

REPORT TO: Executive Board

DATE: 11th December 2025

REPORTING OFFICER: Director of Transformation (Interim)

PORTFOLIO: Corporate Service

SUBJECT: Financial Recovery, Change and Innovation
Resource April 2026 onwards – Key Decision

WARD(S) All

1.0 **PURPOSE OF THE REPORT**

- 1.1 This report seeks approval to establish and resource a dedicated Financial Recovery, Change and Innovation function for the Council from April 2026, following the conclusion of the current Transformation Programme and its associated funding on 31st March 2026.

The purpose of this proposal is to ensure the Council has the capacity, capability, and governance structures required to deliver the scale and pace of change necessary to achieve financial sustainability.

2.0 **RECOMMENDED: That**

- 1) the report be noted; and
- 2) the Board approves the establishment of a Change and Innovation Unit (CIU) to support the Financial Recovery and Corporate Plan from 1st April 2026.

3.0 **SUPPORTING INFORMATION**

- 3.1 The Council's Medium Term Financial Strategy (MTFS) reports that based upon current levels of spend, income, and forecast growth in service costs and demand across the Council, by 2030/31 the cumulative deficit or funding gap on the Council's budget will have reached £118.613m. The position is clearly unsustainable and action must be taken over the MTFS period to ensure the Council has a balanced budget position by 2030/31 at the latest, along with removing the dependence upon Exceptional Financial Support. (Ref Medium-Term Financial Strategy 2026/27 – 2030/31, Executive Board 11 Sept 25).
- 3.2 A Financial Recovery Plan is currently being developed with the aim of demonstrating how the Council can return to a sustainable budget

position by 2030/31. Fundamental to the delivery of this plan is the need to ensure there is sufficient capacity and skills in the organisation to effectively deliver the required savings, including change management and a Project Management Office (PMO) approach to deliver greater reductions at an accelerated pace.

- 3.3 In 2022 the Council approved a 3-year Transformation Programme which comes to an end on 31st March 2026. To this end, £2.5M has been included in the MTFS from 2026/27 to 2028/29 to fund a Change Programme in order to deliver the required savings outlined in the financial recovery plan. Future funding arrangements will need to be considered thereafter. Despite the structure of the Programme yet being agreed for April 2026 onwards, it was considered prudent to include this in the MTFS as the scale of the financial challenges facing the Council mean that there is little alternative but to invest in the transformation of services.
- 3.4 Resources within the current Transformation Delivery Unit (TDU) are varied with most employees being seconded from substantive roles across the Council and others being appointed on a fixed term basis. All contractual end dates are aligned to 31st March 2026 when the current funding arrangement expires. This resource is complimented by several agency/consultancy placements, which bring to the unit expertise that does not exist internally. These placements are reviewed and extended periodically based on programme needs and are also currently aligned to end on 31st March 2026.
- 3.5 To support the Financial Recovery Plan and the MTFS, it is proposed that a new Change and Innovation Unit (CIU) be established from 1st April 2026 ongoing. The CIU would provide the Council with a long-term dedicated resource to support change and innovation projects with the initial 3-year focus being on supporting the Financial Recovery Plan and the Council's Corporate Plan. Given the tenure of the current contract arrangements and the rights accrued, appointments to the CIU would be on a permanent basis. Some flexible budget would also be retained to buy-in expertise on an as and when needed basis.
- 3.6 The benefits of this approach would be organisational wide and span beyond the unit itself. The unit will be key to the delivery of large elements of the Financial Recovery Plan and in supporting operational services to deliver the changes required. It will provide a corporate oversight and reporting mechanism, through a central Programme Management Office which will support Senior Management and Members in leading the change. From a resourcing perspective, it will provide the opportunity for greater stability for the Council; to those applying for roles within the unit, and for those currently in a substantive post-backfill chain of

temporary contracts by moving to a model that includes permanent roles.

- 3.7 As the current Transformation Programme ends on 31st March 2026, to allow for a seamless transition to the proposed CIU, it is proposed for a mobilisation period be built in from 1st April to 30th June 2026, with the new CIU going live not later than the 1st July 2026 (following HBC staffing protocol principles). As section 3.4 indicates all current contractual end dates are 31st March 2026, to allow for seamless transition and recruitment into the new substantive structure, all current contracts will be required to be extended until 30th June 2026. Within the current contracts there are a number of secondments from other HBC services which will need to be extended to accommodate the aforementioned.

3.8 Why CIU is Different

The new Change and Innovation Unit (CIU) will represent a significant step change from the current Transformation Programme. It will operate in a more holistic and integrated manner, working directly with Executive Directors to support and deliver their Financial Recovery Plans.

The CIU will introduce a fundamentally different approach to drive change and financial sustainability. It will embed change management principles alongside traditional project management methodologies, moving away from the current “Deliverology” model that has resulted in a ring-fenced, siloed programme of activity.

This shift will ensure:

- Greater emphasis on agility, pace, outcomes, and benefits realisation.
- Direct collaboration with directorate leadership teams and financial management, integrating transformation into core business operations.
- A focus on driving organisational change at scale, aligned with financial recovery priorities.

