

Overview and Scrutiny Meeting

29 January 2024

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Agenda

1. Approach to Budget and Handling of Debt
2. General Fund – Approach
3. Key Savings Update
4. Looking Ahead – New Council Vision

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Approach to budget and handling of debt

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Approach to budget

- Proposing to take decisions regarding the budget in two parts.
- First meeting (1 Feb Exec, 8 Feb Council) - General Fund budget savings, Housing Revenue Account (HRA) budget and rent setting and Capital Programme.
- Second meeting (4 March) - Council Tax, Treasury Management & treatment of historic Council Debt problem.
- Provides more time for the Council to have discussions with Government regarding the treatment of debt.

Interim Solution on Debt

- Debt issues complex – cannot be resolved in one year.
- Requirement for Government support on debt is significant and unprecedented: deficit next year approx. £785m without it.
- Too early to have discussions regarding ultimate solution for Government: a full solution that delivers value for the public purse relies on Woking further developing and then starting to implement its asset rationalisation programme.

General Fund – Approach

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General Fund – Approach Taken

- Given the size of WBC's revenue budget, the focus of financial planning for 2024/2025 since September has been to:
 - a) Deliver the maximum possible savings against service budgets. This will demonstrate the Council's commitment to meeting as much of the deficit as possible.
 - b) Review the options for savings from asset management and debt reduction options i.e. to target the historic arrangements that are the source of the pressures.

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Work since September

- Public and Stakeholder Consultation
- Equalities Impact Assessments
- Savings verification – savings now £8.4m and now verified and more deliverable, based on robust business cases and options analysis
- This level of savings is a significant achievement in the context of the size of the Council's net budget (£19m in '24/25)

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Appendix 4 to follow

COMMUNITY SAFETY

REVENUE ESTIMATES

	ORIGINAL ESTIMATE 2023/24 £	ORIGINAL ESTIMATE 2024/25 £
<u>Expenditure</u>		
Employees	469,762	85,205
Premises		
Transport	1,200	50
Supplies & Services	49,100	11,000
Third Party Payments		
Transfer Payments		
Support Costs	79,194	74,085
Capital Charges		
GROSS EXPENDITURE	<u>599,256</u>	<u>170,340</u>
<u>Income</u>		
Government Grants	-30,000	
Other Grants	-145,000	
Sales		
Fees & Charges		
Rents		
Other Income	-140,100	
TOTAL INCOME	<u>-315,100</u>	
NET EXPENDITURE	<u>284,156</u>	<u>170,340</u>

SUMMARY OF VARIATIONS

Original Estimate 2023/24	284,156
<u>General Budget Pressures</u>	
Changes in Management and Administration costs	-389,667
Changes in Capital Charges	
Contractual Inflation	
Changes in FM, Cleaning & Security Contracts	
Changes in Energy Costs	
Business Rates Changes	
Changes in Insurance	
Changes in Fees and Charges	
Cost Reductions / Fit For The Future Savings	
Other Minor Variations	<u>-3,550</u>
	-393,217
<u>Specific Service Issues</u>	
Womens Support Centre - Moved to Catalyst	279,400
Original Estimate 2024/25	<u>170,340</u>

Directorate: Communities
Service Plan: Community Safety

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Capacity to Deliver


- Savings programme is significant & comes with risks:
 - Large staff restructure of up to 20%, across all services (except Finance and Legal).
 - A reduction of around half the total net spending of the Council.
 - Limited corporate capacity and a legacy of poor financial and management information.
 - Whilst many of the savings being considered have been done elsewhere, they have rarely been done at such pace.

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Public Consultation

- Six-week public consultation on the proposed cuts ran from October to November – 5,792 responses received.
- Feedback has helped shaped Council's response e.g. clear preference to keep pool open through increased fees and charges and public appetite for Community Asset Transfer.



Service review consultation

Results currently being analysed. Proposals for removal of discretionary services funding.

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EqlAs

- Important to understand equalities implications of our decisions and where we can mitigate negative impacts.
- Have received support through an organisation called Local Partnerships to ensure the EqlAs are as robust as possible.
- Cross-party Member Review Panel reviewing EqlAs took place in January.
- Whilst the Council's budget position means we cannot prevent against every potential impact, we have carefully considered what actions we can take to mitigate impacts wherever possible.

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Updated Revenue Budget Position and Savings Target

- The detailed work since September has led to an updated summary budget revenue position.
- Verified savings at same level ie £8.4m but we have more robust figures and certainty of delivery.
- Overall pressures still around £20m but smaller service pressures/larger debt interest costs.
- The reasons for the change to the September position can be broken down into:
 - Changes to the services savings following detailed work on costs & public consultation/equalities assessments.
 - Changes to cost pressures (e.g. inflation/demand for services).

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Key Savings – Update

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Staff Savings

- Proposed staff savings targeted £2.4m across most services.
- The final position is that the restructure will deliver £2.2m of savings, compared to the 2023/24 base budget and over £3m compared to the revised budget with pay inflation.
- Redundancies likely to be less than originally anticipated due to some staff leaving throughout re-structure process and previously at-risk employees able to be redeployed into vacant roles.

