

# WAVERLEY BOROUGH COUNCIL

## VALUE FOR MONEY AND CUSTOMER SERVICE OVERVIEW AND SCRUTINY

10 SEPTEMBER 2018

---

Title:

**BUDGET STRATEGY WORKING GROUP – PROGRESS UPDATE**

**Portfolio Holder: Cllr Hall**

**Wards Affected: All**

---

**Summary and purpose:**

The purpose of this report is to update the Committee on the progress made so far by the Budget Strategy Working Group (BSWG) as it completes the first workstream and begins the second. The Committee is asked to endorse the approach to workstream 2 outlined in the report and recommend it to the Executive.

---

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

This report supports all of the Council's priorities.

**Equality and Diversity Implications:**

There are no direct implications arising from this report. Consideration of the impact on equality and diversity will be made at appropriate points throughout the work of the BSWG.

**Financial Implications:**

Detailed within the report. A budget to carry out the participatory budgeting survey was identified within the 2017/18 budget.

**Legal Implications:**

There are no direct legal implications arising from this report. Regarding workstream 3, any new methods of working and/or changing of methods of service delivery would need to be checked by the Legal team in advance.

---

## **1. Background**

- 1.1 The Budget Strategy Working Group (BSWG) was proposed by the Value for Money and Customer Service Committee in October 2017 and established by the O&S Co-ordinating Board February 2018. Four members volunteered to be part of the working group (namely Cllrs Mike Band, Denis Leigh, Stephen Mulliner and Nabeel Nasir). Cllr Stephen Mulliner was elected chairman at its first meeting on 25 June 2018. The working group has completed the first workstream and has outlined in this report its suggested approach for the second.

## **2. Role**

The BSWG has both a strategic and a scrutiny role.

### **2.1 Strategic**

- 2.1.1 Analysing and understanding WBC's longer-term General Fund financial position to 2022/23 given expected future deficits caused by reductions in revenue totalling over £3m p.a. when fully implemented (loss of retained Business Rates and recycling credits) and increasing costs of maintaining services at current levels;

2.1.2 Considering what realistic actions may be taken in terms of increasing income and reducing costs to close the expected gap.

## 2.2 Scrutiny

2.2.1 Providing regular monitoring of the rolling medium-term three-year General Fund budget position following its introduction in October 2018.

### **3. Strategic role**

The strategic work has been divided into five workstreams to be completed by the end of 2018, namely:

3.1 Workstream 1: Meet all Heads of Service and gain detailed understanding of the range of General Fund services provided, service delivery costs and any associated income streams. Review all income streams in terms of level of inherent risk and potential for future change in either direction.

3.2 Workstream 2: Conduct a budget baseline survey of a representative sample of residents in order to identify the relative importance attached by them to key services and possible changes to delivery levels within a budget deficit context. Draw conclusions about possible changes to current service priorities and income sources which will then be passed to the Executive.

3.3 Workstream 3: Based on the outcome of the workstream 2 survey, review with all Heads of Service the potential for cost savings by new methods of working and/or changes to methods and levels of service delivery.

3.4 Workstream 4: Review procurement and project execution processes to identify areas for improvement, including management of contractors (e.g. Veolia, Glendale). Review extent to which current spend on voluntary sector relates to the Council's corporate priorities.

3.5 Workstream 5: Review the Council's use of its staff and assets, with particular reference to The Burys and the trend towards remote working and more agile workforces.

### **4. Workstream 1**

4.1 Seven meetings were held with Heads of Service and other officers in July 2018. Heads of Service presented written summaries of each service area for which they are responsible, setting out the statutory or non-statutory basis of the service area, the priority attached thereto, the activities involved, the number of staff employed to carry them out and, where relevant, the income associated with each activity. These presentations formed the basis for detailed questioning, with particular reference to the basis of the stated priority of each activity and the future prospects for income streams.

4.2 The working group reviewed and analysed all of the major general fund income streams representing over 90% of the total of £16.8m income received in 2017/18. Each income stream that is expected to be retained over the review period to 2022/23 has been analysed by its contribution potential and its inherent risk. Low risk income consists of or is based on small sums paid by many people, such as car park charges, leisure centre income, Careline fees, green waste collection income,

planning application fees, building control fees, licensing fees and land charge fees. High risk income is based on large sums paid by one or a few people, such as commercial property income and recycling credits (paid by SCC).

- 4.3 There are also existing income streams which are expected to decline over the review period, namely SCC recycling credits (currently about £750k, expected to be significantly reduced as part of SCC's cost reduction measures), income from sales of recycled waste, the housing benefit administration receipt (currently £341k but expected to be reduced by £50k per annum or more as its need declines with the introduction of Universal Credit).
- 4.4 Discussion of each income stream with the Heads of Service and the Head of Finance shows that, out of 17 separate income streams, two have high contribution potential (car park income and commercial property income), three have medium contribution potential (leisure centre income, green waste charges and Careline charges), nine have low contribution potential and three have negative contribution potential (waste and recycling income, housing benefit administration receipt and land charges income (expected to be taken back by central government)).
- 4.5 The overall conclusion is that although increases in income from car park charges, commercial property and leisure centres are achievable, they will be largely offset by expected reductions in income from waste and recycling, housing benefit administration and land charges. The consequence is that, over the review period to 2023/24 and beyond, significant reductions in net service costs will still need to be achieved if the Council is to be able to adhere to a balanced budget in the light of the expected loss of retained Business Rates from 2020/21 and the likely excess of service cost inflation over permitted Council Tax increases.

## **5. Workstream 2**

- 5.1 Work has been conducted in order to procure an organisation to carry out the survey of residents as mentioned in section 3. The Council carried out a similar exercise in 2007, the questions from which the working group will use to help inform their proposed approach to the forthcoming survey.
- 5.2 The timeline for the exercise is yet to be finalised but is likely to be carried out towards the end of 2018.

---

### **Recommendation**

For the Value for Money and Customer Service OS Committee to endorse:

- 1) the progress made so far by the Budget Strategy Working Group; and
- 2) the suggested approach to the workstream 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:** Yasmine Makin  
Policy Officer - Scrutiny

**Telephone:** 01483 523078  
**E-mail:** yasmine.makin@waverley.gov.uk