

 Finance & Audit Scrutiny Committee 25.8.09		Agenda Item No.
Title	Budget & Improvement Programme	
For further information about this report please contact	Susie Drummond Susie.Drummond@warwickdc.gov.uk 01926 456081	
Service Area	Chief Executive's Office	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	F&A 15.07.09, Appendix 1 & 2	
Background Papers	Report to Finance & Audit Committee 9.6.09	

Contrary to the policy framework:	Yes/No
Contrary to the budgetary framework:	Yes/No
Key Decision?	Yes/No
Included within the Forward Plan? (If yes include reference number)	Yes/No

Officer/Councillor Approval		
With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	07/08/09	Chris Elliott
Chief Executive	07/08/09	Chris Elliott
CMT	07/08/09	Andrew Jones
Section 151 Officer	10/08/09	Mike Snow
Legal	10/08/09	Peter Oliver
Finance	10/08/09	Mike Snow
Portfolio Holder(s)	10/08/09	Cllr Caborn
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 The BIP (Budget and Improvement Programme) has been devised to respond to the continued budget challenge over the next 3 years and includes a range of projects to support customer focussed improvement work and to make significant savings. This report outlines the progress to date of the Programme, and provides additional details of projects.

2. RECOMMENDATION

- 2.1 That the progress on the Programme is noted.
- 2.2 That the details of the Projects in the initial phase are noted.

3. REASONS FOR THE RECOMMENDATION

- 3.1 The Programme Manager has been in post since the end of June 2009, and has been working on reviewing the costs & benefits, the risks, the governance structure and the progress on individual projects.
- 3.2 The Finance & Audit Scrutiny Committee is acting as Programme Assurance to the Budget and Improvement Programme, and have requested an update.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 The Alternative Option considered was the “do nothing” option. This option carries the risk that the Finance & Audit Scrutiny Committee is not sufficiently informed on the BIP to be able to carry out Programme Assurance.

5. BUDGETARY FRAMEWORK

- 5.1 The Programme is central to achieving a balanced budget in 2010/11 and 2011/12. It is a key part of our financial strategy.
- 5.2 The 09/10 budget earmarked £1.033m for ‘Spend to Save’ projects/work as part of the General Fund Balance. It has been agreed to use £105,800 from this reserve to support the Programme. Together with the agreed £65,000 investment in an improved website, £169,000 would be spent from this provision in total leaving £862,200. It is anticipated that the Programme will deliver cost reductions of at least £1.6 million over three years.
- 5.3 Some of the projects in this Programme may need additional resources for research or implementation. Where a strong business case can be made for these additional resources this will require further approval from the Executive. Within the recommendations and report agreed by the Members as part of the February 2009 Budget Setting, it was agreed that the Executive will consider and approve future requests to utilise the £1,033,000 of the General Fund Balance held for “Spend to Save Schemes”.

6. POLICY FRAMEWORK

- 6.1 Following consultation with Service Area Managers and recommendations by CMT, the BIP Board proposed a programme of projects which the Executive agreed. The list of

projects will continue to evolve and will be co-ordinated and managed through the BIP Board and reported to this Committee and to the Executive.

6.2 The Programme's vision, blueprint and outcomes, along with the projects are in line with Building on Excellence and the Corporate Strategy. In particular they support the following aspects of the Corporate Strategy:

- Leadership - to provide clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.
- Customers – to improve the efficiency of service delivery to the Council's customers.
- Our mission: to become world class by 2012.

7. **BACKGROUND**

7.1 Prior to the arrival of the Programme Manager an initial list of projects was identified and prioritised. It was anticipated that these projects would provide customer service improvements or generate significant cost reductions. The Programme Manager, in conjunction with the Programme Board, has reviewed the project list and is drafting a revised list. The revised list will include a more detailed estimate of anticipated savings, anticipated project costs, the timescale for delivery of Benefits, any dependencies and key resource constraints. This will assist the BIP Board to review the projects and focus key resources on the projects most likely to help meet the Programme aims. It is anticipated that the revised list will be presented to the September F&A Scrutiny and the Executive.

7.1.1 The Programme Manager and BIP Board will be ensuring that all Projects deliver a Business Case. This will detail all anticipated costs, monetary benefits and customer service improvements involved in the project. Business Cases will need to be approved before Projects can start. Where the benefits of the Project include projected savings, it is difficult to be precise: hence, a range of maximum, minimum and most likely savings will be provided.

7.1.2 The Programme Manager has initiated a review of key Project and Programme Risks. These will be documented, monitored and mitigated.

7.1.3 The Programme Manager has initiated a review of Benefits and Costs Management. Ensuring the delivery of the Benefits from the Programme is a key part of the role. Discussions on the owners of Benefits, and processes for monitoring the realisation of benefits at a Project and Programme level have started and will be documented.

