

**OVERVIEW AND SCRUTINY BUDGET WORKING GROUP  
(Report of the Working Group)**

**1. INTRODUCTION**

- 1.1 At its meeting held on 27<sup>th</sup> January 2009, the Overview and Scrutiny Panel (Corporate and Strategic Framework) decided to establish a Working Group to review the budget for future years and to express a view on the priority that should be accorded to items contained within it. The suggestion for the study emerged following concerns which had been expressed by the Panel on the level of unidentified spending adjustments required by the year 2013/14.
- 1.2 In that light, Councillors J E Garner, L W McGuire and R J West were appointed onto the Working Group with a view to undertaking the review. In order to ensure political proportionality within the Working Group, Councillor P J Downes later became a Member of the Group. Councillor L W McGuire was nominated *rapporteur* for the Working Group.
- 1.3 Councillors K J Churchill, Special Advisor to the Cabinet and T V Rogers, Executive Councillor for Finance and Environment assisted Members during their investigations, together with the Director of Commerce and Technology and the Head of Financial Services. The Working Group is grateful to them for the support provided during the course of the review.

**2. TERMS OF REFERENCE**

- 2.1 The Working Group was tasked with undertaking a review of the budget in future years. At its initial meeting on 19<sup>th</sup> February 2009, Members agreed upon the following terms of reference:-

*“To review the Council’s budget for future years and to express a view on the feasibility and relative merits of reducing individual budgets within it.”*

- 2.2 Whilst it has been acknowledged that £6.5m of unidentified spending adjustments would be required by the year 2013/14, it has been made clear by the Working Group that it is not within their remit to identify all of these savings. The Working Group’s role was to comment upon the individual areas which make up the Council’s budget and to consider the potential for it to be reduced.
- 2.3 The Working Group has also been tasked with identifying which items contained within the budget were a statutory requirement and those that were permissive.

### **3. WORKING GROUP ACTIVITIES**

- 3.1 The Working Group has met on a number of occasions over the ensuing months and has undertaken the following activities as part of their review:-
- review of current spending and income from fees and charges;
  - review of the Capital Programme / Medium Term Plan (MTP); and
  - discussion on the issues around the level of Council Tax.
- 3.2 Whilst undertaking the review of current spending and income from fees and charges, Members were advised that the former Overview and Scrutiny Panel (Service Support) had previously appointed a Working Group to investigate the possibility of maximising income opportunities for the Council. As Members would consider income from fees and charges as part of the review of the budget, and in light of the fact that the Working Group established by the Overview and Scrutiny Panel (Service Support) had only initiated their preliminary investigations, a decision was therefore made to subsume the Maximising Income Generation Working Group into the Overview and Scrutiny Budget Working Group. Coincidentally, Members of the Maximising Income Generation Working Group comprised Councillors P J Downes, L W McGuire and R J West.
- 3.3 The Working Group has based their deliberations on the information gathered from their investigations. The section below summarises the Working Group's findings.

### **4. WORKING GROUP FINDINGS**

- 4.1 Prior to undertaking their investigations, the Working Group was apprised of the outcome of recent meetings held between the Executive Councillor for Finance and Environment, together with Portfolio Holders and respective Heads of Service, on the level of budget set for individual service areas across the Council and the actual spend attributed to each service. In his opinion, the Executive Councillor for Finance and Environment expressed his view that there may be opportunities for spending adjustments to be achieved without reductions in service standards.
- 4.2 Additionally, the Working Group has been advised that the Director of Central Services and the Director of Commerce and Technology had recently conducted their own reviews into the Central Services Directorate and Leisure Centres respectively, the outcome of which demonstrated the achievement of significant savings for the Council.

#### **(a) Review of Current Spending and Income from Fees and Charges**

- 4.3 The Working Group has strongly expressed their concerns at the prospect of increasing levels of financial borrowing from external sources. By way of background, Members were reminded of the three main sources of income for the Council, which comprised Central Government grants, Council Tax and internal income generation. The Working Group was mindful of the statutory duties placed upon the Council to provide services such as refuse collections and Disabled Facilities Grants. The Working Group also received details of

the Council's Revenue Reserves Policy, when it was reported that the current level of revenue reserves of £19m was planned to reduce to what is considered a minimum prudent level of £3m. In discussing the Council's current financial position, the Working Group has concluded that external borrowing, would, in the long term, be the most viable option for the Council to fund capital projects in future years.

