

Budget Panel Report

27 October 2015

Report of: Director of Finance
Title: Entrepreneurship
Nature of Report For Discussion

1.0 Introduction

1.1 Local Government continues to face a perfect storm, with a combination of reduced central government funding and rising demand, in particular from ageing local populations. As a result, councils in many areas will not have enough money to meet all of their statutory responsibilities. Therefore they are preparing strategies to help mitigate these pressures through cost savings or income generation to achieve a sustainable financial position. The most common strategies that councils have adopted to tackle this challenge are:

- Changes to council tax support.
- Reviewing how assets can be used more effectively.
- Increasing council tax.
- Sharing services with other councils.
- Maximising fees and charges.
- Outsourcing.
- Investing in Property.

1.2 Not all approaches will be suitable to every authority and authorities are not limited to using one approach.

2.0 Actions taken by Watford Borough Council

2.1 Over the course of the 2010 spending review, local government funding has reduced by 40% and further reductions are to continue over the life of the current parliament. The Council has taken the following actions to mitigate the funding gap:

- The 3 year Service Prioritisation programme has achieved efficiency savings of £3M per annum.
- Outsourcing of Waste and Parks achieving savings of £593K per annum.
- Shared Director of Finance saving approx £50K per annum.
- Shared Procurement Officer.
- Property review. From 1st April 2015 set up a Property Investment Board specifically to look at its property portfolio with the aim of maximising its returns.
- Fees and Charges are reviewed on an annual basis that takes into consideration both demand and affordability.

In addition, since April 2010, the Council has shared 4 workstreams with Three Rivers District Council which has delivered savings across both authorities of approximately £1M per annum.

2.2 As the Council has explored most of strategies shown in paragraph 1.1 above, one area that can be further explored to achieve a sustainable financial position is

Entrepreneurship. The entrepreneurial spirit requires both innovation and risk-taking to achieve additional income and can be an essential part of a Council's ability to survive.

2.3 Possible ideas for consideration include:

- Council lottery.
- Sponsorship/ advertising on Council owned assets.
- Charging for replacement waste bins.
- Commercialisation of the printing service.
- Further Shared services.

2.4 The list is not exhaustive, but is a catalyst to stimulate discussion between Budget Panel members.

3.0 **Decision Required**

3.1 To discuss and suggest ideas in which the Council can investigate ways to generate further revenue income through Entrepreneurship.

Contact Officer:

For further information please contact: Nigel Pollard – Acting Head of Finance
telephone extension: 7198
email: nigel.pollard@threerivers.gov.uk

Report approved by: Jo Wagstaffe – Director of Finance