

CABINET

10 NOVEMBER 2010

REPORT OF OVERVIEW AND SCRUTINY MANAGER

A.1 INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2011/12 – CORPORATE MANAGEMENT COMMITTEE COMMENTS

(Report prepared by Richard Walker)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To enable the Cabinet to consider and determine any action in respect of the views of the Corporate Management Committee on the Initial Financial Forecast and Initial Financial Strategy 2011/12 and Beyond.

EXECUTIVE SUMMARY

The Corporate Management Committee scrutinised the Initial Financial Forecast and Initial Financial Strategy 2011/12 and Beyond, proposed by Cabinet at its meeting on 4 August 2010, and has responded with regards the Forecast and Strategy as a whole, recognising that in the current financial climate there would be no benefit in putting forward any further cost pressures. The Committee therefore focused on possible ways of tackling future funding reductions through a variety of ways including change and innovation in working practice.

Having identified possible areas for the Council to further investigate, as ways of addressing any possible future financial shortfall, the Committee also offered to undertake more work in any specific area on behalf of the Cabinet should the Cabinet wish the Committee to do so.

The full list of recommendations is attached as Appendix A, and the Chairman of the Committee will be in attendance to present the Committee's proposals.

RECOMMENDATION(S)

- (a) That the Cabinet considers how it can best use some or all of Corporate Management Committee's recommendations, as detailed in Appendix A, to assist in finalizing the Financial Strategy.**
- (b) That the Cabinet confirms its initial financial forecast and initial financial strategy as proposed at its meeting on 4 August 2010 and subject to the impact of (a) above.**
- (c) That the officers take the issues into account in the next stage of the 2011/12 Financial Strategy/budget process.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Financial Strategy will have direct implications for the Council's ability to deliver on the commitments, objectives and priorities set out in both the Corporate Plan 2010-2016 and the Sustainable Community Strategy. It will impact particularly on the speed with which the Council can deliver on its priorities, rather than the priorities themselves.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The comments of the Corporate Management Committee relate to a strategic overview of the current financial backdrop of likely funding reduction in future years, and the recommendations whilst not identifying any specific amounts are aimed to assist the Council in reducing its future overall spend.

Risk

There is a significant risk that any changes in available funding to the Council will impact detrimentally on the services currently being provided by the Council to the community and therefore it is essential that appropriate plans are put in place to ensure that the residents of Tendring are not disadvantaged, nor the Council financially compromised.

LEGAL

The Council is legally required to set a fully funded budget in 2011/12. The Secretary of State may designate capping (for the present financial year) or nominate capping (for the following financial year) for an authority if in his opinion its budget requirement is excessive.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are none.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Cabinet agreed the "Initial Financial Forecast and Initial Financial Strategy for 2011/12 and Beyond" at its meeting on 4 August 2010. The Corporate Management Committee received a presentation on this report at the beginning of its meeting on 30 September 2010 when it considered the strategy in detail.

CURRENT POSITION

The Corporate Management Committee scrutinised the Initial Financial Forecast and Initial Financial Strategy 2011/12 and Beyond and determined:

That the Cabinet be informed that the Committee has noted the Initial Financial Strategy but did not undertake a detailed review of the cost pressures as it was considered that, given the current financial situation, it would be difficult to recommend additional cost pressures for funding and that the Committee should instead focus on a more strategic discussion about how the Council could remain financially stable over the coming years.

It then went on to review the areas the Council might wish to consider focusing on in responding to possible future funding reductions. This was undertaken in a structured approach based on the following headings:

- Local Democracy
- Council Structure/Service Delivery
- Assets
- Customer Focus
- Work Smarter

The list of suggestions are attached as Appendix A to this report and the Committee agreed that it would be happy to further pursue any particular areas identified on behalf of the Cabinet and report back if the Cabinet so wished.

The Committee also agreed that the Chairman should present the recommendations to the Cabinet as well as answer any questions.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

A.1 Appendix

**CORPORATE MANAGEMENT COMMITTEE
INITIAL FINANCIAL FORECAST AND INITIAL FINANCIAL STRATEGY 2011/12
COMMENTS TO CABINET**

Local Democracy

- There needs to be clarity on the relevant roles of Members and Officers to avoid Members getting involved in day to day management. A review of the Members/Officer protocol could be considered.

