

Proposed Savings Strategy Programme Mandate

**A proposal to secure necessary savings to mitigate GBC
funding shortfall over the next 5 years**

11 June 2021

Introduction

Between 2018-2021, Guildford Borough Council implemented the Future Guildford Transformation Programme which implemented new IT arrangements and a new operating model with a more customer centric focus. £6.4m of savings were secured and an additional £1.7m is due to be realised from delivery of longer term projects that continue after closure of the Programme, these are explained in the Savings Strategy.

In addition to this, the Covid Pandemic put unprecedented pressure on Council finances there is an urgent need to identify any, and all, potential savings whilst also ensuring the Council continues to deliver adequate services and delivery of new Corporate Plan objectives.

Future Guildford Programme benefits already delivered are set out below:

Date	New products and processes	Benefit
Dec 2019	FG Phase A staff structure	£1.3million cashable revenue saving on staff costs, future proof the organisation.
Dec 2019	Net Help Desk system implementation	Process efficiencies – better work/case management and management information on cases, better (internal) customer service, easier prioritisation of workloads. Modernisation of systems.
Jul 2020	BusinessWorld implementation – HR /Payroll	Improved HR processes & control, employee & manager self service. Better integration with finance system. Modernisation of systems.
Aug 2020	BusinessWorld Implementation – Core Finance	Improved finance processes & control, enforcement of procurement/payment processes, budget manager self service, integrated system. Modernisation of systems.
Dec 2020	New Intranet & website	Simpler more efficient gateway to our services and improved customer service. Supports manager, employee and customer self service.
Apr 2021	Phase B staff structure	Approx £3million cashable revenue saving on staff costs, future proof the organisation
May 2021	Salesforce Customer relationship management system	Simpler more efficient gateway to our services and improved customer service. Supports customer self service.
2020	Procurement strategy	Better control over our non-staff expenditure and compliance with procurement legislation. Aim to achieve £1.2million cashable revenue savings by 2023-24.
2020	Service challenge savings	£195k cashable saving on base budget for 2021-22 further £540k to be achieved – up to 2023-24

Reminder why there is a £6.0m budget gap

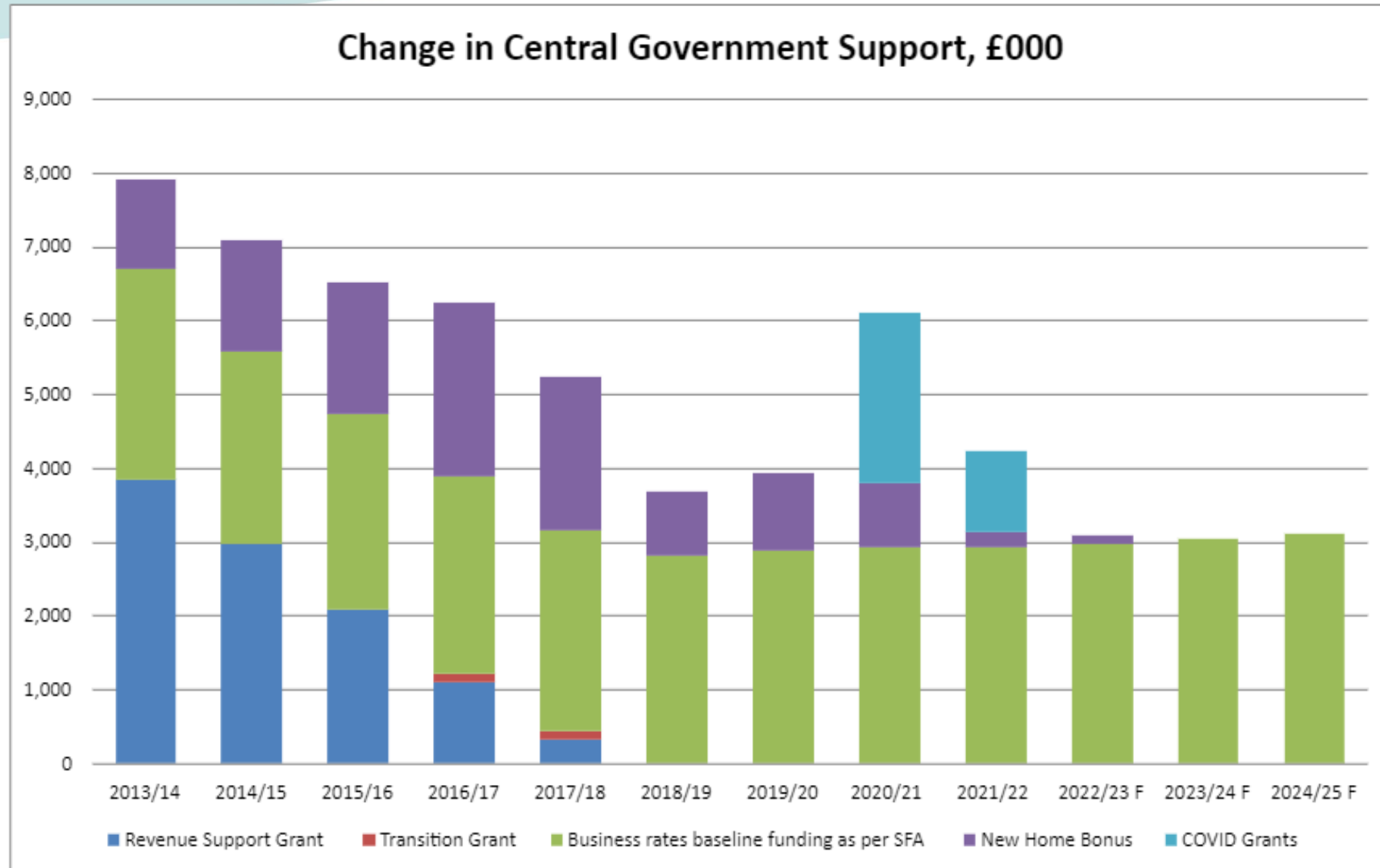
Budget Council 10th Feb 2021 Appendix 1 - CFO report contained detail, the updated analysis is:-

