Corporate Policy Committee Date: 02 October 2025

Report: Financial Review Quarter 1

Annex 3

Transformation Plan Update

Executive Summary

1   This report is an appendix to the First Financial Review 2025/26. It provides an update on the Council's Transformation Plan progress including financial and non-financial benefits for quarter 1 2025/26.

2   The report demonstrates where good progress has been made on the Transformation programmes and where further work is underway to ensure delivery. It includes an update on the financial savings for each programme, aligned to that in the overarching FR1 report. The narrative provides further insight into each programme and the actions being taken to assure delivery.

3   The overall position on the transformation savings based on the FR1 outturn shows a potential under achievement of savings against the cross cutting programmes as part of the Corporate Core and Access to Services programmes. If delivery continues in line with the current trajectory, savings across the Workforce, Digital and Third Party Spend projects for the remainder of the financial year are forecast at £3.0m against the budget saving of £12.702m. Due to delays with the detailed business cases there will not be full achievement of the target savings. However, these programmes have been discussed at the Transformation and Improvement Board chaired by the Chief Executive and further actions have been put in place to move them forward.

4   Adults' transformation is progressing well and is expected to deliver service improvements and the savings. There is a shortfall of savings in this financial year of £2.650m which have been offset by in year mitigations. Full financial savings are expected in 2026/27. Due to the need to focus on improving services for children and young people, Children's Services will underachieve on the £3.788m target for 2025/26. At present the forecast saving is £0.500m with one off mitigations of £0.868m. The shortfall is currently £2.420m. The Children's transformation programme is being reviewed in line with the improvement plans, this is due for completion in the autumn this year.

5   To provide confidence in the programmes a refresh of the business cases for each programme is underway and due to complete in October 2025 in parallel to the development of the Corporate Delivery and Improvement Plan. The Plan, also being considered by Corporate Policy Committee on

2 October, has resulted in a review of transformation programme priorities. The proposed changes will be reflected in the next progress update.
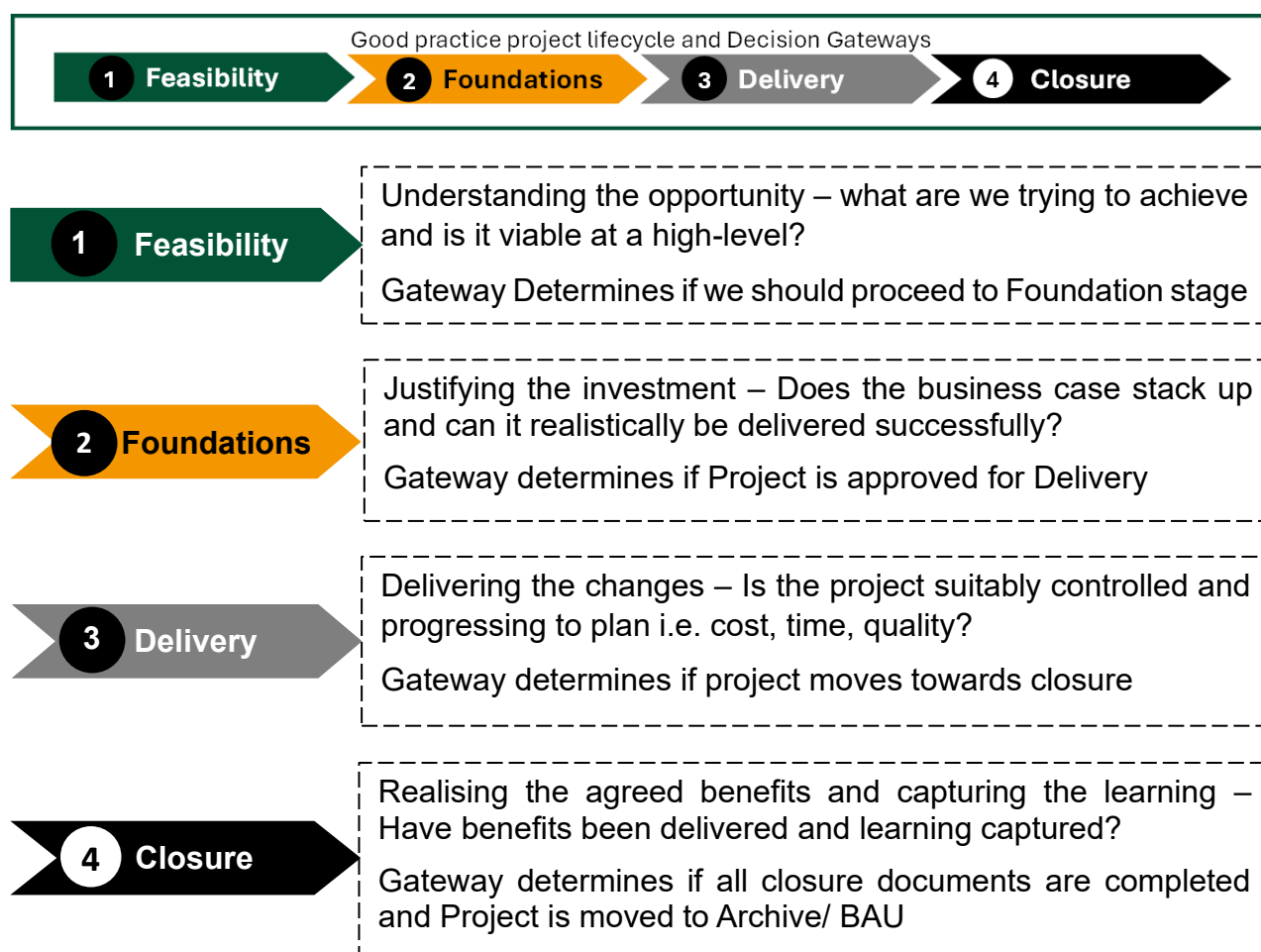
Background