Council Structure/Service Delivery

- The structure of the Council should be reviewed once determination has been made as to which services it wishes to deliver and how to deliver them.
- Policy led budgeting should be considered.
- How departments work together should be reviewed to ensure the efficient and effective delivery of services.
- Opportunities should be considered on how to use officers more flexibly across the whole Council not just within departments.
- The opportunities to utilise any spare capacity in service areas to support outside organisations with either a fee or sharing of costs should be considered.
- Shared working across the public sector within Tendring rather than across Essex should be looked at. This should be delivered through strong policy decisions by Members.
- The Council needs to be more business-like in its operations with a starting point for this being consideration of what is statutory and what is discretionary. Discretionary services could be provided differently through externalisation e.g. Leisure Trust.
- If a service is outsourced the Council needs to give continuing support.
- There needs to be engagement through all Members and greater involvement of the community.
- One model of delivery could be the “mothership” approach whereby back office services are centralised and front line services are delivered locally, splitting the district in local decision making areas with local funding.
- The complexity of multiple tiered public sector can be ineffective. The public are only interested in services being delivered therefore there is freedom to choose the best delivery model.
- Are there any opportunities to run services outsourced by Essex and Suffolk Counties?
- Marketing of district council availability to provide services should be considered.

Assets

- The appropriateness of holding certain assets needs to be considered and assets need to be sold if it is considered inappropriate to hold them.
- Assets still held should be fully utilised.
- Consideration should be given to the possibility of acquiring assets in the current climate that will prove to be revenue raising in the longer term.
- Members need to be informed of the big picture in terms of assets held not only by TDC but also by ECC, Town and Parish Councils and other public and voluntary bodies.
- Members often have local knowledge of asset issues that could be used to make a better overall asset package and there should be an opportunity for this knowledge to be used.
- Officers to establish the current position with regard to the asset stock take requested by Cabinet.
- Management and operation of assets should be combined under one officer/team.
- There is a need to be more entrepreneurial/less risk averse in managing assets.
- There is a need to make more use of our statutory powers e.g. CPO but also use of incentives where appropriate.
- There is a need to understand how asset management fits into the overall strategic regeneration vision.
- Better asset management should be a prime focus of the Cabinet in forming the Council's strategy to meet future financial pressures.
- The provision of social housing needs to be managed so that we, as a Council, get what we are expecting.
- The conditions that go with development should be robust so that they are delivered.
- There are costs to running multiple office locations so alternatives should be considered.

Customer Focus

- We should appreciate that generally our residents want a good quality basic service from us such as cutting the grass and collecting waste.
- For our residents, small things can often have a big impact.
- In relation to grass cutting there does seem to be inconsistency about which areas are cut and which are not and lack of clarity of who is responsible. There is a need for all relevant parties to meet to agree a pragmatic way forward. Often, the areas to be cut are small and these could be managed more effectively by agreement between the parties.
- A map of land ownership would help clarify who was responsible for each area.
- Officers need to ensure that they look at services from a customer point of view as well as applying technical and professional knowledge.
- The Council needs to adopt a can do attitude not a can't do attitude.
- Officers should have appropriate customer focus training.
- The Council should make more effort to understand how customers perceive us and the services we deliver and ensure that we present a good image.
- The Council needs to instil community pride through community leadership.

Work Smarter

- We need to think about alternative and innovative ways of delivery services and dealing with problems.
- We must ensure that the costs of enforcement and prosecution are proportionate to the end result.
- All Members together with officers need to collaboratively challenge existing ways of working and to discuss ways to work smarter. The Corporate Management Committee agreed to hold further meetings to discuss this.
- As a Council we need to create an environment where such discussions can take place.
- We need to set out our policies on the basis of what we think is right and not worry if it upsets some people.
- The Council should consider an approach whereby issues are looked at on a local area rather than service basis.
- The Council needs to ensure that it uses IT and electronic communication as effectively as it can and IT provision needs to be of a level to support this.
- Working from home for officers should be available although it should not detract from the ability to work as a team and efficiencies need to be achieved from this.
- The Council needs to have a goal for moving to greater IT usage for Members.
- All Group Leaders should meet early on to discuss certain issues to enable the Council to move forward on such issues more rapidly and smoothly.