

## **Customer & Central Services Committee: 15 November 2010**

### **Comments Regarding Savings Proposals contained within the Corporate Budget Strategy Report presented to Executive on 2 November 2010**

At its meeting of 15 November 2010, the Customer & Central Services Overview & Scrutiny Committee assessed all savings proposals for financial robustness and considered the viability and suitability of specific proposals relating to the Customer & Shared Services Directorate and the Office of the Chief Executive. Detailed below are the outcomes flowing from this meeting.

#### 1. General Comments re Financial Robustness

##### a. Supplementary Savings Proposals

Members were made aware of the supplementary savings proposals (in the order of £5 - £6M) that would be presented to the next meeting of the Committee and requested that the Executive consider submitting proposals to a value greater than that required in the form of options so that Members were able to exert an element of choice over the matter.

**RECOMMENDATION: That the Executive considers submitting proposals to a value greater than that required in the form of options so that Members are able to exert an element of choice over the matter.**

##### b. CS1 Children's Services Directorate Restructure

In terms of financial robustness, Members queried the size of the savings that would be generated by this proposal i.e. c. £1M p.a. given that a total of 66.5 full time equivalent posts would be deleted as a result of the restructure. It was Members' opinion that this saving seemed low when compared against the reduction in posts proposed and requested the Executive re-examine the issue.

**RECOMMENDATION: That the Executive re-examines this proposal to assure itself that the savings to be generated are accurate.**

##### c. Overheads

With regard to the significant reduction in staff numbers proposed within the Corporate Budget Strategy report Members expressed concern that the Council would not immediately benefit financially through the removal of associated overheads such as accommodation, IT and other central support services. It was Members' opinion that the Executive should expedite the removal of these overheads at the earliest possible opportunity and requested a

report from the relevant Portfolio Holders in due course outlining how this would be achieved.

**RECOMMENDATION: That the Executive expedites the removal of overheads associated with proposed redundant posts at the earliest possible opportunity and submits a report to the Customer & Central Services Overview & Scrutiny Committee in due course outlining how this will be achieved.**

d. Budget Management & In Year Savings

Members acknowledged the magnitude of the savings proposals contained within the Corporate Budget Strategy report and the impact these would have on front line services. The Committee was therefore keen to ensure that the Executive captured as many in year savings (i.e. budget underspends) as possible from areas of discretionary spend in order to minimise this impact. A Council-wide culture of robust financial management was required to facilitate this, supported from the centre by the finance division of the Customer & Shared Services directorate.

**RECOMMENDATION: That the Executive captures as many in year savings (i.e. budget underspends) as possible from areas of discretionary spend in order to minimise the impact that savings proposals will have on front line services.**

e. Vacancies

Members were keen to minimise compulsory redundancies wherever possible by for example reducing the use of agency staff and consultants and by taking full advantage of the Council's redeployment and retraining opportunities. In this context, Members' were also aware of the continuing and relatively high turnover of staff within the organisation and the opportunity this presented in terms of the management of staff vacancies and associated budgets.

It was Members' opinion that when a vacancy exceeded 3 months in length, the budget associated with it should be eliminated from the Council's base budget unless there was strong justification from the Director concerned that the post was still required by the organisation in order to meet its key objectives.

**RECOMMENDATION: That the Executive agrees to eliminate from the Council's base budget all posts vacant in excess of 3 months unless there is strong justification from the Director concerned that the post is still required by the organisation in order to meet its key objectives.**

## f. Administrative Costs

There was a perception from Members of the Committee that much more could be done to extract greater efficiencies from the organisation with regard to the provision of generic administrative support. A corporate approach to the provision of administrative support was required, which would remove directorate boundaries and deliver a reconfigured and rationalised service providing more for less, and the committee called upon the relevant Portfolio Holder to submit a report to its next meeting, which would set out in detail the total cost to the Authority of its administrative support and begin to explore opportunities for greater efficiencies.

**RECOMMENDATION: That the relevant Portfolio Holder submits a report to the next Customer & Central Services Overview & Scrutiny Committee meeting setting out in detail the total cost to the Authority of its administrative support and which begins to explore opportunities for greater efficiencies.**

## g. CC1 Income Revenue

Whilst Members were supportive of the need to identify opportunities for income growth, the Committee felt unable to support this particular proposal without further information. Members were informed by the Portfolio Holder for Finance, Governance & People that greater detail would be forthcoming as part of the Council's Fees & Charges report, which would be presented to the Committee at its 17<sup>th</sup> January 2011 meeting.

**RECOMMENDATION: That the Portfolio Holder for Finance, Governance & People submits further details regarding this proposal to the 17<sup>th</sup> January meeting of the Customer & Central Services Overview & Scrutiny Committee, as part of his Fees & Charges report.**

## h. CC22 to CC29 Energy Efficiency Programme

Whilst Members were supportive of the need to identify opportunities to improve energy efficiency, the Committee felt unable to support this particular proposal without further information. Members acknowledged however that further information would be forthcoming, with specific measures being set out in the Carbon Management Plan. It was the Committee's opinion however that this Plan would be more appropriately received by the Sustainable Communities Overview & Scrutiny Committee

**RECOMMENDATION: That the Sustainable Communities Overview & Scrutiny Committee considers reviewing the Council's Carbon Management Plan at a future meeting.**

2. Specific Comments Regarding Customer & Shared Services Directorate and the Office of the Chief Executive

*Office of the Chief Executive*

a. OCE1b Reduction of Staffing – Overview & Scrutiny Team

Members expressed concern over this proposal, which in their opinion would reduce support for Overview & Scrutiny to an unacceptably low level. Whilst Members acknowledged the need to realise the savings identified, it was argued that this should not be at the expense of effective, independent Overview & Scrutiny support and every effort should be made to identify compensatory savings from elsewhere within the organisation and in this respect, particular mention was made of the need to consider this proposal alongside the review of Legal & Democratic Services (see Item 2e below).

**RECOMMENDATION: That this proposal be put on hold and the Executive be requested to consider it in the round alongside the review of Legal & Democratic Services (and other such reviews elsewhere within the organisation) in order to ensure the retention of effective, independent, support for Overview & Scrutiny.**

b. OCE7 Non-renewal of Credit Union Funding

Members were provided with further context regarding this issue and noted the low demand for the service.

**RECOMMENDATION: That this proposal be endorsed.**

c. OCE8 10% Cut to Core Voluntary & Community Sector Grants

There was a general feeling amongst Members of the Committee that cuts to Voluntary & Community Sector grants should mirror the Council's own i.e. a 28% cut over 4 years. It was also Members' opinion that such cuts should be targeted intelligently rather than applied evenly across all organisations i.e. a more surgical approach was required through the review of funding for each organisation.

**RECOMMENDATION: That the relevant Portfolio Holder re-examines funding to the Voluntary & Community Sector with a review towards making savings beyond 10% over 2 years and that any such savings be made on a targeted basis through the review funding for each organisation.**

*Customer & Shared Services Directorate*

d. C&CS2 Ampthill Customer Services Closure

There was a general feeling amongst Members that this proposal was being considered in isolation and without reference to the Council's overarching Customer Services Strategy or the drive towards Total Place/Place-Based Budgeting. In this respect, mention was made of the potential for more efficient use of existing facilities and/or collaborative development opportunities with partners in the town and Members cited Parkside Hall, the CAB and the library as prime examples of such.

**RECOMMENDATION: That the Executive considers delaying this proposal by one year whilst investigating the opportunities for greater collaboration and/or rationalisation of existing/new facilities and services.**

- e. C&CS9 Legal & Democratic Services Review

Please refer to Item 2a above.