- 4.4 The Working Group has undertaken a review of current spending and income from fees and charges based upon the level of budget set for each Head of Service across the Council for the 2009/10 financial year. **Appendix A** sets out the comments and observations of the Working Group on each of the individual service areas. Extensive discussions have been held on the feasibility and relative merits of reducing individual budgets across the Council and a number of areas have been identified where spending adjustments might be achieved. Similarly, areas where there may be an opportunity for increased income opportunities have been identified.
- 4.5 Whilst there are a number of specific recommendations proposed by the Working Group within **Appendix A**, a number of recommendations have been suggested by Members which generally relate to the following:-
- the achievement of efficiency savings;
  - reductions in service standards;
  - specific budget reductions in service areas;
  - seeking financial contributions from partners; and
  - the introduction of charges for services provided by the Council.
- 4.6 The Working Group is satisfied with the outcome of the review of current spending and income from fees and charges and has commented accordingly. Areas for achieving savings within the Council's budget have been identified, together with a number of suggestions for increased income opportunities. **The Working Group has therefore suggested that the recommendations proposed within Appendix A should be endorsed by the Panel.**
- 4.7 The Working Group dedicated some time to reviewing the current income levels generated from fees and charges set by the Council. The sources of income are reflected in **Appendix B**, which was utilised to assist the Working Group in compiling the recommendations relating to increased income opportunities proposed within **Appendix A**. Whilst it has been identified that financial contributions should be sought from partners on specific service areas, the Working Group concurred that the level of financial contributions currently being received from local authorities and partner organisations should be reviewed. **The Working Group has therefore suggested that Officers should be tasked with looking at and reviewing, on a wider basis, all financial contributions made from other local authorities and partner organisations.**
- 4.8 The Working Group has been acquainted with details of a recent announcement made by the Local Government Association (LGA) in respect of shared services. The LGA is disappointed at the current take up of services being provided nationally by local authorities on a shared basis. The Working Group has been advised that there would now be further pressure placed upon the Council to introduce shared services as this would form part of the

criteria for the Council's Use of Resources assessment which is undertaken by the external auditor each year. The changes to the criteria for the Use of Resources assessment would take effect from the next financial year. Whilst Members have been advised of recent attempts made by Officers to introduce shared services within the Council, the Working Group has commented upon the need to revisit opportunities for introducing shared services, as this would help towards the achievement of efficiency savings for the Council. **The Working Group has therefore suggested that the Cabinet should be invited to reconsider opportunities for shared services for the Council, where appropriate.**

**(b) Review of Capital Programme / Medium Term Plan (MTP)**

4.9 The Working Group has conducted a review of the Capital Programme / Medium Term Plan (MTP) for the period 2008/09 to 2013/14. In advance of the review, the Working Group received a brief demonstration from the Director of Commerce and Technology on the impact of revenue on capital reductions. The demonstration enabled Members to familiarise themselves with the financial implications of schemes contained within the Medium Term Plan (MTP).

4.10 An attempt has been made to group all Medium Term Plan (MTP) schemes into the following categories:-

- Schemes linked to Growing Success – the Corporate Plan;
- Schemes which are either a statutory requirement, unavoidable or already committed;
- Schemes which are attributed to the maintenance of the Council's assets; and
- Schemes which demonstrate a saving or a net nil balance.

The outcome of this exercise has been included as **Appendix C**.

4.11 Whilst conducting the review, the Working Group has stressed the importance of ensuring that all schemes contained within the Medium Term Plan (MTP) are supported by a robust business case, which outlines the likely financial implications, and is drawn to the attention of the relevant Portfolio Holder.

4.12 Having regard to the schemes linked to Growing Success, the Working Group has undertaken an exercise to categorise all these schemes into a high, medium, low or nil priority order. These have been determined in accordance with the objectives set within the Corporate Plan. Members would however, wish to highlight that the exercise was undertaken without the benefit of full details of each of the schemes. Specific comment has however, been made on the following:-

**(i) New Public Conveniences (302)**

Members expressed the view that this scheme should be deleted from the Medium Term Plan and stated that all public conveniences should either be offered to Town Councils or closed and disposed of in the future. (Please refer to the previous comments made by the Working Group in **Appendix A**). **It has therefore been suggested that the**

**scheme relating to New Public Conveniences should be deleted from the Medium Term Plan.**

(ii) **Huntingdon Riverside (808)**

The Working Group has expressed concerns over the level of capital funding required for this scheme. The former Overview and Scrutiny Panel (Service Support) and the Cabinet have already considered this scheme at their meetings on 14<sup>th</sup> and 23<sup>rd</sup> April 2009 respectively. A decision was made by the Cabinet that the proposal in its current form should not be approved, but that minor improvement works to the area should be completed. The Working Group would wish to place on record their support for the Cabinet's decision.