- Reduction in 'central government funding' – mainly retained business rates (approx. £3.4million by 2024-25)
- Increasing Debt (MRP) and Interest costs due to significant capital programme and low level of capital receipts (approx. £4million by 2024-25)

The above is offset by approx. £1.4million additional CTAX income and some other income.

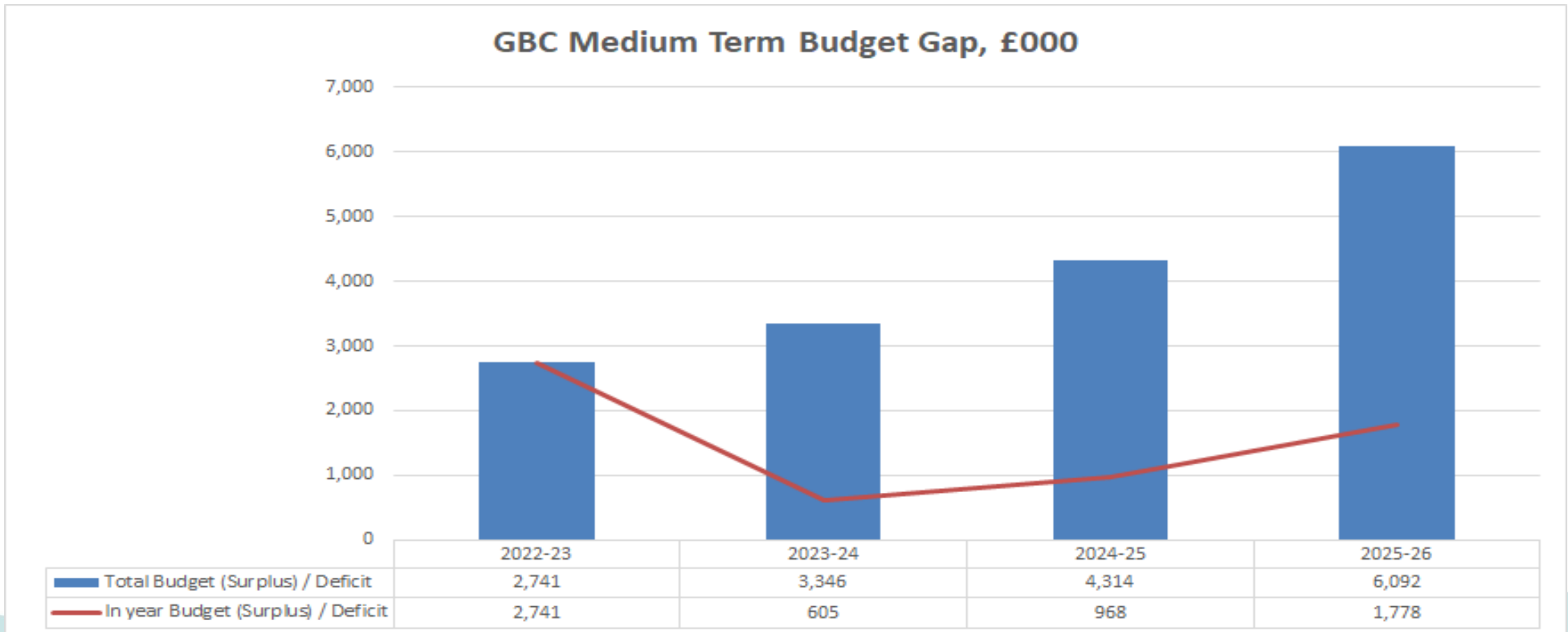
In addition there is:

