

## **EAST DEVON DISTRICT COUNCIL**

### **Confidential minutes of a Meeting of the Rationalisation Panel held at Knowle, Sidmouth on 9 July 2010**

**Present:**

Councillors:

Graham Brown (Chairman)  
Vivienne Ash  
Vivien Duval Steer  
Marion Olive  
Philip Skinner  
Tim Wood

**Also Present**

Councillors:

Ray Franklin  
Mike Green  
Ken Potter  
Tony Reed

Officers:

Mark Williams, Chief Executive  
Karime Hassan, Corporate Director  
Diccon Pearse, Corporate Director  
Kate Little, Head of Planning and Countryside Services  
Paul Seager, Building Control Manager  
Diana Vernon, Democratic Services Manager

**Apologies:**

Councillor Ray Bloxham

Denise Lyon, Deputy Chief Executive

The meeting started at 2.00 pm and ended at 4.55 pm

**\*25 Report of last meeting**

The report of the meeting of the Rationalisation Panel held on 23 June 2010 was noted.

The Chairman cautioned the Panel not to give the impression of being against Partnership working with South Somerset. He stated that this was not the case and that the Panel did not harbour these views. He advised that the Panel was free to criticise and look at alternative options but to keep an open and positive mind in respect of partnership working with SSDC.

**\*26 Planning Services**

Kate Little, Head of Planning Services introduced her report which circulated with the agenda. The service included Planning Policy, Development Management, Building Control and Land Charges. She advised that the Enforcement Officers had accidentally been excluded from the list of staff and that they comprised one Senior Planning Officer and two Enforcement Officers. This Section had recently been reduced by one Part Time Enforcement Officer who would not be replaced.

Members were advised that Planning was a staff based service with no assets. Budgets were weighted by staff and support costs. She believed that any reduction in the budget/staff would affect service delivery, for example by increasing the time taken to process an application and a reduction in advice available. Every opportunity was currently taken to assess income potential.

**\*26 Planning Services (cont)..**

The report to the Panel divided the service into service areas and provided the net cost of delivering each (having taking income into account).

Land Charges covered its costs with income exceeding cost.

Building Control similarly relied on income streams but part of the service, for example in respect of buildings at risk and dangerous structures, was a statutory requirement and not fee earning. Comparisons had been made with charges made by South Somerset DC which had set its fees at a higher rate. The Chairman said that the Council needed to be careful not to lose the competitive edge when increasing charges. Potential business could be lost if the level of charges was too high compared with that of approved inspectors.

The Building Control Manager confirmed that reviews of other providers, including Devon authorities, were carried out before any increase was recommended. He was aware of the importance of keeping charges competitive and advised that his team provided an excellent service which represented good value for money. There was a complex fee structure reflecting the different types of works. The Manager explained that new charging regulations had been put in place and these allowed Building Control Authorities to adjust their charges between April and October 2010. The Service would undertake a rational review of the service charges to increase potential income without losing customers.

Development Management had noted a fall in the number of applications during the recession but income had remained stable due, in the main, to the number of large scale applications being submitted. The Systems Thinking Review of the service had already reduced waste working in respect of processing applications through reducing duplication and double checking. The service had been re-designed to use the released capacity to provide pre-application advice for which there was a steady and growing stream of applicants.

The Chairman advised that he was aware of resistance from large developers to pay for pre-application advice and believed that this should be reviewed.

The Head of Service believed that use of pre application advice had resulted in a better quality of application being submitted. She said that it was the planning authority's job to balance demands/conditions from all consultees for the best outcome and believed that this was achieved through pre-application advice and associated meetings. The quality of pre-application advice and application negotiations had helped to reduce the Council's application refusal rate which was now between 6 and 8%.

The Head of Service advised that the Council's current 'end to end' times in processing applications did not generate complaints and the Council was meeting Government targets. The service reflected an acceptable working balance (staff:number of applications ratio). In answer to a question, the Head of Service advised that further reducing the number of teams to two (from three) would not achieve any savings.

The Policy Team had virtually no income potential. One Senior Planning Officer had been moved from Development Management as a result of the Systems Thinking Review. However there was potential for sharing some policy work with SSDC and the approach utilised, whilst taking into account local differences.

Savings could be achieved through sharing management with South Somerset DC.

Reference was also made to specialist officers within the section who added value to the processes. There was an opportunity to share these skills; to lose the specialist advice altogether would inevitably impact on the quality of service.

