

Title: Warwick District Council Change Management Programme  
 Lead Officer: Andrew Jones (andrew.jones@warwickdc.gov.uk)  
 Portfolio Holder: Councillor Andrew Day  
 Wards of the District directly affected: All  
 Previous Relevant Reports: N/A

<b>Approvals required</b>	<b>Date</b>	<b>Name</b>
<b>Portfolio Holder</b>	23 <sup>rd</sup> Jan 2023	Andrew Day
<b>Chief Executive</b>	17 <sup>th</sup> Jan 2023	Chris Elliott
<b>Section 151 Officer</b>	17 <sup>th</sup> Jan 2023	Andrew Rollins
<b>Monitoring Officer</b>	5 <sup>th</sup> Jan 2023	Andrew Jones
<b>Leadership Co-ordination Group</b>	23 <sup>rd</sup> Jan 2023	Cabinet & Group Leaders
<b>Final decision by this Committee or rec to another Cttee / Council?</b>	Yes	
<b>Contrary to Policy / Budget framework?</b>	No	
<b>Does this report contain exempt info/Confidential? If so, which paragraph(s)?</b>	No	
<b>Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?</b>	Yes	
<b>Accessibility Checked?</b>	Yes	

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## Summary

Warwick District Council continually demonstrates that it is a community leader during the most challenging of times. Whether that is through a period of national austerity; an international pandemic; or global climate change, the Council has been able to deliver its ambition through service and place-shaping outcomes whilst at the same time being financially responsible.

However, the financial challenge to the Council has not abated and the Chancellor's latest Autumn Statement (17<sup>th</sup> November 2022) details significant financial constraint of public finances from financial year 2025/20206, with major implications for local government.

The Council cannot ignore this impending financial situation and must plan well in advance. Whilst it is fully recognised that the Council has been through periods of very real upheaval and uncertainty, it would be complacent not to prepare.

Officers are therefore proposing a programme of organisational change to be developed over the next twelve months with the new administration and the Council's trade union, Unison, to enable the breadth and depth, and delivery method of Council services to be reviewed thereby enabling the local taxpayer to continue to receive value-for-money.

### **Recommendation(s)**

- (1) That Cabinet notes the latest Medium-Term Financial Strategy (MTFS) as detailed in the S151 Officer's report at item 7 on this agenda.**
  - (2) That Cabinet agrees to the development of a change management programme with governance arrangements as detailed in Appendix 1.**
  - (3) That subject to agreeing recommendation 2, Cabinet agrees that in accordance with their respective delegations, the Chief Executive and S151 Officer should ensure that appropriate human resources are made available to support the delivery of the programme.**
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## **1 Reasons for the Recommendations**

- 1.1 Members will note at item 7 to this agenda that the Council will once again be able to set a balanced budget with no impact on the range or quality of services whilst also retaining an ambitious programme of community-based projects to enhance the economic viability, environmental sustainability, and overall desirability of the district. Despite this, Members will record at paragraph 1.8.3 of the Budget report that the Council's Section 151 Officer is forecasting an annual General Fund deficit of £2.5m in 2025/2026.
- 1.2 Anchored by the Fit For the Future Business Strategy and its subsequent revisions, over the last 12 years the Council has annually set balanced budgets with no diminution of services and through careful financial management declared a General Fund financial surplus in each of those years. Nevertheless, as the opportunities for cost reduction and income generation became increasingly difficult, Council agreed that more fundamental change was required and the proposed merger with Stratford-on-Avon District Council was endorsed to generate further significant savings.
- 1.3 The collapse of the merger now requires a fresh approach to bridging the gap between expenditure and income and officers are therefore proposing a change management programme. Change management is a systematic methodology to deal with the transition of an organisation's goals, processes, or technologies. The proposal to adopt a programme

approach to change is to ensure that the implementation of strategies for effecting and controlling change are effectively managed and that the Council's staff are supported throughout the programme.

- 1.4 It is not possible at this time to produce the definitive content of the programme as the Council has elections in May and officers will need to understand the new administration's priority areas. However, each of the Council's Group Leaders has endorsed the development of a change management programme having been briefed on the challenges facing the Council.
- 1.5 The programme will bring further uncertainty to staff who have had to contend with significant pressures over the last three years in the face of the pandemic and then the failed merger. However, the reality is that based on the financial forecast, the Council must prepare and have a plan for meeting the financial gap and that plan cannot be to do nothing.
- 1.6 To ensure that there is full transparency about the programme and communication is as effective as it can be, it is proposed that there will be frequent dialogue with the Trade Union (TU). The precise nature of this engagement will be developed in consultation with Unison.
- 1.7 At Appendix 1 to this report are the proposed governance arrangements for the change management Programme Board. Although the Board consists entirely of officers, it is proposed that once the composition of the new Council is known, a discussion will take place with the Leader to agree the role of, and reporting arrangements to, Members. In the meantime, Members are asked to endorse these governance arrangements as they will enable work to commence on the programme in readiness for the new administration.
- 1.8 The change programme will be a major piece of work for the Council and its impact must not be underestimated. To ensure that it is properly developed and then stays on track, it must be properly serviced and so additional human resource will be required. The exact nature of this resource is to be determined and therefore it is proposed that the Head of Paid Service addresses this requirement following consultation with the Council's Senior Leadership Team.
- 1.9 To provide Members with a sense of what the change programme is seeking to achieve, it will commence with a refreshed Business Strategy with the key objectives of:
  - A Council that can state and deliver its priorities
  - A Council that is financially stable
  - A Council that supports and develops its Councillors
  - A Council that can attract, develop, and retain its officer talent
  - A Council that maximises its investment in new technology
  - A Council that has a fully resourced portfolio of services and programme of work to deliver its priorities
- 1.10 The "how" this will all be achieved will be the detail contained within the change programme and associated plans.

## **2 Alternative Options**

- 2.1 Officers are recommending a structured approach to change. There is a do-nothing option which has been discounted due to the financial challenge facing the organisation. Initiatives for savings and income generation could be developed and considered in an ad-hoc manner but this provides no credible plan as to how the forecast deficit will be addressed.

## **3 Legal Implications**

- 3.1 None

## **4 Financial**

- 4.1 As the change programme is developed and actioned, Cabinet will be updated through the regular quarterly budget reporting.

## **5 Business Strategy**

- 5.1 The Council's current Business Strategy will be re-written once the new administration is formed, and its priorities are identified.

## **6 Environmental/ Climate Change Implications**

- 6.1 It is envisaged that a major element of the new Business Strategy will be the Council's commitment to respond to its climate emergency declaration. Assuming this is the case, the change programme will need to be developed and delivered in a way that aligns with the Climate Change Programme. In particular, the change programme will need to ensure that the projects it contains are brought forward in a way that minimises carbon emissions and ensures the Council is able to adapt its services to changing weather patterns.

## **7 Analysis of the effects on Equality**

- 7.1 The change programme will seek to ensure that service changes do not have greater impact on vulnerable members of our communities or the Council's workforce.

## **8 Data Protection**

- 8.1 Not applicable.

## **9 Health & Wellbeing**

- 9.1 Not applicable.

## **10 Risk Assessment**

- 10.1 The Significant Business Risk Register is the document used by senior officers and Members to monitor the management of the organisation's risk. This will remain a vital tool as the change programme is developed and implemented.