(iii) **St Ives Town Centre 2 – Completion (52)**

Members have expressed concerns over the expenditure required for this scheme, particularly in light of the absence of consensus for environmental improvement works on the options proposed for consultation. This scheme has been subject to scrutiny by the former Overview and Scrutiny Panel (Service Delivery) and considered by the Cabinet in April 2009, where a decision was reached by the Cabinet that it should be deferred by 3 years in the Medium Term Plan (MTP). Similarly, the Working Group would like to record their support for the Cabinet's decision.

(iv) **Business Systems (891)**

The Working Group commented upon the need to ensure that all corporate systems should be supported by a business case. Officers were requested to distinguish whether such systems were a necessary or an optional requirement. **It has therefore been suggested that any new business systems should be supported by a robust business case and only introduced into a service area if it was a necessary requirement.**

(v) **Repairs Assistance (867)**

The Working Group has noted that a report on this matter would be presented to the Cabinet at a future meeting.

(vi) **Huntingdon Town Centre Development (401) / Town Centre Developments (224) / Working Smarter (900)**

The Working Group was not satisfied that a reasonable business case has been provided for these schemes and has identified them as areas for potential spending adjustments. **The Working Group has suggested that the above schemes should be reviewed further by Officers.**

(vii) **Transportation Strategy / Public Transport / Car Parks / Environmental Improvements (All MTP Schemes)**

The Working Group has expressed the view that items of capital expenditure should be cut back within these areas. The Working Group expressed the opinion that there would be merit in cutting back these figures, in light of the Council's current financial position. In terms of the schemes relating to the Transportation Strategy, the Working Group has acknowledged that whilst the County Council were responsible for delivering this function, the District Council should retain a proportional input into these schemes as they were being delivered on partnership basis. It was also noted that the County Council adopts a "matched funding" principle and that cutting back on these schemes could result in potential delays to projects. **Nevertheless, the Working Group concluded that all schemes listed under the above categories should be reviewed by Officers.**

(viii) **Planning Enforcement Monitoring Officer (656)**

Whilst the Working Group has identified this scheme as a high priority, Members have expressed their view that funding of this scheme should be met from within existing resources, particularly in light of the current decline in the level of activity being undertaken within the Planning Department. **The Working Group has therefore suggested that this scheme should be met from within existing resources.**

4.13 The Working Group has acknowledged that there were number of schemes within the Medium Term Plan (MTP) which demonstrated net revenue savings or contributed to the maintenance of the Council's assets. Additionally, the Working Group has considered those schemes which were either a statutory requirement, unavoidable or schemes that were already committed within the Medium Term Plan (MTP). The Working Group has concluded that it would not be feasible to remove these schemes from the Medium Term Plan and is satisfied with the content of them. Specific comment has however, been made on the following:-

(i) **Stray Dog Kennels (307)**

The Working Group has noted that this scheme offered potential savings for the Council. **It has been suggested that the matter should be referred to the relevant Portfolio Holder for further consideration.**

(ii) **New Industrial Units (239)**

The Working Group has expressed support for this scheme in light of the fact that it generated a revenue stream for the Council in future years. **The Working Group has expressed their support for this scheme.**

(iii) **Disabled Facilities Grants (866)**

The Working Group has expressed some concern over the level of expenditure required for this scheme. However, as this was a statutory requirement placed upon the Council, the Working Group acknowledged that little could be done to reduce this further. Grants were being received from the Government to assist with meeting the costs of this scheme, however these funds only accounted for a small proportion of the actual expenditure required. **Whilst contributions from the Government were forthcoming, the Working Group has made a suggestion to lobby the Government with a view to increasing the level of grant funding for this scheme.**

In noting that part of the process for approving Disabled Facilities Grants included commissioning by the Council, the Working Group has identified that there may be opportunities for efficiencies to be made. **The Working Group has therefore suggested that Officers should be tasked with reviewing the process for Disabled Facilities Grants, with a view to achieving savings.**

(iv) **Leisure Centres (All MTP Schemes)**

Members have expressed some concern over the level of expenditure anticipated at each of the Leisure Centres up to the year 2013/14. Particular mention was made of the scheme relating to the Future Maintenance of the Centres (861). It was however, acknowledged by the Working Group that in order to generate efficiency savings at the Centres, substantial capital investments would be required. Additionally, it was noted that the Centres had been tasked with achieving £1m in savings by the end of the 2010/11 financial year. **Members concluded that the relevant Portfolio Holder should be tasked with rigorously reviewing each Leisure Centre scheme identified within the Medium Term Plan (MTP), with a view to justifying capital expenditure.**

(c) **Discussion on the Issues around the Level of Council Tax**

- 4.14 The Working Group has discussed issues around the level of Council Tax. Members understand the existing policy to be that the Council seeks to raise Council Tax by the maximum sum possible without incurring capping and subject to a maximum of £12 per year for a Band D property (equivalent to £1 per month). With recent capping arrangements this has left the Council having to assess the maximum sum that the Council can raise in any year whilst avoiding capping. **The Working Group has concluded that the Council's current policy in respect of Council Tax should remain unchanged.**