6   Inner Circle Consulting (ICC) were appointed following a competitive process 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.

7   The opportunities identified during the transformation planning process were then reflected in the Medium-Term Financial Strategy and budget for 2025/26.

8   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).

9   Table 1 (table 6 in the main report) provides an overview of the position at the end of the first quarter and the projected position should delivery continue along the existing trajectory.

Table 1 - Transformation Budget Saving	Saving included in Council's 2025/26 budget £m	Forecast Outturn position at FR1 £m	(Under)/ Over £m
Access to Services & Corporate Core (Cross cutters including Digital/Workforce/3rd Party Spend/Fees & Charges)	-13.452	-3.821	-9.631
Service Delivery – Adults Social Care	-7.000	-7.000	0.000
Service Delivery – Children's	-3.788	-1.368	-2.420
Service Delivery – Place	-0.175	-0.175	0.00
Total	**-24.415**	**-12.364**	**-12.051**

10   Table 2 (table 7 in the main report) provides a further breakdown of savings.

Table 2 - Transformation Budget Savings	2025/26 budget £m	Forecast Outturn position at FR1 £m	(Under)/ Over £m
Digital Customer Enablement Invest to Save	0.750	0.000	-0.750
Digital Acceleration Invest to Save	0.600	0.200	-0.400
Digital Blueprint - Invest to Save	4.000	1.000	-3.000
Fees and Charges	0.750	0.821	0.071
Third Party Spend	3.000	0.625	-2.375
Target Operating Model (TOM)	3.000	0.999	-2.001
Agency Staffing	0.352	0.176	-0.176
Workforce Productivity	1.000	0.000	-1.000
Total	**13.452**	**3.821**	**-9.631**
Total	**-24.415**	**-12.364**	**-12.051**

11 It should be noted that the trajected outturn is also impacted by the stage in the lifecycle a particular programme or project is at. The following illustration provides an overview of the four stages: Feasibility, Foundation, Delivery and Closure.

Good practice project lifecycle and Decision Gateways

1 Feasibility → 2 Foundations → 3 Delivery → 4 Closure

1 Feasibility

Understanding the opportunity – what are we trying to achieve and is it viable at a high-level?

Gateway Determines if we should proceed to Foundation stage

2 Foundations

Justifying the investment – Does the business case stack up and can it realistically be delivered successfully?

Gateway determines if Project is approved for Delivery

3 Delivery

Delivering the changes – Is the project suitably controlled and progressing to plan i.e. cost, time, quality?