- Increasing demand & expectations from customers
- On-going economic impact of COVID on income



General Fund Revenue Budget

- Medium term budget gap of £2.7million in 2022-23 rising to £6.0million by 2025-26



Savings Strategy

1. Why should a project be started now?

- We need to deliver the Savings Strategy to secure the remaining £1.7million FG savings identified but not yet delivered and to achieve an additional £5.9m savings over the next 5 years
- We need to make £1.2m savings this financial year

2. What is the good idea, opportunity or problem to be solved?

- A range of savings or additional income need to be sought from across the business
- Following Future Guildford, it is felt there is limited opportunity for further process and staffing efficiencies without impacting on front line services
- The council cannot continue to provide the same level of service to the public that it does currently with the resources predicted for the future
- A programme is needed to manage the complex issues and interdependencies

3. What is the purpose of the project and what outcomes, or outputs will it deliver? List Success Criteria.

Measurable Success Criteria –

- A review and reduction in discretionary services provided by the council to secure a target of £1.7million savings and opportunities for additional income to achieve a target of £0.5million
- A reduction in operational assets costs to target £1.5million savings
- A reduction in £560m Capital Programme spend to secure reduced revenue interest and MRP costs from those currently projected in the MTFP - target £0.5m savings
- Agree a merger or collaboration to secure a target of £1.5million in efficiency savings and economies of scale benefits

4. What priority, corporate objective or strategy is fulfilled by this project?

This is a high priority piece of work that needs to deliver to assure the financial viability of GBC going forward

Definitions of Saving Types

- Financial – the saving can be identified and measured in £
- Non-Financial – the saving cannot be measured in £, normally measured in processing time or time to achieve an outcome
- Cashable – a financial saving which can be realised and will reduce a line in the Council's expenditure budget or increase and income budget
- Non-Cashable – a financial saving which cannot be realised by reducing a budget line but will prevent future cost increases
- Revenue – saving impacts a line in the Council's GF or HRA revenue budget
- Capital – saving reduces a line in the Council's capital budget (may also have revenue implications eg, debt / interest cost)

Options/Workstreams

5a. What are the potential strategic options/workstreams to deliver the outcome required - Decisions and trade offs will need to be made at the highest level to ensure equity and optimum value for money. Project business cases will be written for each service, asset or issue and these will be considered in their own right first. Then groups of projects will need to be considered together.

1. Review of Discretionary Services – Ian Doyle

Are there any services we can stop providing or provide in a different way to reduce costs and future financial liabilities? E.g., public conveniences, mayoralty, leisure and community centres & services.

2. Review of Operational Assets – Dawn Hudd

Rationalise GBC footprint at Millmead and other Council property and assets

3. Review of Programmes and Projects – Dawn Hudd

Navigate a shift from delivery of transport and infrastructure towards improved delivery of affordable and social housing, improved use of HRA funding. Identify the portfolio of priority projects that we can demonstrate we can afford and have the capacity to deliver over the next 5 years. Review and seek to reduce the Council's provisional capital programme – both service level projects and infrastructure / development projects through bringing the programme in line with the programme and project governance framework.

4. Unitary, Mergers & Shared Services – James Whiteman

Navigate Unitary, Merger and shared services options. All areas above should progress but be aware of this workstream. This workstream might pull projects into it as agreements are reached.

Considerations

6. Who is the lead Director & Service Manager who will lead and direct the project and who will be managing/using the projects products once they are handed over?

- Lead Director for Resources and Savings is Claire Morris and Victoria Worsfold is the Service Leader and Owner of Saving Programme Business case
- Portfolio Leads include Cllr. Joss Bigmore for Governance, Cllr. Tim Anderson for Resources

7. What impact assessments have been undertaken and what are the impacts on other Service Leaders and/or other programmes/projects?

This work will determine the scope and shape of many existing and future, programmes and projects.

8. What general approach will the projects take to deliver?

- The Savings Programme business case will be led by Claire Morris, with input from Victoria Worsfold and Robert Stubbs

9. When and why must the project start and finish?

- ASAP as savings are needed this financial year to offset potential overspends
- Much of the work is already underway but needs clear direction and good governance

Resources

10. Which stakeholders are or, will need to be, involved in the project – Service leaders, Enablers, CMT, Exec, EABs, SCC, all staff

11. What specialist resources (internal and external) are needed to consider this mandate and develop a strategic outline business case

Internal Staffing – Finance, Governance, Strategy Team, Corporate Programmes, ICT, Asset Management, Legal, Procurement, all service leaders, all staff

External Consultants – KPMG, LGA and Local Partnerships are assisting with the unitary / merger options

