

**WAVERLEY BOROUGH COUNCIL**  
**O&S - CUSTOMER SERVICE AND VFM**  
**30/10/2017**

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**Title:**

**BUDGET STRATEGY WORKING GROUP PROPOSAL**

**[Portfolio Holder: Cllr Ged Hall]  
[Wards Affected: ALL]**

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**Summary and purpose:**

This report proposes the establishment of a cross party Budget Strategy Working Group in order to drive forward the Medium Term Financial Plan (MTFP) action plan agreed in July and to drill down into areas identified for detailed examination to make recommendations directly to Executive on service and policy issues that will add more strategic value than focusing on ad hoc service budget scrutiny.

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

This report supports all the Council's priorities.

**Financial Implications:**

Detailed within the report.

**Legal Implications:**

The Council has a legal obligation to set a balanced budget.

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**Introduction**

This proposal aims to support the Council in improving services whilst achieving significant cashable savings.

The Council already uses a range of methods to improve services and resolve budget deficits, predominantly team based, such as the 'Budget Challenge' (Star Chamber process) and the Foresight programme of projects.

These methods have been effective and successful in achieving savings, income, efficiencies and service changes year on year. However, as the impact of central government funding cuts continue to deepen, we need to consider a longer term more strategic approach to continue delivering corporate objectives and services with reduced funding.

Members and officers need to work more closely under a dedicated working group to pick up the MTFP action list, identify, evaluate and prioritise corporate initiatives to ensure synergies are harvested and projects developed to probe deeper to find wider solutions to the challenges we face.

Waverley will not close its funding gap by relying solely on existing methods and approaches to avoid cuts to frontline services – the risk of failure is too high. This remit must be widened to explore what else is possible. These possibilities are identified in the MTFP action list.

Change takes time, effort and investment. The Council needs capacity, time, commitment, focus and leadership to deliver change. The timescales are short, and there is pressure to bank money due to the expected significant reduction in government funding as shown in the Finance seminar. The challenge for the Council in avoiding cuts to priority services is to ensure it has done everything possible to be more efficient, maximise the use of its resources and exploit every opportunity. To deliver this agenda we need as a priority to build our capacity for change. A Value for Money and Customer Service O&S Budget Strategy Working Group will provide valuable strategic oversight capacity.

### **The Terms of Reference**

The suggested terms of reference are:

- Examine and provide input into the development of the projects to deliver the MTFP action list
- Help develop a budget strategy which shifts the emphasis away from a pure ‘financial savings targets’ towards the wider ‘business change’ agenda.
- Ensure that future reviews and decisions are taken within the widest context of the Councils vision, corporate objectives and MTFP
- To review the process for implementation in the budget
- To monitor the delivery of the action list against objectives relating to income, savings and efficiencies

### **Proposed Key Themes of the Budget Strategy Working Group**

#### **Customer Interface**

This element will cover all aspects of customer focus including access to services, consultation and engagement, identification of changing demographics, needs and expectations. Corporate service standards will be further developed and additional opportunities of merging teams and or shared/joint working with partners explored to deliver services to our customers and to drive efficiencies in operations.

#### **Leaner Systems and Processes**

This encompasses business process re-engineering in the wider sense i.e. IT and non IT related systems and processes, financial regulations and procurement – helping to further improve service delivery and overall efficiency. The systems thinking project underway in the Benefits service provides a model of what can be achieved.

#### **Service Review Programme**

A structured programme of service reviews that takes into account customer needs and aspirations, a challenge of service levels, legislation changes and interpretation,

costs and processes, the consideration of alternative service delivery options and the identification of opportunities for efficiencies or further investment.

**Corporate Resource** A more systematic approach will be applied to developing the organisational culture of the Council. In doing so, we will be able to more easily identify how we need to continuously change within the organisation to ensure that we are 'fit for purpose' and able to deliver the stated vision and objectives of the Council. This element includes developing a workforce which has the right mix of leadership, attitude, capacity and skills to help drive the Council forward. Aspects such as pay equalisation and benchmarking, learning and development, corporate policy and procedure and consistency in performance management can be challenged.

### **Key Financial Plan Actions to address budget shortfall**

- Continue the budget challenge process and the Foresight Programme to ensure budgets deliver good value for money and are aligned to Corporate Plan priorities.
- Cross cutting efficiency programme to be developed.
- 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 Waverley's business rate income.
- Maximise invest to save opportunities to generate income, improve processes and/or make savings.
- Identify further efficiencies under the 'Foresight' Efficiency Plan.
- 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.

- Achieve social inclusion and providing accessible, affordable services for the Borough's most vulnerable residents.
- Support Service Managers to manage finances effectively.

### **Conclusion**

The proposal provides a valuable opportunity for the Value for Money and Customer Service O&S committee to maximise its strategic impact on the delivery of the Key Financial Plan Actions to address budget shortfall.

### **Recommendation**

It is recommended that the Overview and Scrutiny Committee reviews the proposed approach and agrees the next steps it wishes to take.

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### **Background Papers**

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

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