**5. OTHER MATTERS RAISED DURING THE COURSE OF THE REVIEW**

- 5.1 During the course of their investigations, it was suggested that there may be an opportunity to generate savings through a review of the current organisational structure adopted by the Council. The view has been expressed that savings might be achieved through a reduction in the number

of Officer posts within the authority. It has been acknowledged that a significant proportion of expenditure by the Council was attributed to employee costs and that efforts should be made to reduce the level of expenditure accordingly. Members commented upon the need to review all departments across the Council and to investigate cost effective means of providing the same level of service but with reduced employee numbers. The Working Group has commented that only minor reductions were being sought, given the implementation of a number of corporate systems and business practices which have been introduced to improve working practices and to encourage efficiencies. **The Working Group has therefore suggested that a review of the current organisational structure should be undertaken by the Chief Executive and the Leader of the Council.**

- 5.2 As reported earlier, and with reference to **Appendix A**, the Working Group has identified that there are a number of areas across the Council where efficiency savings could be made. In order to prompt Officers to achieve this, the Working Group has suggested that consideration should be given as to how individuals might be rewarded for achieving such efficiencies. The Working Group has suggested that the current pay system might be used to contribute towards this. **It has therefore been suggested that Officers should be tasked with investigating how the pay system might be used to encourage and provide recognition to reward individuals who achieve efficiency savings.**

## 6. CONCLUSIONS

- 6.1 The Working Group has undertaken a thorough review of the Council's budget in future years and has made a number of comments on it. Whilst conducting their investigations, the Working Group has been mindful of the level of unidentified spending adjustments required by the year 2013/14 and has made recommendations which would assist the Council in meeting this target in future years. Members have identified areas within the budget where they believe spending adjustments could be made and have identified some areas which would require further investigation. A number of recommendations have been proposed, which are set out in the section below.

## 7. RECOMMENDATIONS

- 7.1 The Working Group recommend
- (a) that the comments of the Working Group and the recommendations proposed within **Appendix A** be endorsed by the Panel;
  - (b) that Officers should be tasked with looking at and reviewing all financial contributions made from other local authorities and partner organisations;
  - (c) that the Cabinet be invited to reconsider opportunities for shared services across the Council, where appropriate;



- (d) that the scheme relating to New Public Conveniences be deleted from the Medium Term Plan (MTP);
- (e) that the scheme relating to Business Systems within the Medium Term Plan (MTP) be supported by a robust business case and only be introduced within a service if deemed a necessary requirement;
- (f) that the Medium Term Plan (MTP) schemes relating to Huntingdon Town Centre Development, Town Centre Developments and Working Smarter be investigated further by Officers;
- (g) that all Medium Term Plan (MTP) schemes listed under the categories for Transportation Strategy, Public Transport, Car Parks and Environmental Improvements be reviewed further by Officers;
- (h) that the scheme relating to Planning Enforcement Monitoring Officer within the Medium Term Plan (MTP) be met from within existing resources;
- (i) that the Medium Term Plan (MTP) scheme relating to Stray Dog Kennels be referred to the Portfolio Holder for Housing and Public Health for further consideration;
- (j) that support for the Medium Term Plan (MTP) scheme relating New Industrial Units be noted;
- (k) that the Government be lobbied for increases in the level of grant awarded for Disabled Facilities Grants;
- (l) that Officers be tasked with reviewing the current process for Disabled Facilities Grants, with a view to achieving savings;
- (m) that the Portfolio Holder for Leisure be tasked with rigorously reviewing each Leisure Centre scheme identified within the Medium Term Plan (MTP), with a view to justifying capital expenditure;
- (n) that the Council's current policy in respect of Council Tax should remain unchanged;
- (o) that a review of the current organisational structure be undertaken by the Chief Executive and Leader of the Council; and
- (p) that Officers be tasked with investigating how the pay system might be used to encourage and provide recognition to reward individuals who achieve efficiency savings.

## **BACKGROUND DOCUMENTS**

Minutes and Reports of the meeting of the Overview and Scrutiny Panel (Corporate and Strategic Framework) held on 27<sup>th</sup> January 2009.

Notes of meetings of the Overview and Scrutiny Budget Working Group.

Overview and Scrutiny Budget Working Group Working File held by Democratic Services Section.

**Contact Officer:** Miss Habbiba Ali, Democratic Services Officer  
(01480) 388006

## **OVERVIEW OF SERVICE LEVEL BUDGETS**

This Appendix sets out the comments and observations of the Overview and Scrutiny Budget Working Group in respect of its review of the Council's budget for future years and provides a view on the feasibility and relative merits of reducing individual budgets within it.

