

Key Decision Required:	Yes	In the Forward Plan:	Yes
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**CABINET
23 JANUARY 2013**

REFERENCE FROM CORPORATE MANAGEMENT COMMITTEE

A.2 THE RESPONSE TO THE CABINET BY THE CORPORATE MANAGEMENT COMMITTEE ON THE REVISED FINANCIAL STRATEGY FOR 2013/14 AND BEYOND AND INITIAL BUDGET PROPOSALS FOR A REVISED BUDGET 2012/13 AND ORIGINAL BUDGET FOR 2013/14

(Report prepared by Ian Ford, Colin Sweeney and Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To provide feedback to the Cabinet on the views of Corporate Management Committee on the Revised Financial Strategy for 2013/14 and Beyond and the Initial Budget Proposals for a Revised Budget 2012/13 and Original Budget for 2013/14.

EXECUTIVE SUMMARY

The Corporate Management Committee considered the Revised Financial Strategy for 2013/14 and Beyond and the budget proposals for a Revised Budget 2012/13 and Original Budget for 2013/14. The Committee noted the Financial Strategy, and attached as **Appendix A** is the list of comments for the Cabinet to consider on the budget proposals for a Revised Budget 2012/13 and Original Budget for 2013/14, along with the response of the Finance and Asset Management Portfolio Holder.

RECOMMENDATION(S)

That Cabinet agrees the Finance and Asset Management Portfolio Holder's response to the Corporate Management Committee's comments as set out in Appendix A.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The Revised Financial Strategy for 2013/14 and Beyond and the Initial Budget Proposals for a Revised Budget 2012/13 and Original Budget for 2013/14 enable the Council to meet its commitments and priorities.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The financial impact, if any, of the proposals from the Corporate Management Committee, agreed by Cabinet, will be incorporated in the final budget proposals to be recommended to Council on 12 February 2013.

Risk

In producing a draft budget for adoption by Council it is essential that it addresses the key priorities for the area, reflects unavoidable cost pressures whilst remaining a balanced budget.

LEGAL

The action proposed is within the Council's powers.

OTHER IMPLICATIONS

The proposed budgets include a number of initiatives that help in the reduction of crime and disorder, as well as funding to assist with the issues of equality and diversity.

PART 3 – SUPPORTING INFORMATION**BACKGROUND**

At its meeting on 12 December 2012 the Cabinet invited the Corporate Management Committee to make comments on the Report of the Finance and Asset Management Portfolio Holder on the Revised Financial Strategy for 2013/14 and Beyond and the Report of the Finance and Asset Management Portfolio Holder on the Initial Budget Proposals for a Revised Budget 2012/13 and Original Budget for 2013/14. The Corporate Management Committee met to consider both these items, and the proposed Special Expenses for 2013/14, on 3 January 2013.

CURRENT POSITION

The Corporate Management Committee noted the Revised Financial Strategy for 2013/14 and Beyond at its meeting on 3 January 2013. During that day the Committee also examined the budget proposals for a Revised Budget 2012/13 and Original Budget for 2013/14.

The Committee also noted the proposed Special Expenses 2013/14 but requested the Cabinet to consider exploring the available options and alternatives to the Council's current approach to special expenses, whilst recognising a proportionate balance between the current resources required, fairness, the need to support transparency and understanding of the council tax bill and to limit volatility in the amounts calculated between years.

Attached as **Appendix A** is the list of comments from the Committee along with the response of the Finance and Asset Management Portfolio Holder.

BACKGROUND PAPERS FOR THE DECISION

There are none.

APPENDICES

Appendix A CORPORATE MANAGEMENT COMMITTEE COMMENTS TO CABINET ON THE INITIAL BUDGET PROPOSALS FOR A REVISED BUDGET 2012/13 AND ORIGINAL BUDGET FOR 2013/14 *(Including responses from the Finance and Asset Management Portfolio Holder)*

CORPORATE MANAGEMENT COMMITTEE COMMENTS TO CABINET ON THE INITIAL BUDGET PROPOSALS FOR A REVISED BUDGET 2012/13 AND ORIGINAL BUDGET FOR 2013/14 (Including responses from the Finance and Asset Management Portfolio Holder)

