

BUDGET TASK AND FINISH GROUP – FINAL REPORT

1. PURPOSE

- 1.1 The Budget Task & Finish Group has, on behalf of all members, examined the Council's financial plans and existing budgets in considerable detail in the context of the latest forecast Medium Term Financial Plan. This report presents the findings of the Group to the Corporate Overview and Scrutiny Panel for consideration.

2. INTRODUCTION AND CONTEXT

Terms of Reference

The terms of reference for the Budget Task and Finish Group are:

- (1) To review the Budget Strategy and its implications for the broader community of the New Forest; and
- (2) To report the outcome of this review to the Corporate Overview and Scrutiny Panel to assist in responding to the budget proposals for 2018 and beyond.

Membership of Group

Cllr G R Blunden
Cllr Kate Crisell
Cllr Mrs A E McEvoy
Cllr A D O'Sullivan
Cllr A Penson
Cllr Miss A Sevier
Cllr M Steele (Chairman)
Cllr M White

The Work of the Group

- 2.1 At their first meeting it was agreed that the task should again involve a review of performance, as well as meetings with Portfolio Holders. The overriding theme was one of scrutiny and assurance on behalf of all members of the Council and the public they serve.
- 2.2 To assist members of the task and finish group, resource plans for each Portfolio were developed with Portfolio Holders and service managers. The Group found these very useful, and reviewed these in detail before meeting with each Cabinet Member. This provided a thorough review of the challenges on key issues for the Portfolio. As part of their research, group members asked service managers a wide range of detailed questions.

2.3 Previous year's Recommendations

The Group was pleased that considerable progress had been made on several of the recommendations from last year, and noted that updates had been reported through the relevant overview and scrutiny panels.

3. FINDINGS OF THE TASK & FINISH GROUP

Generic and tailored questions were asked to each Portfolio Holder. The generic questions were as follows:

1. The Council has a funding shortfall over the Medium Term that it needs to address. What opportunities within your Portfolio exist that are not currently allowed for in the medium term financial planning, which could make a valuable contribution to closing this budget deficit?
2. Continuation of partnering and collaboration with others to reduce costs and transform service delivery is a key action in the medium term financial plan. What opportunities have been pursued within your portfolio, how successful have they been in terms of cost reduction and what are your future plans for further partnering and collaboration, and service delivery transformation?
3. Can you confirm your portfolio is adhering to the Council Policy of maximising income through fees and charges, and what new and additional income generation opportunities are you exploring?
4. The MTFP has allowed for a significant element of the 2017/18 underspend to be adjusted in the make-up of the 2019/20 budget. To what extent is your Portfolio contributing to this budget adjustment?
5. How are you ensuring value for money is delivered within the spending decisions made within your Portfolio?
6. How do you ensure you maintain quality of services to residents within current financial constraints?

A selection of issues discussed from each portfolio is highlighted below.

3.1 Planning and Infrastructure Portfolio

- 3.1.1 The Group noted that the modest increases in parking clock and meter prices had raised £450,000 without any detrimental impact and the Task and Finish Group suggested future increases be considered through modest regular increases, rather than occasional step increases.
- 3.1.2 Also on parking, it was suggested that the Council investigate the use of automatic number plate recognition for car parking/enforcement, as experience at other authorities had shown this had increased parking income.
- 3.1.3 On the Community Infrastructure Levy funding for projects, the Group would welcome reports, perhaps to Cabinet, on the use of the funds.

- 3.1.4 Members were mindful of the significant costs of planning appeals if appeal decisions went against the Council, and emphasised the need for ongoing training for Planning Committee members.
- 3.1.5 The Group were pleased to see that the IDOX software was being replaced and the opportunity would be taken to improve the related parts of the website.
- 3.1.6 The Group were pleased to see that consideration was being given to streamlining the planning applications process once the new Chief Planning Officer was in post.

3.2 Environment and Regulatory Services Portfolio

- 3.2.1 The Group noted that 18% of households used the garden collection service and felt that additional income could be generated if the number of households utilising the service could be increased.
- 3.2.2 The Group await the introduction of the new National Waste Management Strategy with interest and note this could have significant financial implications to the Council.
- 3.2.3 The Group was pleased to see good examples of collaborative working through Project Integra and the trees service contract.
- 3.2.4 On coastal/flood protection funding, it was noted the costs of these works may fall on the Council if grants could not be obtained from organisations such as the Environment Agency. It was suggested that regular reports be made to the Environment Overview & Scrutiny Panel.
- 3.2.5 The Group noted that the portfolio was working very hard on achieving budget reductions but felt that greater focus was needed on income generation as the scope for cost reductions narrowed.
- 3.2.6 The Group was interested to hear of the fully costed action plan for air quality and the financial implications attaching to this.