All values quoted exclude capital charges and recharges for corporate overheads.

**OPERATIONAL AND COMMUNITY HEALTH SERVICES**  
**DIRECTORATE**

<b>OPERATIONS - £5.4M</b>	
<b>Refuse/Recycling</b> <b>£2.5m</b>	<p>Recent round rescheduling demonstrates efforts going into achieving efficiency savings. Further efforts should be encouraged.</p> <p>Whilst significant savings could be achieved through a reduction in service levels, the Working Group consider this to be a highly valued service offered by the Council. Consequently, we do not believe it is worth considering substantial changes such as reducing the frequency of green bin collections in the winter months.</p> <p>However, we believe charging for green bin collection should be investigated as a last resort to balancing the budget.</p>
<b>Markets</b> <b>Income £0.1m</b>	<p>We see little opportunity to generate significant additional income. Some cost savings may be obtained by outsourcing the management of this service. However, we consider the likelihood of successfully obtaining savings to be too small to merit investigation at this time.</p>
<b>Street Cleansing</b> <b>£0.9m</b>	<p>Whilst the Overview and Scrutiny Panel (Service Delivery) has already recently commented on the desirability of increasing the provision of weekend street cleansing in some areas, we believe the total resources expended on street cleansing should not be increased and that Officers should be asked to test the impact of revising this service to obtain a 10% per annum budget saving. Officers should be asked to evaluate the feasibility of redesigning the work shifts to reduce week day working and increase weekend working. Should changes require staff reductions, any such change may need to be phased in to avoid undue redundancy costs.</p>
<b>CCTV</b> <b>£0.5m</b>	<p>We believe that discussions should be held with partners, particularly the Police, regarding the funding of this service from LSP reward grant or other funds. Particular regard should be given to the mobile CCTV vehicle with a view to finding alternative means of funding the vehicle. Failure to obtain alternative funding should result in the disposal of the vehicle.</p> <p>Whilst the CCTV service is valued, we believe that the impact of reducing the level of staff cover during quiet</p>

	<p>periods should be tested and consideration should be given to reducing the budget for replacement cameras.</p> <p>In addition, we understand that there is some possibility that we could generate additional income from providing services to other Councils or commercial organisations. If this is the case, we believe the opportunity should be actively pursued by Officers.</p>
<p><b>Countryside £0.5m</b></p>	<p>The Countryside Service provides one of the services that makes Huntingdonshire a distinctive place. The prospect that significant savings could be obtained by putting some or all of the parks into an independent Trust is unlikely and we do not believe that this should be investigated at this time.</p> <p>Officers should be asked to test the impact of a 10% reduction on the budget. Given that this is likely to impact on staff, consideration should be given to phasing in any budget reduction in order to minimise the impact on staff and to reduce redundancy costs.</p>
<p><b>Car Parks Income £1.3m</b></p>	<p>Given that car park fees have recently been reviewed and increased, we see no purpose in investigating this further at this time.</p> <p>We are concerned that there may have been a reduction in the enforcement of parking charges. Officers should be asked to report on the opportunity to enhance enforcement of the charges through both increasing the application of excess parking charges and by increasing the excess parking charges applied in each instance.</p> <p>Street Wardens should be targeted with increasing the value of excess parking charges applied.</p>
<p><b>Grounds Maintenance £0.9m</b></p>	<p>Officers should be asked to test the impact of a 10% reduction on the budget. Given that this is likely to impact on staff, consideration should be given to phasing in any budget reduction in order to minimise the impact on staff and to reduce redundancy costs.</p> <p>Whilst savings should focus on increased efficiency, there may be some opportunity to come to new arrangements with other authorities, particularly Parish Councils. This might involve the District undertaking grass cutting for Parishes at a charge, or vice versa, or disposing of small parcels of land to Parishes. Failing this, consideration should be given to reducing the level of service currently being provided by the Council such as cutting the grass less often.</p>
<p><b>Vehicle Maintenance £0.2m</b></p>	<p>Despite the improvement in vehicle maintenance facilities available at the Council, we are sceptical that</p>

	there is sufficient capacity to generate a commercially viable income stream from this asset.
<b>Management Units £1.3m</b>	<p>This budget should be reduced to reflect any changes initiated in the service. We are uncertain of the savings that can be obtained. Officers should be requested to report on further opportunities for staff savings.</p> <p>We are aware that there may be an opportunity to recharge additional management costs to S106 funding received. Whilst we recognise that this would leave lesser sums available for S106 projects, we believe that these projects should be required to fund their full share of management costs. This practice is already adopted by the County Council.</p>

