the Transformation Plan from September 2025, with a regular pattern of Transformation Board meetings chaired by the Chief Executive and at a programme/ directorate level to review progress, identify risks and dependencies.
- 20 A joint (ICC and Council) corporate Programme Management Office (PMO) was established to ensure the governance worked effectively. In addition, the PMO developed a standardised set of tools and templates to provide greater consistency in the Council's approach to programme and project management addressing a recommendation within the LGA Corporate Peer Challenge report.
- 21 In October 2024, this phase continued to build the foundations for the Council's transformation with the next level of detail in the plans being progressed. Development of the business cases for the identified programmes of work in the Transformation Plan began.
- 22 The new target operating model for the Council was developed through staff and Member engagement in August and September, finalised in November 2024 to sit alongside the Cheshire East Plan

2025-29. Operating models set out how organisations shape themselves to deliver their strategies and plans. The service design principles were developed to guide the Council as it transforms itself and reshapes in line with the operating model to deliver the priorities in the Cheshire East Plan e.g. resident-centred, digital first, collaborative.

- 23 The structure of the transformation programmes are aligned to the operating model under the themes Access to Services, Enabling Communities, Service Delivery and Corporate Core as set out [in the end of year report for the Transformation Plan](#). The end of year report was shared with all Members in May 2025 and is included at Appendix 1. A summary description of the transformation focus in each of these key areas is included in Appendix 2 of this report.
- 24 As the business cases and the more detailed planning took place to develop the programmes and projects the savings opportunities were further defined based on the range identified in the Plan of £59-91m. The revised opportunities were set out in the budget for 2025/26 and reflected in the MTFS within service areas and for cross-cutting whole Council proposals. The savings allocations for 2025/26 are:

Savings Targets 2025/26	£m
Access to Service & Corporate Core (Crosscutting programmes including Digital/Workforce/3rd Party Spend/Fees & Charges)	£13.452
Adult Social Care (Prevent, Reduce, Enable/Learning Disabilities/ Commissioning/Preparing for Adulthood/ Partnership Case Review)	£7.000
Children's (Right Child Right Home/ 16-25 Accommodation/ Commissioning/Birth to Thrive)	£3.788
Place (Asset Management Strategy/Economic Growth/Waste/Advertising)	£0.175
Total	£24.415

- 25 The fees and charges review completed in 2024/25, resulted in an initial identification of a potential increase in income of £0.750m for 2025/26. However, this was increased to £0.821m when it was agreed with service leads.
- 26 An investment of £3m in transformation was agreed by full Council in July 2024. The funding and expenditure are set out in the table below for 2024/25 ad 2025/26. Staff costs relate to Cheshire East Council additional capacity including the acting Director of Transformation role. Wherever possible the Council has tried to resource projects and programmes through the use of internal staff at no additional expenditure to the Council.

- 27 For 2025/26, funding from reserves for transformation of £3.5m and £5.3m has been agreed by full Council in February and July 2025 respectively. Spend against this investment and the financial and non-financial benefits will be reported to Committee in October as part of the financial reporting for quarter 1 2025/26. This will be informed by work the newly formed Corporate Leadership Team and new interim Head of Transformation & Improvement are undertaking with ICC to update the latest position on spend and delivery to date, including capacity and capability challenges, as part of assuring delivery of the savings proposals going forward.

Transformation Funding 2024/25 & 2025/26	£m
Transformation Budget 2024/25	£3.105
Transformation reserve created July 2024	£3.000
LGA grant funding	£0.105
Transformation Costs 2024/25	£3.029
Inner Circle Consulting contract	£2.807
Fees & Charges consultancy costs	£0.050
Staff costs	£0.163
Staff engagement events	£0.009
Transformation Funding Allocation 2025/26	£8.800
Agreed funding in MTFS	£3.500
Agreed at Full Council in July 2025	£5.300
Transformation Funding Commitments 2025/26	£3.147
Inner Circle Consulting contract	£2.382
Staffing costs	£0.765

Consultation and Engagement

- 28 Engagement with officers and Members has taken place at various stages of developing the Transformation Plan and its programmes including at all staff events to inform the target operating model and workshops to inform the emerging detailed business cases.
- 29 Going forward, where any of the programmes, require a significant policy change and/or decision, those decisions will be taken through the appropriate Service Committees and Corporate Policy Committee as required. Regular, at least quarterly, Member briefings on transformation are now diarised and a forward plan is being created.
- 30 Significant expenditure will go through the appropriate decision making including as part of the budget setting process and development of the MTFS in line with the Constitution and Schemes of Delegation.

