

Financial Stability Review Group: Draft Terms of Reference

Main Objectives:

- To examine all aspects of the Council's finances in order to ensure that West Devon Borough Council has a sustainable and secure future and is able to continue to deliver services to residents;
- To re-examine all Council expenditure to ensure that best practice is employed and value for money achieved;
- To promote and support the implementation of new ideas, especially in the area of income generation; and
- To make recommendations, in the first instance, to the Hub Committee.

Method:

To establish a cross party group which will work in 2 co-ordinated but distinct sub groups:

1. **Budget Team:** to critically examine Council expenditure budgets with a view to applying zero based budgeting techniques and making savings where possible; and
2. **Income Team:** to review the use of existing Council assets and to generate and develop new income streams.

Principles:

1. Unless there is a compelling reason otherwise, statutory services should be protected and, if possible, improved;
2. We recognise the commitment of Council staff, and the importance of a skilled and motivated workforce in ensuring a sustainable future, and, therefore, current staffing levels should be maintained. Changes to staffing levels will only be considered if there are compelling operational reasons or as a last resort after other all options have been reviewed.
3. The views and opinions of staff members at all levels, especially those administering the budget at the sharp end, will be sought. This is to primarily be a "bottom up" review rather than a "top down" imposition;
4. No line of expenditure is to be considered sacrosanct or protected;
5. Reductions in expenditure and the development of new income streams will be risk assessed. However, in order to ensure a sustainable future, it is accepted that the Council will, almost certainly, have to accept higher levels of risk than has previously been the case;
6. We recognise the importance of shared services in saving costs and ensuring the Council's survival to this point. Wherever possible we will continue to work with South Hams, or other partner organisations, in order to both protect what has been achieved and to develop new ideas that will benefit both parties;
7. Responding to the budget challenge is both vital and urgent. Members and officers should resolve to progress this review, and act on its recommendations, thoroughly, quickly and innovatively; and
8. Leadership from both members and senior officers is vital through this difficult period. The progress of this project should therefore be open and transparent and communicated widely.

Approval and Composition of the Group

The Council, at its Annual Meeting, will determine whether the Group continues to operate for the forthcoming Municipal Year and (any) consequent appointments to serve on the Group.