The Portfolio Holder for Strategic Planning and Regeneration reminded Members that the Section 106 fund was a valuable resource. These monies were available to use for projects and had included affordable housing although was primarily open space money. It was suggested that Ward Members and local councils should be more involved in the extensive public consultation to free up Officer resources.

**\*26 Planning Services (cont)..**

In reply to a question from the Panel, the Head of Service advised that if funding had to be cut significantly, she would be obliged to consider reducing the specialist officers (currently Landscape Architect shared with the Growth Point 50:50 and two Conservation Officers). Karime Hassan, Corporate Director, in acknowledging that this was an obvious area to seek savings, advised that the Council did need to draw on specialist advice particularly in respect of sensitive and large applications. He suggested that this could be provided as a shared resource. The Portfolio Holder of Strategic Planning and Regeneration agreed that the Landscape Architect was vital to the New Growth team. If not provided in-house, specialist advice would have to be bought in on an 'as required' basis. However existing Planning Officers could be encouraged to 'up-skill' to provide more specialist advice. The Panel acknowledged the need to make savings whilst maintaining the quality of the service. In answer to a question, the Head of Service believed that further reducing the Enforcement Team would generate an unacceptable level of complaints

**RESOLVED****Planning:**

that a report be presented to a future meeting of the Panel:

- a) Setting out what savings could be made in the planning service to achieve a 6% cut in costs in each of the next 3 financial years, taking into account the effect that such cuts would have on the wider public service,
- b) Including a notional cost of potential redundancies
- c) An alternative means of providing specialist advice for the planning service, such as sharing arrangements or outsourcing.

**RECOMMENDED****Building Control**

- (1) that charges be reviewed and set in accordance with the 2010 Building Control Charges Regulations by October 2010,
- (2) that general charges be increased by between 2% and 5% across the board and then Building Notice charges increased by an additional 20%,
- (3) That the new Scale of Charges be published on or before 1 September 2010.

**27 Savings achieved to date**

Members considered the report of the Corporate Director on savings achieved by the Panel to date and those required in the short-term to bring in a balanced budget. Diccon Pearce advised that further information was required from Government to provide an accurate picture of future deficit and the potential budget problems. It was not yet known whether the suggested 25% reduction in settlement grant would be applied equally to all areas. Using assumptions in respect of a freeze in pay awards, no increase in Council Tax and an annual 5% reduction in the formula grant, it was anticipated that the Council would have a £1.5M-2.3M deficit. The Council was looking to address this deficit through the work of the Rationalisation Panel, shared service agenda with SSDC and consultation with local councils. Savings and potential savings achieved to date by the Panel were noted.

**RESOLVED**

- (1) that Diccon Pearce, Corporate Director present a detailed list of Council services/functions to the next meeting to enable the Panel to examine whether these were provided at the most effective level within the organisation,

**27 Savings achieved to date**

- (2) that future services be asked to present savings to the Panel at a minimum of 6% in 2011/2012 and beyond.
- (3) that the Chairman speak to the Head of Organisational Development in respect of the implications of a staff pay-cut and if it was feasible to pursue this approach.

**RECOMMENDED**

that the recommended savings in respect of Housing and Social Inclusion (Minute 21 of 10.06.10 refers) be progressed,

**\*28 Date of next meeting**

The next meeting of the Panel would be held on 28 July 2010 at 10 am.

# **EAST DEVON DISTRICT COUNCIL**

## **Confidential minutes of a Meeting of the Rationalisation Panel held at Knowle, Sidmouth on 28 July 2010**

**Present:**

**Councillors:**

Graham Brown (Chairman)  
Vivienne Ash  
Ray Bloxham  
Marion Olive  
Philip Skinner  
Tim Wood

**Also Present**

**Councillors:**

Mike Green  
Sara Randall Johnson  
Tony Reed  
Pauline Stott

**Officers:**

Mark Williams, Chief Executive  
Denise Lyon, Deputy Chief Executive  
Diccon Pearce, Corporate Director  
Diana Vernon, Democratic Services Manager

**Apologies:**

Councillor Vivien Duval Steer

The meeting started at 10.00 am and ended at 12.35 pm

**\*29 Report of last meeting**

The report of the meeting of the Rationalisation Panel held on 9 July 2010 was noted.