- 31 As part of the development of the Council's Communication and Engagement Strategy, views will be sought from Corporate Policy Committee on the potential for a Residents' Survey to further inform and measure the impact of transformation and improvement activity.

Reasons for Recommendations

- 32 The Transformation Plan was submitted to government in August 2024 with the agreement of Corporate Policy Committee. Since submission, Members have received informal briefings and updates contained within budget reporting and the Medium-Term Financial Strategy (MTFS), however, comprehensive and regular progress updates including revenue and capital expenditure, and the financial and non-financial benefits across the programmes have not been provided to Corporate Policy Committee.
- 33 This report provides an update on the Council's Transformation Plan including revenue and capital expenditure, financial and non-financial benefits for 2024/25 and associated governance and decision-making arrangements, and the proposed frequency of reporting on progress moving forward.
- 34 The report proposes that the Corporate Improvement and Delivery Plan incorporates transformation activity so that there is a single overarching plan for the Council enabling transparent reporting and effective Member and stakeholder oversight of all significant transformation and improvement activity, assurance of progress, pace of delivery and benefit realisation.

Other Options Considered

- 35 This is an update report – no other options were considered. An options appraisal was included in the Corporate Policy Committee report at the time of agreeing the Transformation Plan in March 2024.
- 36 Transformation activity could remain separate to the Council's emerging overarching Corporate Improvement and Delivery Plan, however, this would make oversight and assurance of delivery more challenging.

Implications and Comments

Monitoring Officer/Legal/Governance

- 37 A Best Value notice was issued to the Council in May 2025 and is outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under section 230 of the Local Government Act 1972 to request information

from local authorities. However, a failure to demonstrate continuous improvement including delivery of the Transformation Plan may be judged to contribute to best value failure and the Secretary of State may consider using these powers as appropriate.

- 38 Under the Local Government Act 1999, all councils have a general Duty of Best Value to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.”.
- 39 The delivery of the Transformation Plan and individual programmes or activities will require individual consideration, decision making and reporting as well as scrutiny through Service Committees as well as Corporate Policy Committee and full Council as appropriate as part of the budget setting process. Ongoing officer oversight is achieved through the fortnightly Transformation & Improvement Board. It is also noted that the Assurance Panel will provide ongoing support and challenge to aid the delivery of the plan and inform the development of the overarching improvement plan.

Section 151 Officer/Finance

- 40 There are no direct financial implications within this report and recommendations. The Council’s investment in transformation is set out within the body of the report and has been contained within budget monitoring and MTFS decision making and quarterly update reporting. A detailed report on revenue and capital expenditure, financial and non-financial benefits of the transformation plan programmes will be reported to this Committee as part of the quarter 1 budget position in October 2025 and quarterly thereafter.

Human Resources

- 41 There are no direct implications from this report, however, the use of reserves will help to secure resources to support the implementation of the transformation programme and workforce is a key programme within the Transformation Plan.

Risk Management

- 42 The risk of a lack of progress and delivery of the Transformation Plan and Council’s wider improvement activity at the required pace could result in further measures and an escalation from MHCLG beyond the non-statutory Best Value Notice issued in May 2025. This is identified as a risk and will be added to the Strategic Risk Register. An overarching plan will help to inform the identification and management of corporate risks with risk assessments taking place for individual activities and projects where appropriate.

Impact on other Committees

- 43 There is no direct impact on other Committees, however, updates or decisions relating to transformation or improvement activity for specific service areas would be taken by the relevant committee where appropriate including policy changes and as part of the budget setting process.

Policy

- 44 The Cheshire East Plan 2025-29 includes a commitment to be an effective and enabling council with an emphasis on being financially sustainable, aided by council-wide service transformation and improvement. The Council understands the improvements it needs to make and has made progress in addressing the challenges with a focus on delivering value for money, continuous improvement and better outcomes for Cheshire East's residents.
- 45 A Corporate Improvement and Delivery Plan, including transformation, would support the overall vision and all commitments within the Cheshire East Plan 2025-29.

Equality, Diversity and Inclusion

- 46 There are no direct equality, diversity and inclusion implications. Programmes and projects within the Transformation Plan and a new overarching plan will help improve the culture and processes, systems and structures as part of the Council's overall transformation and improvement journey underpinning the delivery of the Cheshire East Plan 2025-29, enabling improved outcomes for all residents, businesses and communities. Equality impact assessments will be completed for individual projects.

