REPORT TO CABINET

16th July 2026

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Resources and Regeneration – Lead Cabinet Member – Councillor Paul Rowling

Powering our Future – Transformation Reviews Update

Summary

This report provides a further update following the report to Cabinet in May on the progress of the Council's Powering Our Future Programme and its contribution to closing the Medium Term Financial Plan (MTFP) budget gap.

The programme sets out a framework to modernise services, improve outcomes for residents and ensure long-term financial sustainability in the context of rising demand and cost pressures. Phase 1 has identified £9.9m of savings, with a number of projects now in delivery.

The February budget report highlighted significant ongoing pressures, particularly within Children's and Adults' Social Care, Home to School Transport, and SEND, where demand and complexity continue to rise faster than funding. This has resulted in a projected budget gap of £6.7m in 2026/27, increasing to £13.8m in 2027/28 and £18.4m in 2028/29.

In response, a Phase 2 programme of Transformation Reviews is underway, focusing on efficiency measures, council-wide initiatives, and outcome-based service reviews. This report provides an update on progress, with a particular emphasis on front-loaded efficiency savings, while further detailed reports on outcome-based reviews will follow. Savings identified within Phase 2 so far are £5,220,000 in 2026/27 and £3,520,000 per annum in future years.

Reasons for Recommendation(s)/Decision(s)

To note the progress of Powering our Futures Transformation Mission and financial implications to date.

Recommendations

1. Cabinet note the progress of reviews to date and the activity towards closing the budget gap across the Medium Term Financial Plan.

Detail

1. The February 2026 budget report to Cabinet set out the significant and ongoing financial pressures facing the Council, particularly within Children's and Adult Social Care, Home to School Transport and educational support for children with special educational needs. Demand for these services continues to increase in both volume and complexity, alongside rising costs within the external provider market. Elsewhere on this agenda, the financial outturn report for the end of the financial year confirms that these pressures are continuing, with funding not keeping pace with demand and resulting in a projected budget gap over the medium term.

2. In response, the Council is delivering the Powering Our Future transformation programme, providing a clear and structured approach to securing improved outcomes for residents alongside long-term financial sustainability. Since the previous update in May, good progress has been made across both Phase 1 and Phase 2, with a number of transformation reviews now at an advanced stage, several moving into delivery, and further savings opportunities being identified.

3. Phase 1 of the programme continues to deliver tangible improvements across a range of service areas, including Community Transport, Waste Collection, support for people to live independently, Administration and Business Services, Fees and Charges, and Children in our Care, strengthening both service delivery and the Council's overall financial position.

4. Phase 2 of the programme is now firmly established, comprising three interrelated strands of work. Progress is being driven through robust programme management and governance arrangements, with individual reports being presented on outcome-based service reviews as they progress through the decision-making process:

   - Efficiency Reviews, focused on improving day-to-day service delivery, including vacancy management, income generation, digital enablement and the development of sustainable service models;
   - Council-wide initiatives, including data-led reviews of expenditure, procurement and purchasing arrangements, and changes to working practices to reduce avoidable costs and improve organisational efficiency; and
   - Outcome-based service reviews, covering a programme of priority service areas, with early findings emerging and opportunities being identified to both improve outcomes and reduce costs.

5. Performance against the programme continues to be closely monitored. Appendix A provides a summary of progress since the previous update in May, and Appendix B sets out the cumulative position against the programme. Further reports will be brought to Cabinet as delivery progresses, including updates on outcomes and savings achieved, alongside Community Impact Assessments and Equality and Poverty Impact Assessments, where appropriate.

Community Impact and Equality and Poverty Impact Assessment

6. An EPIA has been completed for the individual decisions where appropriate.

Corporate Parenting Implications

7. There are no implications on the corporate parenting role.

Financial Implications

8. The tables at Appendices A and B set out the additional savings identified to date to help close the budget gap: £5.220m in 2026/27 and £3.520m per annum in future years. This reduces the forecast budget gaps across the Medium Term Financial Plan to £1.480m in 2026/27, £10.255m in 2027/28, and £14.845m in 2028/29.

9. While this represents good progress, the Council continues to face a particularly challenging financial position over the medium term. As outlined above, work continues to progress across the transformation programme reviews to further address these remaining gaps. Consideration has also been given to the wider and longer-term financial implications arising from each decision. Robust risk management arrangements are in place across the programme to support the early identification, monitoring and mitigation of delivery, financial and demand-related risks.

Legal Implications

10. Legal implications are considered as part of the decision making process for the individual decisions in the attachment.

Risk Assessment

11. Risks are considered as part of the decision making process for the individual decisions referenced in this report. These will be monitored through the overall project management governance overseeing the transformation reviews.