Innovation will not be an optional extra; it will need to be the engine that drives the scale and pace of change to deliver savings. By embedding innovative practices onto service design and delivery the Council can accelerate change and reduce costs. The proposed CIU will ensure innovation is applied strategically – turning ideas into measurable outcomes.

By combining strategic oversight with practical delivery, the CIU will create a more agile and outcome-driven environment for change and innovation.

To achieve all the above, it will be fundamental to evolve the governance arrangements for the programme. These are currently

being worked up and will require consideration of the findings of the CIPHA review/ report (further updates to follow). But essentially will ensure that the CIU is a single point of oversight for all activity relating to Financial Recovery, not a separate standalone programme as it is at present. This will ensure a single organisational approach to reducing our spend. The single point of oversight will also allow greater prioritisation of workstreams that link directly to the Corporate and Financial Recovery Plans, ensuring more efficient resource management across the organisation.

4.0 POLICY IMPLICATIONS

- 4.1 The current staffing protocol will apply to all employees as part of the proposed changes

5.0 FINANCIAL IMPLICATIONS

- 5.1 As noted in section 3.3, £2.5M has been allocated within the Medium Term Financial Strategy (MTFS) for the period 2026/27 to 2028/29 to fund a Change Programme. This investment is essential to deliver the savings required under the Financial Recovery Plan and to support the Council's transition to a sustainable budget position. Future funding arrangements will need to be considered thereafter.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence

The new CIU will support the delivery of the priorities set out within the Corporate Plan (2024-2029) and the Council's Financial Recovery Plan (2025-2031). It will work with colleagues across the Health and Care landscape to encourage good quality health, wellbeing and social care, supporting the people of Halton to feel safe, be active, happy and lead their best lives.

- 6.2 Building a Strong, Sustainable Local Economy

The new CIU will support the delivery of the priorities set out within the Corporate Plan (2024-2029) and the Council's Financial Recovery Plan (2025-2031). It will work with colleagues and partners as required to support the aims of fostering a strong, diverse local economy where there is access to good jobs and

successful businesses in our community, providing opportunities for all.

6.3 Supporting Children, Young People and Families

The new CIU will support the delivery of the priorities set out within the Corporate Plan (2024-2029) and the Council's Financial Recovery Plan (2025-2031). It will work with colleagues and partners to deliver high quality services to Children, Young People and Families, to support families to nurture and protect every Child and Young person, ensuring Children and Young people meet their full potential and families flourish.

6.4 Tackling Inequality and Helping Those Who Are Most In Need

The new CIU will support the delivery of the priorities set out within the Corporate Plan (2024-2029) and the Council's Financial Recovery Plan (2025-2031). It will work with colleagues and partners with the aim of addressing inequalities by helping the people of Halton to receive the good quality and accessible advice, information and services that they need to achieve their aspirations and ambitions.

6.5 Working Towards a Greener Future

The new CIU will support the delivery of the priorities set out within the Corporate Plan (2024-2029) and the Council's Financial Recovery Plan (2025-2031). It will work with colleagues, partners and the community to help keep our neighbourhoods clean and tidy, and create a sustainable environment for current and future generations.

6.6 Valuing and Appreciating Halton and Our Community

The new CIU will support the delivery of the priorities set out within the Corporate Plan (2024-2029) and the Council's Financial Recovery Plan (2025-2031). It will work with colleagues as required to support Halton's residents to live in decent and affordable homes, surrounded by safe and thriving communities.

7.0 **RISK ANALYSIS**

7. The primary risk of not agreeing to establish a Change and Innovation Unit (CIU) from April 2026 is that the Council will lack the capacity and capability to deliver the scale and pace of change required to achieve financial sustainability. Without a dedicated resource, the organisation will struggle to implement the Financial

Recovery Plan and meet the targets set out in the Medium Term Financial Strategy (MTFS). This could result in:

- Failure to deliver required savings leading to an unsustainable budget position by 2030/31.
- Continued reliance on Exceptional Financial Support, which is not a viable long term solution.
- Increased pressure on operational services and leadership teams, reducing services' quality and outcomes.

7.2 Additional Risks

- Loss of organisational momentum: The end of the current Transformation Programme on 31st March 2026 without a successor structure could create a gap in delivery capacity.
- Staffing instability: Current secondments and fixed-term contracts will expire, leading to loss of skills and knowledge critical for change delivery.
- Governance fragmentation: Without a single point of oversight, change initiatives may become siloed, reducing efficiency and alignment with corporate priorities.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 All members of staff will be treated as per staff protocols and policy.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 N/A

10.0 REASON(S) FOR DECISION

Agreement for funding to resource a Financial Recovery, Change and continuous Improvement function for the council from April 2026 following the end of the transformation programme and its funding on 31st March 2026.

10.1 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

N/A

10.2 IMPLEMENTATION DATE

1st April 2026.

11.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF
THE LOCAL GOVERNMENT ACT 1972**

Document Officer	Place of Inspection	Contact
Medium-Term Financial Strategy 2026/27-2030/31	Municipal Building	Lisa Taylor/ Ed Dawson