Other Implications

- 47 N/A

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Ashley Hughes	S151 Officer	25/07/25	27/07/25

Janet Witkowski	Acting Monitoring Officer	25/07/25	28/07/25
<i>Legal and Finance</i>			
Sal Khan	Interim Director Finance/Deputy S151	25/07/25	29/07/25
<i>Other Consultees:</i>			
<i>Executive Directors/Directors</i>			
Chief Executive and Executive Directors	Corporate Leadership Team/ Transformation & Improvement Board	25/07/25	29/07/25

Access to Information	
Contact Officer:	Sam Pittam-Smith, Interim Head of Transformation and Improvement sam.pittam-smith@cheshireeast.gov.uk
Appendices:	Appendix 1 – Transformation End of Year Report Appendix 2 – Description of transformation key areas
Background Papers:	Agenda for Council on Tuesday, 27th February, 2024, 11.00 am Cheshire East Council Corporate Policy Committee, 21 March 2024, Cheshire East Approach to Transformation: Report Template Corporate Policy Committee, 21 August 2024, Submission of Transformation Plan: CEC Report Template Agenda for Council on Wednesday, 26th February, 2025, 11.00 am Cheshire East Council Agenda for Corporate Policy Committee on Thursday, 12th June, 2025, 10.30 am Cheshire East Council

	Full Council, 16 July 2025 – Funding for Phase 3 of the Transformation Programme: CEC Report Template-updated 4 April 2025
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Appendix 1: Transformation end of year report

[transformation-end-of-year-report.pdf](#)

Appendix 2: Description of the transformation for key areas:

Access To Services

We're working to make it quicker and easier for residents, businesses, and visitors to get things done with us—especially for everyday services like payments, applications, and requests. We've already made good progress by developing a Customer Experience Strategy, and the next step is to put that plan into action. We expect this to be signed off at Corporate Policy Committee in September.

Enabling Communities

We will work with local partners to support people earlier—before they reach a crisis point and need formal social care. This joined-up approach focuses on the whole person and aims to reduce the need for statutory services over the next two years. Our Enabling Communities work is a key part of this, helping to deliver better outcomes and reduce costs in both Adult and Children's Social Care.

Core Service Design

We are establishing a new way of designing our services based on best practice that puts residents first and supports our long-term goals. This includes scanning for new ideas, designing services in accordance with our agreed Cheshire East operating model and offering support and hands-on training through a 'mini-academy'. By building skills, resources and confidence across teams, we will empower staff to lead change and improve services that matter most to our communities.

Service Delivery - Adults

We have initiated projects to:

- Make sure residents get the right support from the right organisation.
- Help people stay independent and healthy for longer, reducing the need for formal care.
- Improve services and support for residents with learning disabilities.
- Use smart tools to help people live safely at home
- Make sure care services offer good value for money.

Service Delivery - Children's

We're running six projects aimed at improving the lives of children and families in Cheshire East. These focus on key areas like support for care leavers, early help services, complex needs, and how families access support. We're also looking at how we plan placements and commission services. The goal is to improve quality, make sure we meet our responsibilities, and save over £7 million by 2028/29.

Service Delivery - Place

We're working to grow our local economy and create more opportunities for everyone who lives and works here. To help make this happen, we're developing a new Growth Strategy, improving how we manage council-owned buildings and land, and updating our Asset Strategy. These changes are part of a wider transformation programme that will help us work more efficiently, make better use of public resources, and deliver even better value for our residents.

Corporate Core

We're working on several projects to improve how the council operates and manages resources.

These include:

- Reviewing paid-for services to help bring in more income.
- Getting better value from suppliers and contracts.
- Improving how we manage grants to support council priorities.
- Reducing travel costs and carbon emissions by reviewing how we use council vehicles.
- Upgrading internal systems to better support staff and services.
- Creating a standalone CEC digital service to better meet council needs and using digital tools to work smarter and improve services.

Workforce and Culture

- How we're organised: We're improving how teams are structured, how staff are paid, and how we support and measure the impact our people have.
- What we're gaining: These changes will help us save money, bring in income, and work more effectively in delivering services.
- How it feels to work here: We're building a positive culture with better policies, clearer expectations, and more development and training for staff.