

DRAFT BUDGET 2011/12 AND MTP 2012/16
(Report by the Overview and Scrutiny Panel (Economic Well-Being))

1. INTRODUCTION

- 1.1 The Overview and Scrutiny Panel for Economic Well-Being has examined the draft Budget for 2011/12 and Medium Term Financial Plan (MTP) for the period 2012-16 at its meeting on 11th November 2010. To assist the Panel in their discussions, all Members of the Council were invited to attend the meeting and take part in the debate. This report contains a summary of their discussions.

2. THE DRAFT BUDGET 2011/12 AND MTP 2012/2016

- 2.1 The Panel has been acquainted with the present position in relation to the Council's draft budget 2011/12 and Medium Term Plan for the period 2012 to 2016. In seeking to address the budget deficit, Members have been informed of proposed spending changes, potential Council tax options and the assumptions being made with regard to the level of Government Grant following the Comprehensive Spending Assessment. The Panel has acknowledged that a number of significant uncertainties remain and only some of these will be resolved before the Council has to approve the final budget and MTP in February.
- 2.2 Members have reiterated the view that the Council should approach the financial planning process strategically through a vision for the District and for the Council. This will enable the Council's priorities to be weighted and make it possible to take better informed decisions on the budget. While the Council already has a vision, Members have been invited to make suggestions on how it might appear and what the Council's priorities should be. Although the Government is constantly changing the requirements it places on local authorities, which presents difficulties when producing a strategy, the Panel is of the view that this should not affect the overarching vision and that the changes only have an impact on the delivery of it.
- 2.3 Following further discussion on the Council's strategic approach to financial planning, the Panel has recommended that contingency plans should be prepared that address a range of scenarios and identify options for future action to respond to changing events. In addition, it has been suggested that a rationale should be produced for each of the proposed changes. Members have been assured that decisions will be informed by detailed pieces of work as the plans develop.
- 2.4 The Panel has suggested that rather than complete deleting some services immediately, the Council should investigate alternative delivery methods. For example, local office services might be provided through shared buildings and employees or on reduced hours using fewer employees. An assessment of all local public sector assets might assist in this task. At the same time caution has been expressed that shared services can incur their own problems and costs especially in the field of IT. Moreover, it has been pointed out that delegating functions down to Town and Parish Councils can result in increased service costs. As a result it may be preferable to seek contributions from these Councils for the District Council to continue to operate them. If this

is to be done, it has been stressed that Town and Parish Councils should be informed at the earliest possible opportunity to enable them to make the necessary provisions in their budgets.

- 2.5 The view has generally been expressed that front-line services should be retained. Although it is thought to be preferable to seek savings in the back-office, it has been acknowledged that this can be difficult to define and that this is an important part of the Council's role, through such activities as local strategic planning.
- 2.6 With regard to the indicative figures on likely reductions in employee numbers, the Panel has suggested that the Council should investigate ways of making better use of them. They might be a source of income creation, could promote growth and the Union should be consulted on opportunities for job sharing. The latter would mean that skills would not be lost and there could be savings on redundancy costs.
- 2.7 Other suggestions for general approaches to alternative delivery methods include outsourcing and selling the Council's services to other organisations.
- 2.8 Members have commented on the specific changes referred to in the report. Some have been made on proposals to reduce the grants paid to voluntary organisations. While it is recognised that the Council will honour its existing commitments, it has been pointed out that voluntary organisations form an important part of the localism agenda and their services will be more in demand as a result of changes to the welfare system. The Council should look at the value of the work that they do and what it will cost the Council to replace the activities that will be lost.
- 2.9 Comments have also been made on the proposals for CCTV. It is felt that this service is needed and it will be costly to reintroduce if this is deemed necessary. It is suggested that the impact of this decision and other options should be reviewed in conjunction with the police and the Community Safety Partnership. It should be noted that the Overview and Scrutiny Panel (Social Well-Being) has already decided to do this.
- 2.10 Discussion has taken place on the leisure centres. It is suggested that the economic costs and social benefits of them should be identified, as should the projected rate of return on the Council's planned investments in them. In addition, a Councillor is of the view that the Council should immediately investigate the options to place the leisure centres into a trust to inform future plans. Others have said that if the leisure centres, through investment, become profitable, they should be retained so that the Council will benefit from the income. Another suggestion is that some Customer Service Centre functions might be provided through them if local offices are closed.
- 2.11 On the subject of street cleansing, comment has been made that either the budget should be reduced and the Town Councils asked to make up the difference or the existing budget should be more equitably distributed amongst the towns and villages. Comment has also been made that the Council should review its plans only to produce District Wide electronically as this method of communication will not reach many residents. A significant number of residents do not have access to electronic communications. Some means of communicating with as many residents as possible needs to be

found. Finally, it has been suggested that planned increases in car parking charges should be staggered.

3. CONCLUSION AND RECOMMENDATIONS

3.1 The Panel has made a number of comments on the Budget and MTP. Members are aware of the opportunity they have to make further suggestions. They are equally aware that there will be a need to monitor what is going on elsewhere as the actions of other organisations may result in extra costs for the Council.

3.2 The Cabinet is recommended to approve a draft budget for submission to the Council, subject to the Panel's comments on:

- weighting the Council's priorities;
- investigations taking place into ways of retaining some services through shared services and job sharing;
- investigations taking place into alternative ways of delivering services rather than completely deleting some services;
- shaping the MTP into a vision;
- concerns regarding cuts in grants to voluntary organisations;
- using the leisure centres for the provision of customer services;
- outsourcing;
- the need for a rationale on mothballing CCTV and consultations with the Community Safety Partnership on this service;
- reviewing the proposals on Distinct Wide through a strategic approach to communication with residents;
- reviewing further back-office functions;
- delegating functions to Town and Parish Councils and the need to communicate any proposals as soon as possible;
- the need for investments to be informed by business plans;
- the need for contingency planning and for a rationale to be produced for changes, and
- staggering increases in car parking charges.

3.3 The Cabinet is also recommended to approve a preferred option on Council Tax increases for submission to the Council and to authorise the Directors, after consultation with the appropriate Executive Councillor(s), to prepare and implement plans for changes and reductions in services to achieve targeted savings plans for 2011/12 and future years.

**Contact Officer: A Roberts – Scrutiny and Review Manager
(01480) 388015**

BACKGROUND INFORMATION

Draft Budget 2011/12 and MTP 2012/16 – Report by the Chief Officers Management Team

Balancing the Budget – Presentation by the Director of Commerce & Technology

Minutes of the meeting of the Overview & Scrutiny Panel (Economic Well-Being)