

WAVERLEY BOROUGH COUNCIL
O&S - CUSTOMER SERVICE AND VFM
11/09/2017

Title:

GENERAL FUND BUDGET 2017/18 OVERVIEW

[Portfolio Holder: Cllr Ged Hall]

[Wards Affected: ALL]

Summary and purpose:

1. The latest position on the Budget Review 2017/18 and the proposed changes to the Medium Term Financial Plan in the light of the Strategic Review and other emerging issues were approved by Council in July after consideration by the Value for Money O&S Committee. The revised Financial Plan approved in July forecast a General Fund budget shortfall of £2.8m over the 3 – year period 18/19 to 20/21.
2. The VFM Overview and Scrutiny Committee has corporate oversight of Waverley's Financial Plan and budget process and, at this stage, the Committee is asked to:
 - Consider how Members can most effectively engage in the budget setting process and contribute to addressing the budget shortfall, particularly through the O&S Committees
 - Consider and prioritise the proposals identified in this report to address the budget shortfall
 - Identify any specific cost reduction, efficiency or income earning opportunity that should be developed
 - Review and comment on the draft budget setting timetable for the next 18 months as set out in Annexe 2

How this report relates to the Council's Corporate Priorities:

The Council could not deliver the Corporate Priorities without a robust Budget in place including the Capital Programme which supports the Council's priorities.

Financial Implications:

All decisions made with regard to the Budget will impact on Waverley's resources. The Value for Money O&S Committee will scrutinise any budget decisions on an ongoing basis and pass comments to the Executive.

Legal Implications:

The Council has a legal obligation to set a balanced budget for the following year and ensure that it has adequate reserves to cover variations in budgeted income and spending in line with the adopted key policies within the Financial Plan. There are no direct legal implications as a result of the recommendations of this report.

Introduction

1. The revised Financial Plan sets out the latest projection for the General Fund revenue budget and reserves, see Annexe 1, and it identifies the actions proposed to address the budget shortfall in the Medium Term which are shown below. These are being developed into a delivery plan by officers and Members.

Key Financial Plan Actions to address budget shortfall

- Continue the budget challenge process to ensure budgets deliver good value for money and are aligned to Corporate Plan priorities.
 - Cross cutting Foresight efficiency programme to identify future schemes including system thinking projects to improve customer service and reduce the cost base.
 - Deliver the Brightwells regeneration scheme and realise the significant financial, economic and social value of Waverley's asset.
 - Maximise income from fees and charges and property.
 - Develop Waverley's borrowing strategy further for General Fund Capital to enable more investment.
 - Optimising return on cash surplus in times of low interest rates, balancing security, liquidity and return.
 - Utilise General Fund and HRA asset strategies including disposals and acquisitions, including the Investment Advisory Board programme.
 - Review the outcome of the Economic Strategy alongside the emerging Local Plan in relation to maximising Waverley's business rate income.
 - Maximise invest to save opportunities to generate income, improve processes and/or make savings.
 - Secure new funding opportunities to help deliver priority services and projects.
 - Model and monitor sensitivities on key budget areas e.g. inflation and interest, council tax and business rates.
 - Rigorously test all capital proposals for relevance, timeliness and deliverability.
 - Review procurement methods and contracts to identify efficiencies and cost savings including agency staff.
 - Support Service Managers to manage finances effectively.
 - Do not progress capital schemes that are not high priority or make an ongoing return.
2. The budget timetable showing the key milestones and actions over the next 18 months is set out at Annexe 2. Members are asked to consider the process and pass any comments or concerns to officers.

Conclusion

3. The estimated General Fund revenue budget shortfall to be addressed over the next three years is as follows:

2018/19	£990,000
2019/20	£1,450,000
2020/21	£580,000

4. The 2018/19 budget setting will begin with Member briefing sessions in September. A full review of the robustness of the 2017/18 budget will be completed in the autumn.

Recommendation

The Value for Money and Customer Service Overview and Scrutiny Committee is asked to:

1. Consider how Members can most effectively engage in the budget setting process and contribute to addressing the budget shortfall, particularly through the O&S Committees;
2. Consider and prioritise the proposals identified in this report to address the budget shortfall;
3. Identify any specific cost reduction, efficiency or income earning opportunity that should be developed; and
4. Review and comment on the draft budget setting timetable for the next 18 months as set out in Annexe 2.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICER:

Name: Peter Vickers

Telephone: 01483 523539

E-mail: peter.vickers@waverley.gov.uk

Name: Graeme Clark

Telephone: 01483 523099

E-mail: graeme.clark@waverley.gov.uk