<b>ENVIRONMENTAL AND COMMUNITY HEALTH SERVICES - £2.6M</b>	
<b>Environmental Health £0.3m</b>	Whilst many aspects to this service have a statutory basis, some consideration should be given to opportunities for reductions in service standards. Officers should therefore be asked to test a 10% reduction in the budget.
<b>Community Initiatives £0.4m</b>	Rather than comment on this budget line at this time we would prefer to refer to the review of grants being undertaken by the Overview and Scrutiny Panel (Service Delivery).
<b>Arts Development £0.1m</b>	This is a non statutory service provided by the Council and whilst mindful of the contribution that it makes to the quality of life within the District, we believe that Officers should be asked to test a 50% reduction in this budget and associated staffing.
<b>Leisure Development £0.2m</b>	Whilst this is a non statutory service, it makes a valuable contribution to health inequalities and the obesity agenda. Given that this is primarily the responsibility of the PCT, Officers should be asked to report on alternative means of funding and / or means of delivering this agenda. Officers are requested to achieve a saving of 25% of the net revenue budget.
<b>Management Units £1.6m</b>	The management unit budget should be reduced to reflect any changes initiated in this service. We are uncertain of the savings that can be obtained. Officers should be requested to report on further opportunities for achieving staff savings as appropriate.

<b>ENVIRONMENTAL MANAGEMENT - £2.6M</b>	
<b>Internal Drainage Boards</b> £0.34m	We see no opportunity to reduce or avoid these costs.
<b>Watercourses</b> £0.06m	We see no opportunity to reduce or avoid these costs.
<b>Public Conveniences</b> £0.2m	<p>We believe that all public conveniences should be offered to Town Councils for them to maintain. Failing the transfer of the public conveniences they should be closed and the land disposed of.</p> <p>To mitigate the impact of these changes and to encourage a more welcoming approach to the public and particularly to visitors of the District, consideration should be given to funding hotels, pubs and other commercial establishments with suitable facilities to make these available to the general public.</p>
<b>Environmental Initiatives</b> £0.1m	Given the very low level of this budget, even when allowing for related management unit costs and overheads, and the relative priority of these initiatives, we believe there is no merit in reducing budgets in this area.
<b>Building Control</b> £0.2m	We see no opportunity to reduce or avoid these costs unless other local Districts can be persuaded to merge their services with our own. Failing cooperation from other Districts, and subject to capacity being available, we see an economic advantage in seeking building control work outside of Huntingdonshire rather than in reducing capacity.
<b>Street Naming and Minor Works</b> £0.1m	We see no opportunity for, or benefits to, policy change at this time.
<b>Facilities Management</b> £0.8m	Staff reductions and the introduction of hot desking following the promotion of home working and flexible working (at both Pathfinder House and Eastfield House) should release office space for letting or the disposal of Castle Hill House.
<b>Management Units</b> £0.8m	Staff may need to be reduced in line with reducing the projects contained within the Capital Programme.

**PLANNING SERVICES - £2.5M**

<b>Development Control Income £0.7m</b>	We support the Cabinet's plans to investigate the possibility of introducing charges for planning advice and wonder whether there is merit in providing such advisory services in respect of planning matters in other Districts.
<b>Planning Policy &amp; Conservation £0.4m</b>	We see no opportunity to reduce or avoid these costs.
<b>Transportation £0.2m</b>	Officers should be asked to test the impact of a 25% reduction in the budget and staffing levels. In doing this, staff should discuss with the County Council possibilities for increased efficiency through improved working by staff and Members of both District and County Councils.
<b>Concessionary Fares £0.5m</b>	We see no opportunity to reduce or avoid these costs but have registered our concerns at the Government failure to recognise the true cost of this scheme.
<b>Planning and Housing Grant Income £0.3m</b>	We understand that the rules relating to grants change regularly, but believe these grants make a valuable contribution to our budget and should be targeted.
<b>Management Units £2.4m</b>	<p>We are aware that there may be an opportunity to recharge additional management costs to S106 funding received. Whilst we recognise that this would leave lesser sums available for S106 projects, we believe that these projects should be required to fund their full share of management costs. This practice is already adopted by the County Council.</p> <p>Officers should be requested to report on further opportunities for staff savings. We believe that savings may arise from opportunities for training and inter-departmental working within the service.</p>



**HOUSING SERVICES – £1.3M + £2M CAPITAL**

<b>Homelessness £0.2m</b>	Whilst the non-staff budget in this area has not always been expended, homelessness is a priority area and the budget should not be reduced.
<b>Capital Grants £2m</b>	Whilst the Working Group puts a high value on the role of grants for social housing, Members have noted the receipt of capital grants from the Government for this purpose. Grants from the Housing Corporation, now the Homes and Communities Agency (HCA) have increased the District Council's contribution towards social housing from £1m pa to £25m so far for the period 2008-11. In addition, the District tops up government funding for Disabled Facilities Grants.
<b>Management Units £1.1m</b>	The management unit budget should be reduced to reflect any changes initiated in this service. We are uncertain of the savings that can be obtained. Officers should be requested to report on further opportunities for achieving staff savings.