12. What Rough Order of Magnitude (ROM) are the likely Whole Life Costs (WLC) of the project and live service? –

Target to achieve £5.9million of savings

Potential costs and benefits

Resource costs to progress to the next stage/gate and develop the Strategic Outline Business Case (SOC) –

	F/Y (21/22)	F/Y (22/23)	F/Y (23/24)	F/Y (24/25)	F/Y (25/26)	Total	
Internal staffing costs	Existing internal staffing not costed but not to be under-estimated.					- -	This is at Programme Level
Work Stream 1	£60k	0	0	0	0	0	Discretionary services review being done in house with some assistance from Ignite as part of Future Guildford. £60k consultancy cost for public conveniences being funded through virement from corporate inflation budget.
Work Stream 2	£40k	?	?	?	?	?	Strategic Asset surveyor employed on fixed term contract to lead the review. This has been funded from the invest to save reserve.
Work Stream 3	0	0	0	0	0	0	Review of Capital Programme being done in house by officers
Work Stream 4	£15k	£80k	?	?	?	?	Unitary / Merger options require external consultancy support. LGA have quoted £15k for initial scoping strategy which is being funded from existing feasibility studies budget and £80k for detailed business case. Costs will be shared 50/50 with WBC. Figures quoted DO NOT include potential redundancy or ICT costs as these will not start to emerge until initial scoping study and business case development
Total	£115k	£80k	?	?	?	?	

Issues, Assumptions & Risks

13. What are the strategic Issues, Assumptions & Risks

Issues

- There is an issue that the need to make savings is not fully understood at both Councillor and Officer level
- There is an issue that the savings target is not clear for programmes and projects because most of the money spent on Capital projects is Capital not Revenue – the saving we need is to reduce the interest and MRP cost on the revenue budget
- There is an issue that savings from merging councils are not fully within our control
- The costs of implementing the individual savings projects are currently unknown and need to be quantified to assess VFM

Assumptions

There are many assumptions in the calculation of the budget gap (as set out in the budget report to Councillors in Feb 2021) – sensitivity analysis is undertaken but it is not possible to accurately calculate the future! Therefore the 'gap' and corresponding savings target will inevitably change over time – we are chasing a moving target!

Risks

- There is a risk that the Local Government Finance Settlement in December 2021 may make material changes to the predicted retained business rates income over the next 4 years which in turn will mean the level of savings required could be more or less than expected
- There is a risk that savings are evaluated and picked off individually due to lack of awareness of how they fit with the programme
- There is a risk that the economic recovery from COVID is currently unknown but may have a significant impact
- Lack of acceptance and understanding by councillors, residents and the general public

Dependencies, Constraints & Opportunities

Dependencies

- Many of the individual projects are dependent on each other across sub-programmes (particularly the projects in the operational assets sub-programme) - will require joint working
- The overall programme has a dependency on a successful completion and embedding of the remaining FG workstreams
- Willingness of Waverley Borough Council to continue to explore possible merger opportunities

Constraints

- We are constrained by existing staff and financial resources to implement the programme; it is going to be difficult to identify significant additional resources to fund consultancy, ICT, property and redundancy costs if needed.
- The identification of additional resource may be reliant on the operational assets sub-programme to generate capital receipts which can then be used to fund transformation costs under the 'flexible use of capital receipts' policy
- There will be a need to undertake Equalities Impact Assessments on most of the projects if impacting on front line services or access to council services
- Some projects may require public consultation which will impact delivery timelines and certainty

Opportunities

- Sub programme 2 (assets) and 4 (merging Councils) offer significant opportunity for change and future efficiencies
- Opportunity to drive benefit for other council priorities – eg, climate change & regeneration

Reviewer List

Involved or Sighted so far and to be updated on changes

- Claire Morris – Resources Director 13/04
- Victoria Worsfold – Finance Service Leader
- Stephen Benbough – PPM Governance Service Leader
- Louise Odell – Corp PPM Governance Interim

To be consulted later

- All Service Leaders
- Joss Bigmore
- Tim Anderson
- Executive
- EABs?

Next to be consulted

- Dawn Hudd – Strategy Director
- Ian Doyle - Operational Services Director
- Elizabeth Fleming – Corporate Programmes Service Leader
- Marieke vd Reijden – Asset Management
- Faye Gould – Procurement Lead
- Diane Owens – Legal Lead
- James Whiteman – Managing Director
- Robert Stubbs
- Strategy, Performance and PPM Governance Team

CMT & Executive Liaison Feedback

- CMT and executive Liaison supportive of strategy
- Need to review financial projections for 2025-26 to firm up 'gap'
- Savings need to be seen as an overall package
- Review of capital programme requested
- Would like a communications strategy
- Would like to review service fees and charges