Gateway determines if project moves towards closure

4 Closure

Realising the agreed benefits and capturing the learning – Have benefits been delivered and learning captured?

Gateway determines if all closure documents are completed and Project is moved to Archive/ BAU

12   During the Feasibility stage of the programme or project work is undertaken to explore the opportunity identified and make sure we are clear on the problem we are trying to solve. If it looks like the opportunity is worth pursuing we proceed to Foundations and develop the business case and do the more detailed work to see if the outcome of the work is worth the investment of time and money. If it is, then the project goes into the Delivery stage. When the project has delivered the expected outcomes and benefits it comes to a close. At this point a closure report covers the handover to business as usual operations and lessons are learnt to apply to other projects.

13   Programmes and projects in the Feasibility and Foundations stage will not yet be delivering service improvements or savings. Nor will they have the plans in place to demonstrate how savings will be delivered. Once they move towards the end of the Foundation stage a business case will have been developed to include the expected benefits and options to deliver them, including the cost of change and the high-level timescales for delivery. Programmes and projects reaching the end of the Foundation stage and move to Delivery during FR1 will be reflected in FR2 figures.

14   The Corporate Policy Committee agreed that one overarching Delivery and Improvement Plan would be developed, incorporating transformation and improvement activity and delivery would be reported on a quarterly basis.

15   The improvement planning process has resulted in a review of the transformation programme priorities alongside the rest of the plan. This also coincides with some of the initial projects drawing to a close. A number of the projects coming to an end are in the Corporate Core programme. Having reviewed the remaining projects within the programme it is proposed that we realign the digital projects to the Access to Services programme and customer experience project. Fleet Management will move into Workforce and Culture as the next phase of the project relates to staff travel. When the projects due to handover to 'business as usual' shortly finish, the Corporate Core programme will be formally closed.

16   This report provides an update on progress against the existing programmes projects structure. The proposed changes will be reflected in the next progress update.

Access to services – current RAG is Amber (there are some issues and mitigations in place)

17   The purpose of the Access to Services programme is 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 aim to achieve financial savings whilst improving customer and user experience. Part of the answer is through improving digital access to our services where appropriate. We know that putting people at the heart of what we do is the way to design more effective and efficient services. For many, ease of access is through digital channels so that is an important focus for us. However, we know that is not true for all our services and therefore we will continue to provide services in the most appropriate way for the service and the people using the services.

18   Customer Experience project is at the Foundations stage. We've already made good progress by developing a draft Customer Experience Strategy. Our transformation partner, ICC, are supporting the development of the business case for the Customer project which will utilise digital technology and artificial intelligence to make it easier for our residents to interact with us while also unlocking savings and embedding our customer experience strategy. The project is amber as some digital elements have been slightly delayed. It is expected to move to green when the business case is completed, costs and savings are confirmed, and delivery can commence.

19   Digital Adoption and Digital Acceleration projects are in the Foundation stage and business cases are the process of being developed and validated. Meanwhile some of the sub projects are being delivered.

20   We have just launched traCE which will improve the delivery of high-demand services by using digital technology to improve the experience for people reporting issues, help us respond more efficiently and reduce long-term costs by moving away from third-party systems (i.e. FixMyStreet). In the main, the launch went well though there were some teething problems in the first week. The ICS Chatbot, CeCe, has also launched in August, and its effectiveness will be monitored over the coming weeks/months.

Adult Social Care - current RAG is Amber (there are some issues and mitigations in place)

21   In 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.

Partnership Case Reviews Project:

22 Focused on:

- How Cheshire East is discharging its responsibilities in line with Continuing Health Care National Framework guidance

- Ensure people who require services are supported by the appropriate organisation based on their needs with clinical supervision and case management where required

Prevent, Reduce, Enable Project:

23 Focused on how the council can put in measures to enable residents to maintain their independence and consequently prevent or delay users needing commissioned care, reduce the numbers of referrals into commissioned care and enable residents to live life's that do not require commissioned care for as long as is appropriate.