7.1.4 The Programme Manager has been reviewing the Resources available to the Programme. Investigation into the impacted groups on all Projects is ongoing and will feed into resource plans and the Risk Register. Examples of key resources which may constrain Projects if unavailable include Project Managers, HR representatives, Legal representatives and the Procurement Manager.

7.2 The Programme Manager has reviewed the current status of all of the projects (from all planned Phases).

7.2.1 Projects progressing well: Management of Newbold Comyn Golf Course. Project is progressing on schedule, with Pre-Qualification Questionnaires evaluated. Project is

being well managed and governed with key stakeholders from Finance, Legal and Procurement involved.

- 7.2.2 Projects currently working towards Business Case before proceeding: Culture review; Energy Project; South Warwickshire Tourism (Task & Finish group findings will drive project aims); Income Generation project scoping.
- 7.3 Project Details – The current list of projects planned for March to September 2009 is attached. This list is being reviewed at the BIP Board meeting, so the projects on the list may change. Further projects are being reviewed to start in September.

Project Name	Project Definition	Aims	Timescales for Completion
Culture	Conduct a feasibility study to explore the potential impacts and benefits of setting up a Trust to run existing cultural facilities.	Potential savings. Potential customer service improvements.	TBC
Golf	Progress tendering of Newbold Comyn golf course with a view to identifying potential additional income for the Council.	To reduce or remove the annual deficit to the Council (currently £123k). To upgrade the existing facilities at the golf course. To keep pay and play golf provision at Newbold Comyn. Increase participation in sporting activities by all sectors of the community. To maintain high levels of customer satisfaction at the golf course.	New contract to be in place April 2010.
South Warwickshire Tourism	Follow up scrutiny work and explore options for continuing to ensure value for money and what's right for Warwick District.	Reduce costs of service. Improvements to customer service.	TBC
Systems thinking intervention – Housing Repairs function.	Undertake customer focussed review to reduce unwanted demand, improve the process flow, improve the customer experience and reduce costs.	Focus is on Improvements to customer service. Possible savings will be identified as part of the process.	Experimenting started July 09. Completion date to be confirmed.
Systems thinking intervention – Benefits function	Undertake customer focussed review to reduce unwanted demand, improve the process flow, improve the customer experience and reduce costs.	Focus is on Improvements to customer service. Possible savings will be identified as part of the process.	Assessment in progress, Completion date to be confirmed.
Customer access channels including One Stop Shops and WDC's Contact Centre.	Move WDC Contact Centre to WCC, and fully integrate the teams. Create a One Stop Shop in Leamington, with provision for partners (Police, CAB, Agenda 21, etc)	Improvements to Customer service. Potential savings related to co-location of Contact Centre teams. Potential Riverside House letting income when space released by these projects. Potential letting income when partners relocate from other WDC office buildings.	Contact Centre co-location November 2009. Full integration timescale TBC. OSS TBC.

Maximise HPDG in Planning	Review the Service to ensure it operates efficiently to ensure optimum grant available.	Investigate Potential for increasing grant income. Review Service to obtain savings and other potential income sources.	Review of grant income complete. Service review TBC
Terms and conditions	Review existing terms, conditions and allowances for Staff and Members to ensure fairness, consistency and relevance of policies and where possible, make savings.	Potential savings by making T&C consistent. Potential savings by ensuring policies are applied fairly and consistently.	To complete by April 2010.
Building on excellence, Riverside House and agile working.	To reduce the floor space required by WDC in Riverside House to enable additional income to be generated through rental.	Potential letting income by releasing floor space. Enabling staff to work flexibly	TBC – agile working policy and technology in progress.
Income generation (scoping stage).	Take a prioritised approach to critically review the provision of services to identify where their level of service can be reduced and where income/usage can be increased.	Potential income from new income streams. Potential income from existing income streams.	TBC
Payroll	Consider proposals to share/relocate payroll work to WCC in light of their offer.	Potential savings from transfer of functions to WCC.	2010
Legal Services –shared services	To achieve savings and economies of scale by sharing services.	Review Business Case from WCC to ensure projected savings are possible. Increase robustness of service & access to special skills.	Early 2010
Procurement	To review the highest cost areas of procurement with a view to reducing costs.	To reduce costs by introducing efficient procurement practice & contracts. To ensure efficient procurement to allow us to improve the way we manage contracts, suppliers, benchmark their performance and get a better deal.	Ongoing.

Energy – scoping	To review all areas related to Energy	Identify the potential for energy and cost savings, without reducing customer service. Develop delivery plans to achieve these savings.	TBC
Building on Excellence - Town Hall	To maximise the community benefits of the Town Hall at the same time as reducing our net costs.	To reduce net WDC costs.	TBC – review of Options in progress.
Website enhancement	To design a ‘user defined’ website to increase web access and contact (cheapest access channel) and reduce telephone/visit contact.	Potential savings due to reduced telephone/visit contact. Improved customer service via the web.	In progress – Completion December 2009.