## COMMERCE AND TECHNOLOGY DIRECTORATE

<b>FINANCIAL SERVICES - £0.2M</b>	
<b>External Audit £0.1m</b>	We see no opportunity to reduce or avoid these costs.
<b>Contingencies (efficiency, deferrals, turnover) Income £0.9m</b>	We see no opportunity to reduce or avoid these costs.
<b>Cost of Borrowing £0.7m</b>	We see no opportunity to reduce or avoid these costs.
<b>Interest Income £1.2m</b>	We see no opportunity to enhance this income stream other than the deferral of some of the Capital Programme.
<b>Insurance Premiums £0.3m</b>	We see no opportunity to reduce or avoid these costs.
<b>Management Units £1.2m</b>	Officers should be requested to investigate opportunities to implement systems and procedures which centralise and standardise procurement of repeat purchase items and to test the opportunity to make staff and other savings in the budget of 10%.

<b>CUSTOMER SERVICES - £2.2M</b>	
<b>Income £1.5m</b>	We see no opportunity to increase this income.
<b>Call Centre £0.6m</b>	Whilst we believe that the Council should retain control of this service, Officers should be asked to investigate the potential for savings by relocating the Call Centre to Huntingdon. Reductions in service levels should not be considered at this time although we expect to see savings if Officers are successful in migrating some customer enquiries into the website.
<b>Customer Service Centres £0.9m</b>	Whilst the Customer Service Centres offer an important service to an often needy sector of our community, service levels should not be reduced. Officers should be asked to demonstrate that these services are only provided where there is sufficient

	demand for them to be economically delivered. It has also been suggested that where possible, opportunities for partnership working with the County Council should be investigated.
<b>Management Units £2.2m</b>	Whilst service levels in Housing and Council Tax Benefit should not be reduced, Officers should continue to seek efficiency improvements. A suggestion has been made for Officers to investigate the possible introduction of electronic Council Tax billing. Consequently, Officers have been asked to scope the potential of making a 10% saving in this budget.

<b>IMD SERVICES - £2.5M</b>	
<b>Telecommunications £0.1m</b>	<p>The Council is inevitably going to become more and more dependent upon ICT in delivering its services and consequently we see little chance of substantial reductions in this area. However, spend on ICT should lead to demonstrable savings in staff costs.</p> <p>However, the focus of this service should be directed towards facilitating operational and administrative efficiencies in other services areas, specifically of reducing staff costs.</p> <p>Greater use should be made of making Council papers available electronically rather than in paper form.</p> <p>Officers should be asked to investigate how electronic Council Tax billing could reduce the number of paper based Council Tax bills.</p> <p>Opportunities for generating economies of scale by providing ICT services to other local authorities should also be explored.</p>
<b>Helpdesk £0.6m</b>	
<b>Network Services £0.7m</b>	
<b>Development Team £0.3m</b>	
<b>Information Management £0.3m</b>	
<b>Business Analysis £0.3m</b>	
<b>Head of IMD £0.2m</b>	

## LEISURE CENTRES - £1.2M

<b>Huntingdon Leisure Centre</b> £0.3m	<p>Whilst the Leisure Centres make a significant and high profile contribution to an important priority of the Council, the services delivered are a non statutory requirement. In addition, the Centres are based on land owned by other public bodies and are subject to large fixed costs that the Council is unlikely to be able to avoid in the short term. Many of the services delivered are subject to commercial competition.</p> <p>The Leisure Centres should be developed in order to maximise their income generation potential with the aim that in time they become self financing in the future. We accept that this will mean continuing to invest in the Centres where there is an economic case for doing so.</p>
<b>Ramsey Leisure Centre</b> £0.3m	
<b>Sawtry Leisure Centre</b> £0.3m	
<b>St Ivo Leisure Centre</b> £0.3m	
<b>St Neots Leisure Centre</b> £0.4m	
<b>Management Units</b> £0.2m  <b>Leisure Centres Savings Target</b> £0.6m rising to £1m	<p>Recognising that the Huntingdonshire Council Tax payer makes a financial contribution to the running of the Leisure Centres, consideration should be given to introducing a membership system, (perhaps utilising SMART cards) which rewards regular attendance.</p> <p>Services should not be provided at subsidised rates unless there are good economic reasons for doing so. Charges should be increased wherever possible to reflect the full cost of the service or at market rates where appropriate.</p> <p>Notwithstanding the above, improved utilisation of meeting rooms can be facilitated by making them available for Council use on a 'last minute' cheap rate booking basis.</p> <p>Consideration should be given to reducing the opening hours of the swimming pools, Centres or parts of the Centres where there is insufficient demand for services.</p> <p>Trust status or another organisational model should be investigated at a suitable time in the future.</p>