Learning Disabilities and Autism Project:

24 Focused on three elements of work across Learning Disability Services:

1. Supported Living Provision

2. Care4CE Modernisation

3. Shared Lives

Commissioning and Brokerage Project:

25 Focused on facilitating a more cost-effective placements by the implementation of a guide price policy and supporting decision rights, as well as, focusing on assessing the relative maturity of the commissioning service.

Health and social care partnership review

25 This project has assessed how the council is discharging its responsibilities in line with Continuing Health Care (CHC) National Framework guidance and that people requiring support are managed by the appropriate organisation based on their needs. The remaining recommendations are now being implemented and the project is coming to a successful conclusion.

26 The projects are all progressing to deliver these outcomes for our residents. We're also keeping a close eye on risks—like staff being stretched between new projects and day-to-day work, and wider changes across the system. We're working with partners to manage these

challenges and make sure everything stays on track. The programme is currently rated as amber due to these resource pressures and risks.

27   The Adults Social Care Transformation Programme has established clear governance with defined roles and responsibilities. The Prevent, Reduce, Enable (PRE) pilot is operational, with processes in place to develop the new care model. The Learning Disabilities and Autism (LDA) programme is progressing well, with an agreed approach for the supported living review and the development of standard operating procedures (SOPs). The Care4CE business case is in the process of being finalised.

28   ICC has been supported the development of the business cases and delivery for PRE and LDA projects.

29   In terms of savings the Adults' transformation programme is progressing well and is expected to deliver service improvements and the savings. There is a shortfall of savings in this financial year of £2.650m which have been offset by in year mitigations. Full financial savings are expected in 2026/27.

Table 3 Adults	2025/26 Budget £m	2025/26 FR1 £m	Variance £m
Health and Social Care Partnership Case Review	2.500	2.500	0.000
Commissioning and Brokerage Transformation	0.500	0.500	0.000
Prevent, Reduce, Enable - Older People	1.500	1.500	0.000
Learning Disability service transformation	2.500	2.500	0.000
Total	**7.000**	**7.000**	**0.000**

Enabling Communities – current RAG is Amber (there are some issues and mitigations in place)

30   Our Enabling Communities work will help deliver better outcomes for our residents and reduce costs in both Adult and Children's Social Care. We are developing an approach where we work with local partners to support people earlier through a holistic approach to improve their lives and prevent them needing statutory intervention (social care provision) in the next 2 years. This is a piece of work that is really important to the future of residents of Cheshire East being supported in, or close to, home is what we all want. This programme of work is focused on just that and it will enable us to be more efficient in how we use taxpayers' money too.

31   The Enabling Communities programme has planned the next phase of work, which has been approved in principle. Before the programme can move to the next phase, resourcing to deliver the programme needs to be confirmed. This is being considered as part of the review of priorities and

resources within the programme. Once approvals are given, the programme will proceed to the implementation stage

Children's Social Care - current RAG is <mark>Red</mark> (this has been escalated to Transformation & Improvement Board and action agreed. Once the action takes effect the RAG status will improve).

32   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.

33   We're taking a close look at the programme to make sure it's set up to succeed. This includes checking what resources are needed, and how different services and teams will work together. A review of the projects and how they fit with our Improvement Plan is underway and will be complete by the Autumn. Work on Families First the national reform initiative aimed at improving children's social care in England is in delivery, focusing on early help and multi-agency collaboration to support families before issues escalate and will be implemented for 1 April 2026.

34   To support Children's transformation and improvement moving from red to amber Transformation and Improvement Board has agreed to provide additional support in the 2025/26 financial; this includes resources from support services and ICC.

35   Due the need to focus on improving services for children and young people, Children's Services will underachieve on the £3.788m target for 2025/26. At present the forecast saving is £0.500m with one off mitigations of £0.868m. The shortfall is currently £2.420m.

Table 4 Children's	2025/26 Budget £m	2025/26 FR1 £m	Variance £m
Preparing for Adulthood	0.868	0.868	0.000
New Accommodation with Support Offer for 16-25 Young People	1.100	0.000	-1.100
Right Child, Right Home	1.320	0.000	-1.320
Birth to Thrive	0.500	0.500	0.000
Sub-Total	**3.788**	**1.368**	**-2.420**

Place – current RAG is <mark>Amber</mark> (there are some issues and mitigations in place)

36   The purpose of the Place programme is 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.

37   The Place programme is making good progress across several key projects. Work is underway to develop a draft Asset Strategy, and changes to Library services have been implemented and gone live. The Alternative Service Delivery Vehicles (ASDV) Review is now coming to completion with staff returning from ANSA Environmental Services and will close in the next month.

