

# EAST DEVON DISTRICT COUNCIL

## CONFIDENTIAL Notes of a Meeting of the Budget Working Party held on Monday, 19 May 2014

**Present:**           **Councillors:**  
David Cox (Chairman)  
Ray Bloxham  
Peter Burrows  
Paul Diviani  
Jill Elson  
Tony Howard  
Andrew Moulding  
Geoff Pook

**Also present:**       **Councillors:**  
Phil Twiss

**Officers:**  
Mark Williams, Chief Executive  
Simon Davey, Head of Finance  
John Golding, Head of Housing  
Karen Jenkins, Corporate Organisational Development Manager  
Diana Vernon, Democratic Services Manager

**Apologies**       **Working Party Members**           **Non Working Party Members**  
Geoff Chamberlain                           Peter Halse  
Ian Thomas  
Tim Wood  
Tom Wright

The meeting started at 6.00 pm and ended at 7.48 pm.

**Note:** Meetings of the Budget Working Party are not open to the public. Discussion and agenda papers include confidential information about the Council's business and staff.

### 1       **Minutes of last meeting**

The minutes of the meeting of the Budget Working Party held on 10 October 2013 were agreed and signed as a true record.

### 2       **Declarations of interest**

<b>Councillor/ Officer</b>	<b>Minute number</b>	<b>Type of interest</b>	<b>Nature of interest</b>
Peter Burrows		Personal	Son employed by EDDC in Benefits team
Simon Davey, John Golding Karen Jenkins	4	Personal	The Officers left the Chamber during the discussion on the proposed restructure which would directly affect their employment.

### 3 **2014/15 budget savings put forward by the Working Party**

The report of the Head of Finance set out the savings proposed by the Budget Working Party and agreed by Council. The report was a useful reminder of the work carried out by the Working Party and its contribution to the 2014/15 budget process.

The Working Party's proposals totalled savings of £2.083m. These were listed within the progress report. Only £102K of the savings' total was potentially at risk of not materialising within the planned timescale. The budget would continue to be monitored on a monthly basis by Cabinet.

Comments raised during consideration of this item included:

- Car park revenue streams in 2013/14 had benefited from good weather.
- Delays to the transfer of toilets at Beer and Branscombe from the district council were acknowledged but Officers were able to report that positive negotiations were being carried out.
- It was hoped that the paper light initiative would achieve greater print and post savings than indicated. Progressing paper light for Officers required more complicated arrangements than those in place for Councillors who now used Office 365 (cloud based computing), as Officers needed access to Council systems and information.
- In respect of target increases in income from the Thelma Hulbert Gallery and Manor Pavilion Theatre, the amounts were modest and currently performance was on target. The Manor Pavilion had benefited from having had good management in place for some years and as a result it was attracting bookings from companies who had confidence in the facility. The Gallery was aiming to build up a similar level of confidence.

### 4 **2014/15 budget gap**

The refreshed Medium Term Financial Plan showed an estimated budget deficit for 2015/16 as currently standing at £389,000. The deficit was manageable because of the work already carried out in anticipation of a funding gap - some of the actions now in place were based on proposals put forward in 2014/15.

Savings needed to be found to achieve the possible collection of cardboard for recycling. Provision of this additional service would have to be carefully costed and budgeted, and where not included in existing funding gap or projections.

The report to the Working Party set out how the identified funding gap would be addressed and included a possible senior management restructure.

The Head of Finance, the Head of Housing and the Corporate Organisational Development Manager left the Chamber during the discussion on the proposed management restructure.

The Chief Executive advised that the proposed flatter structure was a potentially low risk approach and would make a significant contribution to Council savings - around £150k to £170k subject to job evaluation.

#### 4 **2014/15 budget gap (continued)**

The inclusion of Strategic Leads and Service Leads within the hierarchy mirrored planned arrangements at Teignbridge and Exeter Councils which could help to facilitate further shared working beyond the planned IT shared service. The flatter structure would mean a wider remit for the posts within the senior management team. The Chief Executive was confident that the senior officers would rise to the challenge and that most were already ably covering most of the additional areas of responsibility.

**ACTION** To note the Working Party's support of the proposed actions (including a possible senior management restructure) to address the 2015/16 budget gap.

#### 5 **2016/17 to 2020/21 budget gap**

The Working Party considered and discussed the report setting out the future budget gap which would be £2.8m annually by 2020/21 if no action was taken to address this and the Council continued on its current course.

The report was supported by a discussion paper – 2020 Vision – EDDC's Transformation Strategy 2014-2020. The Council acknowledged government's intention to continue to reduce public spending which required the Council to transform the way it currently worked. Through the transformation process, the Council aimed to reduce costs and improve services on an ongoing basis in line with agreed 'strategic imperatives'. The report included a list of transformation projects showing how each project would contribute towards the transformation outcomes together with proposals for alternative methods of delivery. The 20/20 paper was realistic and pragmatic and included a stock-take of future delivery ideas with a clear direction of travel which would be used to drive the Council's transformation. The Council would consider examples of best practice from other authorities and determine any benefit to this Council.

The Council had opted to take positive action soon after the last district elections in anticipation of future funding cuts. Forward planning had taken into account partial use of the New Homes Bonus Scheme but it was noted that budgets were not over reliant on this income in case the scheme was withdrawn. The Council's financial position would benefit from effective shared services and the work currently being carried out to progress the IT shared initiative.

The views of the Working Party were invited – these would be reported to the next meeting of Cabinet on 4 June 2014 and included:

- Withdrawal of Devon County presence at Exmouth Town Hall needed to be taken into account. Arrangements at the Town Hall would require a timely review to meet current local requirements.
- The 20/20 paper emphasised core activity but should concentrate more on future activity.

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**2016/17 to 2020/21 budget gap (continued)**

- The 20/20 paper could be more commercially robust whilst taking account of constraints of the democratic process and environmental sensitivity. Proper checks and balances needed to be in place to ensure that planned growth was appropriate for the district.
- The paper should include the office relocation within the strategic direction of the Council. The move was an example of how the Council was taking opportunities to modernise its ways of working and how it delivered services. There was a clear business case for the move that needed to be clearly set out in the document – honestly and factually with costs.
- Transfer of service and asset responsibility to town and parish councils had to be phased and would be a long term challenge.
- The Council’s transformation would be supported by good communication and genuine public consultation; the need to communicate in a range of ways (modern and traditional) was acknowledged as essential.
- The role of ICT was key to improved service delivery and efficiencies.
- The role of the elected councillor should be reviewed as part of the process and best use made of councillor time.
- The austerity challenge should be made very clear.

**ACTION** To note the Working Party’s support of the proposed actions to meet the 2016/17 to 2020/21 budget gap and to note the Working Party’s comments on the 2020 Vision – EDDC’s Transformation Strategy 2014-2020.

Chairman .....

Date .....