	CORPORATE MANAGEMENT COMMITTEE COMMENT ON GF BUDGET:	FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER RESPONSE:
1.	The Council should pursue a more flexible workforce by identifying the specific needs and knowledge required and then encouraging staff to acquire the extra expertise to fill the gaps and provide staff cover by offering incentives to learn such as extra salary increments.	<p>This remains an underlying principle to the current HR management approach but will be formally reconfirmed as part of the on-going FSR process and any future changes.</p> <p>A recent example of where this approach has already been applied is when snow clearing and gritting activities were undertaken by staff from within other Council services.</p>
2.	The Committee supports the principle of maximising opportunities to introduce new fees and charges such as introducing a reasonable charge for pre-application advice on planning applications thereby both maximising income and assisting applicants through the planning process.	Cabinet request that Corporate Management Committee undertake a piece of work to look at the philosophy and policy behind the Council's fees and charges and to put forward specific proposals where they see opportunities for new fees and charges. A report back to Cabinet is requested once the piece of work is completed for inclusion in the Financial Strategy for 2014/15 and beyond.
3.	Future Corporate Budget Monitoring reports should provide additional analysis of expenditure on External Legal Advice and on planning enforcement to support the monitoring of this area of the Council's budget. The Committee supports the principle of keeping the provision of legal advice in house wherever possible and any decision to acquire external legal advice should be challenged and justified on each occasion.	<p>Officers will be requested to provide additional analysis as part of future budget monitoring reports.</p> <p>Looking to procure internally wherever possible is a principle that has been fully supported by Cabinet in the past and continues to be so and will be reflected in the revised procurement rules that forms part of the on-going review of the Council's Constitution that will be considered by members in 2013.</p>
4	The Committee welcomes and applauds the partnership working with ICE Energy in refurbishing properties in Jaywick (by the provision of double-glazing, ground source heat pumps and cladding etc) which is good news not just for that community but for the District as a whole. Success stories such as these should be highlighted at the appropriate time.	Cabinet recognises the value of partnership working across the district which has ensured that local residents from all parts of Tendring receive assistance with heating and insulation.
5.	The Committee supports and would like to see expanded partnership working with community organisations where additional funding may be on offer / available to further develop or enhance projects and initiatives undertaken by	Any opportunities to expand on current partnership arrangements would be welcomed, with services encouraged to explore all available opportunities to support the Council in delivery affordable excellence within a

	the Council.	sustainable financial position. This will from a 'strand' of the Financial Strategy 2014/15 and Cabinet request that the Committee leads on an audit of third sector provision in the district to support this 'strand' of work.
6.	The Council should progress further multi-authority (county/district/parish) joined-up working on community issues such as grass-cutting and potholes in roads.	<p>The Council is already engaged on this type of multi-agency approach e.g. through the engagement of local highways rangers funded by ECC and through this Council being significantly involved in the Essex-wide community budgets pilot.</p> <p>Similarly to the above, all opportunities to expand on current arrangements would be considered and officers encouraged to explore future opportunities. This item will be added as a specific 'strand' of the Financial Strategy where actions will need to be identified to find savings to close the forecasted budget gap in future years.</p> <p>It is also worth pointing out that as TDC works very efficiently it is difficult to identify cheaper ways of working even in participation with others. Recent examples include Audit and IT.</p>
7.	The Committee would welcome an update from Cabinet on the Rural Infrastructure Project.	A report setting out an update and the next steps in respect of this project is currently due to be formally presented to Cabinet in March 2013.
8.	The Cabinet should seek clarification on whether the withdrawal of the Council's subscription to the LGA would effect the £150,000 support being provided by Improvement East for the Civic Hub project or any other future grant funding opportunities.	<p>Following the comments of the Committee and to potentially protect the Council's position, an amount of £10k has now been included within the detailed estimates that are set out elsewhere on the agenda to enable the Council's subscription to the LGA to continue. This budget will be subject to review on an annual basis based on value for money considerations and the on-going financial position of the Council.</p> <p>The Leader will ensure that any obligations that the Council has in terms of attendance at any LGA meetings or similar are fulfilled.</p>
9.	Following completion of the Fundamental Service Reviews a report should be submitted to Members (via the Human Resources Committee) which informs them of the number of Officers in each department by job title and the number of officers in the various grades.	A comprehensive report setting out the revised Council staff establishment and associated financial position is currently planned on being presented to the Human Resources Committee once the on-going fundamental service reviews are finalised.
10.	Cabinet is informed that the Committee will be looking to, as part of its consideration of future corporate budget monitoring reports, invite	Cabinet welcome the opportunity to engage with the Committee on the formation of future budgets and look forward to seeing the

	Portfolio Holders to attend the Committee in order that the Committee can influence the formation of future budgets.	Committee's 2013/14 work programme.
	OTHER CORPORATE MANAGEMENT COMMITTEE COMMENTS:	FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER RESPONSE:
1.	In relation to the HRA budget there is concern that there may be difficulty in collecting rent from some individuals/households that will receive their benefits directly under the new welfare reforms. There needs to be an early warning system in place to highlight and enable the Council to quickly react to those who fall behind on their rents. The Committee would encourage the expansion of the use of Rent Collectors which is currently the most efficient and cost effective way in which the Council collects rent at present.	Cabinet recognises and are aware that there are further significant changes expected as part of the Government's wider welfare reforms. For that reason Cabinet have already acted to put safeguards in place including a commitment to retaining the rent collection service, agreement of a hardship fund with ECC as well as our own provision, commitment to the Essex Family Tending Project, providing additional funding to the CAB and putting in place a Local Council Tax Scheme that is less harsh than other District's schemes.

FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER RESPONSE IN RESPECT OF SPECIAL EXPENSES:

That in respect of the Committee's comments concerning Special Expenses set out in the main body of the report, officers are requested to present a report to a future meeting of the Cabinet setting out the various options as alternatives to the Council's current approach.