38   Automatic Number Plate Recognition (ANPR) Enforcement project was initiated in January 2025 to explore how Cheshire East Council might use ANPR to generate surplus revenue and align with best practice. The opportunity was explored and the business case was developed but it provided there was no viable option to take this forward. The project was formally closed at Transformation and Improvement Board on 13 August.

39   Weekly food waste collection implementation project is being refreshed due to external factors, as reported through the Transformation reporting. Implementation of waste savings measures, including a public launch for the silver bin recycling service, are progressing well and can be rolled out in advance of weekly food waste collection to achieve required savings. A revised plan is now in place to address these challenges, and overall, the programme remains on track to deliver the intended benefits for the Place transformation programme.

40   Latest forecasts show £100,000 of savings from the Asset Strategy Refresh project and £5,000 from Corporate Landlord. The shortfalls of £45,000 from Corporate Landlord and £25,000 from Advertising will be mitigated by the services in year leaving no overall pressure for the council.

Table 5 Place	2025/26 Budget £m	2025/26 FR1 £m	Variance £m
Tatton Park ticketing and EPOS upgrade	0.001	0.001	0.000
Corporate Landlord Model Refresh	0.050	0.050	0.000
Asset Strategy Refresh	0.100	0.100	0.000
Libraries Strategy - Stage 1	0.000	0.000	0.000

Advertising Income. Initial project scoping work being undertaken to understand scale/complexity and resourcing needs	0.025	0.025	0.000
Sub-Total	**0.175**	**0.175**	**0.000**

Corporate Core – current RAG is <mark>Amber</mark> (there are some issues and mitigations in place)

41   The Corporate Core programme covers a range of 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.

42   Our Grants review recognised good practice in using grants to deliver better outcomes for residents. We have identified potential savings from third party contracts and are exploring those.

43   The Fees and Charges project will deliver savings of £0.821m, in excess of the £0.750m budget target. We have also agreed revisions to our fees and charge's which will bring in more income. The project is nearing completion and changes to how we review and revise our fees and charges will be embedded in business as usual operations.

44   We're currently separating our ICT service from Cheshire West and making improvements to our digital systems. These changes aim to reduce costs across departments and explore new technologies – like AI – to boost efficiency and improve services for residents. The programme is currently rated amber due to delays in approving and starting some of the work needed to deliver cross-cutting savings. These issues are being actively addressed.

Workforce and Culture – current RAG is <mark>Amber</mark> (there are some issues and mitigations in place)

45   The Workforce and Culture programme is focused on:

- 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 on delivering excellent services to our residents.

- 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, inclusive, values led culture with better policies, clearer expectations, and more development and training opportunities for staff at all stages of their career.

46   We've completed a detailed review of the staffing budget, including vacancies and agency spend, to ensure accurate savings and support future workforce planning. This will mean we can deliver the right people at the right time at the right place to deliver great services.

47   As part of developing a stronger leadership culture, the new Cheshire Leaders programme has been shared with Corporate Leadership Team and will go to the Wider Leadership Community (WLC) next. All WLC members will take part, with a focus on improving leadership and service delivery. We will roll out a Cheshire Manager programme in due course.

48   We're reviewing our values-based framework and planning a staff survey for September 2025 to track staff engagement that will enable us to track culture change work.

49   Recruitment is underway for six new roles to support the Workforce transformation programme, and we're aligning workforce plans with the Council's improvement plan. We have been able to offer development opportunities for existing staff and will supplement this with new recruits from outside the council.

50   We've also received the HR Health Check from ICC and recognise we need to transform our service. This work will be added to our programme.

51   ICC has also worked with the council to develop a service design methodology. Service design puts the user (resident, business etc) at the centre of designing an efficient service. The first cohort of staff have been trained over the summer through the Service Design mini academy and feedback has been very positive. These staff will go on to support the redesign of services in their area.