Wards Affected and Consultation with Ward/Councillors (refer to Concordat for Communication and Consultation with Members)

12. Consideration is given to wards affected as part of each individual decision.

Background Papers

13. Medium Term Financial Plan (MTFP) Update and Strategy report to Council 18th February 2026.
14. Powering our Future - Transformation Reviews Update report to Cabinet 14th May 2026
15. Yarm Levelling Up Fund – Reconsideration of Decision following Call-in report to Cabinet 14th May 2026

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Appendix A

Area of Saving	Description	Savings Identified 26/27 £	Savings Identified 27/28 £	Savings Identified 28/29 £
Visitor Information Centre	A review of the Visitor Information Centre, "Enjoy Stockton", has been undertaken as part of the wider Libraries Service review and transformation programme. The review considered operational demand, financial performance and property-related risk. The VIC currently operates Monday to Saturday, 9.00am to 5.00pm, and records approximately 15,000 visits and around 700 telephone enquiries each year. The service provides visitor information, event bookings, town centre engagement and access to council information. However, much of this activity overlaps with services already provided through the Customer Contact Centre and the libraries network, particularly Stockton Central Library, which is within close proximity. The service has also taken on a number of informal and non-core activities over time, including bookings for external transport operators and support for bookings relating to venues such as The Globe. The review concluded that a number of these activities can cease, with core council-facing functions either transferring into existing service points or being managed through current council arrangements. There is a part year saving in 26/27 due to the VIC remaining open over the Spring and early summer period.	(50,000)	(75,000)	(75,000)
Deletion of Vacant Posts	Through a series of efficiency reviews across council budgets we have considered existing staffing budgets and deleted a small number of vacant posts.	(217,000)	(217,000)	(217,000)

Council wide	This report outlines a revised, strategic approach to various spend headings across the Council, focused on strengthening financial sustainability while enabling a more comprehensive review of current operating models. The review has considered key cross-cutting expenditure areas, including agency, overtime, casual labour, IR35, mileage, recruitment and training, standby, honorarium, room hire, print and stationery, travel, and callout. The approach prioritises enhanced governance, tighter control of discretionary spend, and more consistent decision-making across the organisation. It is underpinned by improved use of data and management information, including the development of intelligence dashboards, alongside a programme of deeper analysis into workforce structures and service delivery models.	(507,000)	(482,000)	(482,000)
Communication Methods	We have undertaken a comprehensive review of how we communicate with residents, with the aim of modernising our approach to be more effective, accessible, and environmentally sustainable. This includes a clear reduction in the volume of printed materials, supporting our commitment to lowering paper usage and minimising environmental impact. As part of this transformation, we are adopting a more digital-first approach to communication, enabling faster, more flexible, and more targeted engagement with residents. A key element of this change is the decision to cease publication of Stockton News, reducing reliance on large-scale print distribution. This approach will be supported by our existing communication channels, including digital platforms and social media, allowing us to share more timely, relevant, and accessible information in a more joined-up and responsive way.	(83,000)	(83,000)	(83,000)
Council wide	Enhance promotion of the annual leave purchasing scheme to drive increased employee awareness and uptake. We have an existing policy that allows employees to purchase additional leave on top of their annual holiday entitlement; increasing promotion will help ensure greater understanding and utilisation of this offer. This will support improved workforce flexibility, promote employee wellbeing, and contribute to higher levels of engagement and work–life balance.	(100,000)	(100,000)	(100,000)

Capital Programme	A review of earmarked reserves and capital budgets has identified opportunities to release funding to help support the Council's Medium-Term Financial Plan, while continuing to protect frontline service delivery. Following a detailed assessment of demand and repayment trends, £90,000 has been released from the Homeowner Improvement Loans Reserve. In addition, improved delivery arrangements have enabled a reduction of £50,000 in planned, one off capital spending on allotments. As both schemes were originally funded through Revenue Contributions to Capital Outlay (RCCO), these funds can now be redirected to support the General Fund revenue budget. In addition, £291,717 of capital receipts has been released from the town centre wayfinding programme, as the funding is no longer required. The associated costs have been met through other town centre regeneration budgets. Decisions on the future use of these capital receipts will be considered as part of upcoming Medium-Term Financial Plan reports. These changes ensure that funding is aligned to current priorities and need, while maintaining sufficient resources to meet existing commitments and support future priorities.	(140,000)		

Senior Management	The *Powering Our Future* programme continues to deliver transformation and financial sustainability across the Council. As it has matured, there is an opportunity to embed Early Intervention and Prevention (EIP) within core service delivery, supporting a sustainable, whole-Council approach. EIP functions will therefore be integrated into mainstream services, and the Assistant Director Transformation Early Intervention & Prevention role will cease in its current form. The current post holder has been appointed to an existing Assistant Director vacancy, demonstrating the Council's commitment to retaining key organisational capability, maintaining leadership continuity, safeguarding organisational knowledge, and ensuring the effective use of council resources.	(134,000)	(134,000)	(134,000)
	Total	**(1,231,000)**	**(1,091,000)**	**(1,091,000)**

Appendix B

Committee	**Date of Report**	**Title of Report**	**Savings Identified 26/27 £**	**Savings Identified 27/28 £**	**Savings Identified 28/29 £**
Cabinet	14th May 2026	Powering our Future - Transformation Reviews Update	(2,974,000)	(2,364,000)	(2,364,000)
Cabinet	14th May 2026	Yarm Levelling Up Fund – Reconsideration of Decision following Call-in	(1,015,000)	(65,000)	(65,000)
Cabinet	16th July 2026	Powering our Future - Transformation Reviews Update	(1,231,000)	(1,091,000)	(1,091,000)
		Total	**(5,220,000)**	**(3,520,000)**	**(3,520,000)**