In reply to a question about the Devon District Forum referred to in previous minutes (23 June 2010), the Chief Executive advised that progress being made by the Devon District Forum had been sidelined by the Local Government Review but that conversations were now re-starting. Diccon Pearce, Corporate Director, would report back to the Panel on progress to-date and where significant savings could potentially be made. The form of the proposed Local Enterprise Partnerships had yet to be announced.

In respect of the report of the last meeting, Members appreciated that there needed to be a balance between staff numbers and processing planning applications as insufficient staff would affect the service provided and could generate more costs through delays and complaints. Savings proposed would be quantified and reported to a future meeting.

**\*30 Presentation – A different way**

The Chairman took this item first as it would potentially influence further deliberations.

Councillor Ray Bloxham had asked for the opportunity to look at the rationalisation exercise in a different way. He said that the consideration by the Panel to-date had been on a service by service basis but believed that a more radical approach would identify how savings could be made across services. He cautioned against severe cuts that, although would help to bring in a balanced budget, could result in a loss of skill sets that would hamper future development and effectiveness. EDDC was rated as 'good' and he believed that the Council's public image would be further enhanced by supporting and strengthening delivery of front line services. He believed that redundancies should be a last resort.

\*30 **Presentation – A different way (cont)..**

He suggested that the Council should be re-modelled on the following lines:

- Mandatory/regulatory functions in respect of national legislation, policy and requirements – including Local Development Framework, Development Management, homelessness, elections, waste collection, benefits and parking.
- Earning/trading/business functions – such as car parks, local theatre and estates, which were not regulated by national legislation.
- Communities – non mandatory/regulatory services provided for the benefit of the community which needed to be responsive to local need. These included street cleaning, grounds maintenance, affordable homes and developing the local economy. Community based services required responsive, multi-skilled teams with potential local variability.
- Back room support. This could be shared with other organisations.

The suggested structure would require 4 Heads of Service who would lead multi-skilled teams. It would be a flatter structure than the current arrangement. Councillor Bloxham referred to flexible 'hit teams' that would be responsive to local conditions.

He made a number of suggestions about where he believed savings could be achieved but that any cuts would be balanced between service delivery, budget and how this could be managed. He referred specifically to assets which were being provided/ maintained at a cost and believed that these should be radically reviewed. Each asset needed to be assessed; what was the cost to the Council, what added benefit did it provide and to what sectors of the community. He believed that the Council needed to be much more business-like in its management of assets. Reference was also made to the costs relating to Leisure East Devon.

Councillor Bloxham believed that savings and efficiencies could be achieved through greater use of the website as a means of communicating. He saw the level of wasted paper being generated as being unacceptable in a modern business. He recognised the need to provide adequate support to develop electronic communications, mobile working and hot desking but believed that the support of ICT and HR should be reviewed to see if this could be delivered at less cost and more effectively.

He questioned the viability of basing the council at the Knowle Offices. He emphasised the need to think Devon-wide in most instances and address anomalies between areas. He believed that the council's role would increasingly need to be as enabler, supporting towns and villages in delivering services locally. The district council would carry out work that could not be delegated to local councils for whatever reason.

Councillor Bloxham particularly thanked Peter Jeffs, Denise Lyon and Diccon Pearse for their help and time.

The Chief Executive advised that the Joint Integration Committee work programme had slipped to accommodate the Chancellor's statement on 20 October 2010 in respect of Government grant. This would influence the extent of the cuts required and subsequent decisions in respect of structures and shared services.

At the last meeting of the Executive Board on 14 July 2010, Members had been up-dated on the Council's Medium Term Financial Position. This set out the three main areas of work currently being undertaken to address the deficit, namely thorough the work of the Joint Integration Committee (shared service agenda), the Rationalisation Panel (work on internal efficiencies and savings) and working with Town Councils (sharing the cost of local priority requirements).

**\*30 Presentation – A different way (cont)..**

The Panel was invited to comment on the presentation and raised a number of issues including:

- a. The two main areas of expenditure were in respect of staff and maintaining assets.
- b. It was appreciated that the Council's assets needed to be reviewed but that any such review needed to take into account the value of individual assets to the public. Rather than assume that loss-making assets needed to be disposed of, consideration needed to be given to how to address the loss. For example by use of open spaces by vendors. In some instances it would be more beneficial to the public to cut a member of staff than to dispose of a community valued asset. Disposing of small parcels of land deemed surplus to Council requirements would have a minimal effect on the Council's financial position.
- c. A flatter management structure was generally supported and would be achieved through longer-term planning.
- d. Multi-skilled staff would benefit the organisation and community.
- e. The Panel appreciated the need for the Council to be more business-like. However the difference between a local authority and private business was that the latter was only involved when the enterprise realised a profit.
- f. The Council should not under-estimate the legal and organisational complexity required to run an authority. The need to reduce the budget had to be balanced with the need to retain relevant knowledge, experience and expertise.
- g. There would inevitably be an overlap between mandatory functions and communities.
- h. The current arrangements with Leisure East Devon needed to be revisited to reduce the cost to the Council.
- i. ICT needed to be reviewed to ensure that it could deliver home and mobile working and provide the support to all elected members to deliver the paper-free agenda with effect from May 2011.
- j. The level of consultation with the public needed to be reviewed and should only be carried out where the feedback would be used to influence decisions.
- k. Customer focus was accepted as key.
- l. Area based decisions/teams was likely to be a costly structure.
- m. The ring fenced Housing Revenue Account would not obstruct the review.
- n. The budget deficit was a national and local problem.
- o. The Council needed to work more closely with other public sector providers. The Chief Executive and Diccon Pearse were regularly meeting with the town councils to help maintain current services levels. This would result in local councils taking on new responsibilities for service delivery based on local priorities, for example dog bins, toilets, allotments, playing fields and clocks.
- p. The Council was not just an agent for Central Government; Councillors were elected to serve the local community.

The Chairman thanked Councillor Bloxham for the work he had undertaken and the thought-provoking presentation which had generated a useful debate. He would welcome further input. He noted that the Panel's agenda was driven by the need to make savings in the short and longer term. He felt that the suggested re-structuring would be relevant to longer term planning. The Panel would continue to seek proposals to cut service budgets by 6% for the next three years but would be aware of measuring the impact of any cuts on the service and community.

\*30 **Presentation – A different way (cont)..**

- RESOLVED**
- (1) that the Portfolio Holder – Resources be invited to a future meeting to inform the Panel of the work and current approach of the Asset Management Forum,
  - (2) that the Panel continue to take into account long-term planning and the need to help develop a sustainable organisational structure,
  - (3) that Heads of Service continue to be asked to present savings to the Panel at a minimum of 6% in 2011/12 and beyond.

31 **Streetscene systems thinking review proposals**

The report presented by Denise Lyon, Deputy Chief Executive, explained the 'check' findings of the Streetscene systems thinking review and the resulting experimental redesign phase. She advised the findings from the experimental phase and proposed potential changes to achieve improvements and savings. The service achieved high customer satisfaction and the review had identified only minimal waste. The work of the systems thinking review had helped to streamline systems and achieved efficiencies. The main principles were to deal with customer demand at the first point of contact (one-stop). This meant that it was better to have a duty officer dealing with enquiries (rather than a message-taker) to help avoid duplication of effort and waste.

The Head of Streetscene had not been replaced which meant that the service was being delivered with a flatter structure. Proposals in respect of management would be considered through the Joint Integration Committee process.

Members were made aware of the different needs and progress being made in the east and west areas. The Panel considered the proposed reduction in the number of Technical Officers and the proposal that the Beach Manager's duties be taken over by the area teams. Further testing of the proposals would be carried out to achieve the efficiencies and continue to meet customer expectations

- RECOMMENDED**
- (1) that area working in Streetscene be introduced throughout operations east, with the potential, subject to testing, for operations west to be rolled into the new way of working;
  - (2) that quick fix mobile working technology/solutions be provided for all Streetscene area teams, and further improvements, through better technical solutions, be agreed in principle, with the Programme Board being asked to prioritise this initiative;
  - (3) that the team structure be reviewed and reduced as appropriate following consultation with the teams on the introduction of area working;
  - (4) that grass cutting frequencies be reduced in areas as recommended by Team Leaders but not imposed across the board, with appropriate grass cutting machines being considered in next year's capital purchase programme;

31 **Streetscene systems thinking review proposals**

- (5) that the systems thinking review for the 'living in' part of the housing cycling (planned for a September 2010 start) be deferred until work is completed with Streetscene operations west to help them move forward with systems thinking principles and redesign;
- (6) that the current management structure be reviewed through the Joint Integration Committee.

\*32 **Date of next meetings**

Wednesday, 11 August 2010 - 2pm to discuss, Asset Management, Leisure East Devon and the Beach Management Plan.

Wednesday 25 August 2010 – 1pm to discuss planning and legal services.