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Pool in the Park

- Significant public interest – consultation highlighted preference for the Council to explore increased fees and charges as opposed to closure.
- Fees will be more inline with costs at other swimming facilities, to enable the pool to better cover it's costs.
- We will monitor the impact of increased fees.



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Community Centres

- Proposal for day care provision at St Mary's and The Vyne to close. Day care services will be maintained at Hale End Court and we will try and direct users to alternative provision.
- Discussions are being held with alternative operators for each of the Community Centres e.g. finding alternative providers on a cost neutral basis or Community Asset Transfer. This would enable the centres to continue to provide important services to residents.
- £140k UK Shared Prosperity Funding (UK SPF) has been allocated to support the transition to a Community Asset arrangement.



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Sports Pavilions

- WBC have been spending an average £200,000 per year on the provision of sports pavilions.
- Public consultation highlighted interest from several community groups in taking over these assets & enabling them to stay open.
- Community Asset Transfer Policy has been developed, due to be approved by Council on 8 February.
- £150k UK SPF has been directed towards the project, to keep the pavilions open whilst the transfer process takes place.



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Voluntary Organisation Grants

- Have been working with community organisations, supporting them to find alternative funding streams and transition away from WBC funding.
- Includes positive discussions with Citizen's Advice Woking. Have agreed to provide £30k from UK SPF to help CAW transform their business model, enabling them to continue to provide important services across Woking.
- A new, fixed-term 'debt coordinator' post will also be established at WBC – funded by the Hardship Fund. Will work with CAW and help develop capacity in other voluntary groups.

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Voluntary Organisation Grants continued...

- Working to find a way forward where a scaled back community transport service can be maintained.
- Discussions are ongoing.



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Arts Service

- Independent benchmarking showed that WBC's spending on sports and the arts was significantly higher than other comparable councils.
- Council officers have been working with community organisations to support them to find alternative funding and prepare them to run activities without Council resources.
- The Lightbox has been provisionally allocated £130k UK SPF – this will provide an opportunity for the gallery to transform its business model.



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Neighbourhood Services

- Funding to Neighbourhood Services is being reduced.
- The current very high standard of grounds maintenance and street cleaning services will be scaled back to statutory levels.
- However, litter bin emptying, tree works and public safety related works will continue unaffected.

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Business Liaison

- Business liaison team overlaps with the County's economic role, now strengthened through recent County Deal.
- Surrey County Council has also recently developed a new careers skills hub, covering the whole of the county.
- Officers working with colleagues at County to enable smooth transition.
- Saving of £133k verified but Council has allocated £50k to support economic growth and local businesses via UK SPF. This will include the development of a Woking Place Board, in partnership with the business community.

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Public Toilets

- Proposal is to close public conveniences saving the Council £203k year on year.
- Shopping Centre toilets in both Victoria Place and Wosley Walk would remain open.
- Council will post signs with alternative local toilet locations (e.g. local cafes/alternative Council facilities such as Leisure Centre) on each public convenience when closed & also include a list on its website.
- Some community interest in stepping in to run

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Customer Services

- Plan to invest £350k in Channel Shift project.
- Modelling shows that £350k investment in channel shift will result in savings from year three.
- Savings will be achieved through improving our website and forms to enable greater self-service by residents & customers.
- This will also allow staff to upskill and better support residents who cannot self-serve or have more complex queries.



All channels available with data syncing between channels providing a seamless customer experience

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Fees & Charges

- Savings also include significant increases (10 to 20%) in many fees and charges as a way of improving cost recovery and maintaining some discretionary services.
- Fees and charges have been informed by benchmarking with comparable councils.
- We recognise the impact of increasing fees in a cost-of-living crisis. However, this is the only way that we are able to maintain much valued discretionary services, such as the Community Meals Service.

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Council Tax

- Leader met Minister 11th January.
- Clear that support package from Govt includes expectation of 10% increase.
- Executive responded to Finance Working Group and put benchmarked figure to Government.
- 1% penalty on interest for a capitalisation queried.
- 10% tax increases overall bill by 1%
- Raises £1.1m
- Hardship scheme being developed (up to £100k of funds raised)

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Looking forward – New Council Vision

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New Council Vision

- Woking for All Strategy set out a number of priorities for the Council. However, context the Council is operating in has changed. Clearly impacts what and how the Council can deliver & therefore Woking for All Strategy needs to be reviewed.
- Development of a new Council vision is start of this work. The vision & mission will provide staff and partners with clear understanding of the Council's direction of travel.
- Draft vision and mission has been developed to sit alongside the budget and is included in the papers for 8 Feb.

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Vision Statement:

A financially and environmentally sustainable Council, delivering services that residents value in every part of the borough.

Mission Statement:

A trusted and transparent Council that:

- *Lives within its means*
- *Is focused on services that make a difference to people in the Borough*
- *Works in partnership with the community to deliver positive outcomes*
- *Continually engages with residents to design more efficient and effective services*
- *Invests in talent to deliver for Woking's future*

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Any questions?

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