

Terms of Reference for the Financial Strategy and Innovation and income generation Task and Finish Group

Context

Following work to consider the draft Financial Strategy (2018/19 to 2022/23) and the Budget 2018/19 the 2017/18 Task and Finish Group recommended that a new group is established. This new Task and Finish Group would begin work in May/June 2018 to work alongside the development of the Budget for 2019/20, and would also take account for the 4 pillars of the Financial Strategy (2018/19 to 2022/23). In particular their recommendation was that the focus on the 4 pillars should be targeted on innovation and income generation.

The draft Financial Strategy 2018/19 to 2022/23 identified the funding gap that the Council faces.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
Funding Gap	£36m	£44m	£49m	£54m	£59M

The draft Financial Strategy sets out an approach being developed by Cabinet and officers which is based around four key pillars which are summarised in the following priority order:

Innovate	Focus on the highest priority areas and those most likely to provide greatest reward including Children's Services, Digital Transformation and Health and Adult Services
Raise income	Focus on investment and commercial activity
Cut services	Reconsider the core services the Council will continue to provide and focus resources on that core offer only. Once decided, make these decisions as quickly as possible.
Use Reserves	In a strategic manner to enable and smooth the delivery of the above.

The proposed Task and Finish Group would identify opportunities and make recommendations in a timely manner which could be taken into account by Cabinet as the Budget 2018/19 is shaped. The focus on innovation and income generation will include providing a critical friend role; challenging delivery and making recommendations that could assist progress.

Objectives

- To understand the process and activity stages for developing the Financial Strategy 2018/19 to 2022/23 and how these translate into the Council's annual budgets
- To consider and scrutinise the proposals and emerging plans aligned to the four pillars as they are being developed and following implementation, in particular for innovation and raising income.

- To consider the direct and indirect impacts, including risks, of 2019/20 Budget proposals on current services and customers.
- To complete specific pieces of work to identify and work up alternatives to emerging plans, including the feasibility of any alternative proposals
- Make evidence based recommendations in relation to plans and approaches for innovation and income generation, and alternative proposals for future budget setting.

Information required

- The draft Financial Strategy 2018/19 to 2022/23
- The back ground information and data which has informed the growth modelling exercise
- Proposals and plans related to delivering the four pillars described in the draft Financial Strategy – with a focus on innovation and income generation.
- Learning from other Council's which have made changes to similar service areas and how this has been used to inform plans and the approaches in Shropshire.
- Any available evidence of likely impact of change to services, any related risks and how they might be tolerated, mitigated or removed all together
- Other information and evidence will be identified as the Task and Finish Group progresses and plans become clearer

Methods to be used

- Desktop exploration of contextual data and information – including receiving presentations that explain the process followed and what the data shows
- Review the proposals and plans related to delivering the four pillars described in the draft Financial Strategy
- Identification of any learning and best practice from other Councils
- Hearing from service users, communities, current and potential providers, and partners to understand issues, ideas, innovation and opportunities, as appropriate
- Identification and invitation of specific witnesses

Timescales

- The Task and Finish Group will report to inform key stages in the development of the 2019/20 Budget, and to timescales appropriate to inform decision points related to innovation and raising income.
- Expected reporting dates are September 2018, November 2018 and January 2019.