



**South East Region
Essex Hub Group Meeting
19 January 2023
at
Essex County Council**





MOORE Optima

Optimise Efficiency | Optimise Effectiveness | Optimise Value

CIPFA SOUTH EAST ESSEX HUB EVENT

19th January 2023



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BUSINESS TRANSFORMATION

&

TRANSFORMATIONAL BUDGETING

ZERO BASED BUDGETING PRINCIPLES

Presented by

Graham Oliver, Director - MOORE Optima

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Agenda

Introduction

Status quo bias against change

Harborough District Council - BC25 Programme

How can this aid your transformation programme?

Introduction



Budget

Monthly Net Income	
Income Type	Amount
Monthly Net Income	4,500
Monthly Income	2,500

Additional Income	
Details	Month
Mid Year Bonus	June
Year End Bonus	December
	January

Expenses	
Costs	
2,300	
600	
350	
60	

Planned Expenses	
Expenditure	Month
November vacation	November
Home for the holidays	December
Gifts for family	December
Family vacation	July
	January
	January
	January
	January
Total Planned Expenses	January

Annual Budget by Month				
	March	April	May	June
3,305	6,610	9,915	13,220	16,525
3,000	7,000	7,000	7,000	7,000
0	0	0	0	2,000
3,695	3,695	3,695	3,695	3,695
0	0	0	0	0
6,610	9,915	13,220	16,525	19,830



CIPFA QUALIFIED
30+ YEARS EXPERIENCE

PROJECT MANAGEMENT

FINANCE SYSTEM
IMPLEMENTATION

TRANSFORMATION PROGRAMME

CENTRAL GOVERNMENT

LOCAL AUTHORITIES

DISTRICT
COUNTY
UNITARY AUTHORITIES

ASSOCIATE TUTOR - CIPFA

Status Quo Bias Against Change



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Status Quo Bias

Most people do not like change so will try and avoid it

See status quo as stability

Cost of change - perceived to outweigh benefits

What do we change to?

Do nothing is easier

Attitude of 'we have always done it this way'

Harborough District Council

BC25 Programme



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Overview

New MTFS produced June 2020 (2021/22 – 2024/25)

Identified £4m budget gap over life of MTFS – 30% of net budget

Reserves fully used by 2023/24

S114 notice territory



BC25 Challenge

The Director of Resources set up the BC25 programme

A fundamental review of all service areas

Target – save £4m over the life of the MTFS

Reviews based on ZBB principles of looking at all services
from the bottom up

BC25 Programme - Process

- Review all services over a 10 month period
- Agreed red lines with administration
- No reduction in waste collection (already moved to fortnightly)



- Minimum service standards to be maintained
- Leader and Finance portfolio member led Star Chamber
- 20 services reviewed plus 3 cross cutting reviews

BC25 Programme - Process

- Low hanging fruit
- Service re-design
- Income generation
- Partnerships



- Outsourcing
- Invest to Save
- Benchmarking
- Performance

BC25 Programme - Outcomes

- Insourcing of Call Centre
- Significant increase in Green Waste fees
- Building Control Shared Service
- Planning Joint Working
- Fresh business plan with income generation for Business Centres



- £3m (22.5%) savings identified over MTFS period
- Brought MTFS into balance
- Created a culture of Continuous Improvement



Transformation

- Homelessness - initial increase in budget
- Conversion of abandoned building to convert into hostel accommodation
- ICT transformation programme
- New finance system and restructure
- Climate Change actions
 - Increased number of FV charging points
 - Solar Panels

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Why Take This Approach?

- Traditional budgeting is incremental and tends to keep the status quo ticking over
- Savings are either found from top-slicing or generated by services which can mean 'unpalatable' areas may not be looked at
- It can allow inefficiencies to stay locked into the system

Strategic Budget Review Approach

- It ensures that all services are looked at via the same microscope. Nothing is off the table
- By ensuring all services asked the same questions it exposes anything that maybe hidden
- Helps challenge the status quo bias



- Provides a critical friend challenge – could be via external consultant or peer review
- It helps foster creative thinking



HDC Digital Transformation

- **Customer Services** - development of CRM Netcall to encourage channel shift to online - includes green waste payments, environmental services self-serve
- **ICT Transformation** – New ICT strategy - Cloud First approach, projects include:
 - Move away from citrix server
 - Main corporate systems (IDOX and finance) moving to cloud
 - consolidation of systems
 - Shift to maximising use of Sharepoint and MS Office suite
- **New finance system** – the review was the spark that kicked this off – April 2023 new system and staff restructure already in place

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Our Transformation Journey

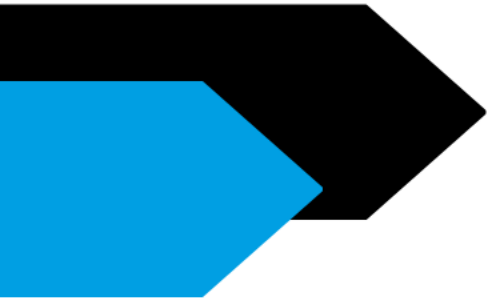
Questions to ask yourself

- What is my approach to budgeting? Is it providing just the same results?
- Do you know the efficiency of your services and where the inefficiencies are?
- How are your services performing? Are you analysing the performance statistics you have?
- Are your budgets fit for purpose?
- Are you revenue or capital/asset rich? How can you use this answer to drive your transformation?



**THANK YOU!
ANY QUESTIONS?**





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Our Services

FINANCIAL & MANAGEMENT ACCOUNTING SUPPORT

STRATEGIC BUDGET REVIEW

BUSINESS CASE DEVELOPMENT

PROCUREMENT SUPPORT

SCHOOLS FINANCIAL MANAGEMENT



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