## CENTRAL SERVICES DIRECTORATE

<b>PEOPLE, PERFORMANCE AND PARTNERSHIPS - £2.2M</b>	
<b>Economic Development £0.2m</b>	Given the current economic climate, we see no merit in reducing this budget at this time or in the immediate future.
<b>Communications and Marketing £0.2m</b>	Officers should be asked to report on the impact of a 20% reduction on the budget and similar reductions in external communication spend in other service areas. In addition, we believe that the mobile information vehicle should be disposed of.
<b>Pensions £0.2m</b>	We see no opportunity to reduce or avoid these costs.
<b>Leased Cars £0.1m</b>	We see no opportunity to reduce or avoid these costs.
<b>Management Units £1.5m</b>	Officers should continue to be tasked with generating administrative efficiencies of 10% pa for each of the next 3 years.

<b>LAW, PROPERTY AND GOVERNANCE – INCOME £0.9M</b>	
<b>Commercial Properties Income £0.2m</b>	Our property portfolio should be reviewed to ensure that income generating opportunities are maximised and greater consideration should be given to more active trading of our portfolio. Further investments should be made where they can make a financial return in excess of our borrowing costs.
<b>Industrial Properties Income £0.5m</b>	
<b>Miscellaneous Properties Income £0.7m</b>	
<b>Management Units (£0.5M)</b>	We see no significant opportunity to reduce or avoid these costs, but Officers should continue to be tasked with generating administrative efficiencies.

**DEMOCRATIC AND CENTRAL SERVICES - £1.8M**

<p><b>Corporate Committees &amp; Subscriptions</b> £0.1m</p>	<p>We see no opportunity to reduce or avoid these costs.</p>
<p><b>Member Allowances &amp; Support</b> £0.5m</p>	<p>We see no opportunity to reduce or avoid these costs. However, we believe there should be no inflationary increase in Members' allowances or support in the coming year.</p>
<p><b>Elections</b> £0.1m</p>	<p>We see no opportunity to reduce or avoid these costs.</p>
<p><b>Land Charges Income</b> £0.1m</p>	<p>We see no opportunity to increase this income, but efforts should be placed upon marketing this service, particularly in light of the current economic conditions.</p>
<p><b>Licensing Income</b> £0.2m</p>	<p>We see no significant opportunity to increase this income.</p>
<p><b>Document Centre</b> £0.6m</p>	<p>Officers should continue to be tasked with:</p> <ul style="list-style-type: none"> <li>• Reducing the demand levied upon the Document Centre (i.e. reducing the volume of documents printed or posted).</li> <li>• Making Council papers available electronically rather than in paper form.</li> <li>• Making cost savings even where this means that recently introduced practises are further amended.</li> <li>• Marketing this service to other public or private sector bodies with a view to generating income and generating economies of scale by working with other local authorities.</li> </ul>
<p><b>Management Units</b> £0.8m</p>	<p>Officers should be asked to report on the implications of possible changes to our democratic structure with a view to continuing cost savings and managing workload expectations and should continue to be tasked with generating administrative efficiencies. We do not want to see any increase in costs as a result of recently proposed changes to the democratic structure or arrangements within the Council.</p>

**APPENDIX B**

**2008/09 INCOME SOURCES**

	<b>Total Income</b>	
	£'000	£'000
Rent allowance subsidy		23,375
Council tax benefit subsidy		6,256
Benefit administration subsidy		890
Costs recovered, including summons costs and temporary accommodation		1,062
Contributions from other Local Authorities and other organisations		1,027
Government grants		827
Other grants		258
Industrial and commercial rent		1,540
Development control fees		942
Building control fees		536
Land charges		246
Licence fees		270
Parking Charges		1,405
Parking excess charges		217
Recycling credits		686
Bulky waste and commercial waste		128
Interest earned		535
Markets		189
Other rent		106
Other sales		209
Other income		399
<b>Leisure Centres</b>		
Swimming - Public	511	
Swimming - Lessons	616	
Fitness Suite	488	
Advantage	1,302	
Hospitality (Excluding Vending)	636	
Vending	112	
Centre Functions (St Ivo Only)	100	
Burgess Hall (St Ivo Only)	118	
Other Indoor Activities	944	
Synthetic Pitches	242	
Grants	20	5,089
		<b>46,192</b>