3.3 Community Affairs Portfolio

- 3.3.1 The Group noted that the budget for the portfolio was £1.54m, 25% of which was offset by income generation, although it was emphasised that a large part of the portfolio involved statutory functions. The Group would encourage the Portfolio Holder to look for further efficiencies in connection with the introduction of new technology and the website upgrade.
- 3.3.2 The Task and Finish Group recognised the importance of the CCTV function and the role of community safety in the local area and was pleased to note the related CCTV savings through joint working.
- 3.3.3 The Group were pleased to note that the fees for community alarm provision were monitored and were consistent with market rates though income could be improved by increased usage, perhaps for different markets e.g. for lone workers and suggest that this be investigated.

- 3.3.4 The Group were appreciative of the centralised grants approach and the benefits that this was starting to bring.

3.4 Local Economic Development, Property and Innovation Portfolio

- 3.4.1 The Group were mindful that approximately £1m of income was expected to be generated from property investment, but shared the Portfolio Holder's concerns that additional expertise (perhaps using external agencies) may be required in order to achieve the expected income. The Group would also be in favour of a modest expansion of the border area for investment so long as there was still local economic benefit applicable to the New Forest.
- 3.4.2 The Group were supportive of the partnership with Creative England to encourage film making in the New Forest, which had been successful in bringing in approximately £2m into the local area. The Group were also supportive of closer work with the New Forest Business Partnership.
- 3.4.3 The Group felt there would be merit in creating a centralised accommodation strategy within this Portfolio, which, whilst allowing each service to manage operational land or buildings, the future use and income potential could be brought together to allow a strategic view of the Council's property holdings.
- 3.4.4 The Group were pleased to note the financial advantages that will accrue as a result of the new tenants imminently moving into the Lymington Town Hall, but were also minded that work should commence in the near future on the medium to long term strategic vision for this site.
- 3.4.4 The Group felt that the Council could be more active on seeking LEP grant funding and were keen that the Council be aware of opportunities as they arise.
- 3.4.5 The Group strongly supports the Portfolio Holder's approach to pursuing broadband provision within the District.

3.5 Finance, Corporate Services and Improvement Portfolio

- 3.5.1 The Group were mindful of the imminent move of the Revenue and Benefits Team from Lymington Town Hall to Appletree Court and the related benefits under smarter working, which was supported.
- 3.5.2 The Group were interested to note the replacement of Payroll and HR software with a new generic package which could better facilitate future joint working across authorities.
- 3.5.3 It was noted that the Council had participated in the Hampshire-wide Business Rates pilot bid, though it would not be known whether they were successful until mid-December.
- 3.5.4 The Group requested an update on the Protect and Maintain Fund (£1.5m) for ICT, and would be interested to understand the implications of the new ICT Strategy. They suggest that a report be produced and ultimately presented through to Cabinet in the near future.

3.6 Leader and Corporate Affairs Portfolio

- 3.6.1 The Group agrees with the Leader's view on the need for a new impetus in identifying potential collaborative/partnership working. It notes that a report was due to be presented to the Corporate Overview & Scrutiny Panel on past, present and future partnership initiatives.
- 3.6.2 The Group wished to commend the Leader for overseeing significant Council cost reductions without detriment to services (and in many cases resulting in service improvements). They agreed with the Leader that services should be provided at a reasonable cost to the public, and were pleased to note that customer surveys had shown good customer satisfaction levels.
- 3.6.3 The Group very much support the need for improved engagement and collaboration with town and parish councils. This could work in conjunction with the forthcoming refresh that NFALC is undertaking.
- 3.6.4 Sickness absence continued to be a concern for the Group and further information on this was requested. It was noted that sickness for the previous 12 months as at end of September 2018 had reduced by 1.36 days per FTE to 10.33 days, but this still remained a high figure.

3.7 Housing Services Portfolio

- 3.7.1 The Group understood that the portfolio was going through a considerable amount of change and congratulated the Portfolio Holder on the work done and still being done. They were pleased to receive an update on the partnering and collaboration arrangements with Winchester City Council and with the Homelessness Multi-agency Forum.
- 3.7.2 They support the intention to broaden the range of housing tenures to incorporate differing forms of affordable housing to include affordable rents and shared ownership in addition to traditional social rents.
- 3.7.3 The Group noted the potential for financial implications with regards to the collection of rents due to the roll out of Universal Credit and the need for the Council to be vigilant about the impacts of this.
- 3.7.4 The Group was pleased to learn of the emerging Housing Strategy and Allocation Policy and understood the related resources required to achieve their aims. It was felt both were a positive step toward achieving a reduced housing waiting list.
- 3.7.5 The Group noted the uncertainty surrounding the homelessness grant funding and supported any actions to reduce the Council's reliance on B&B accommodation.

3.8 Leisure and Wellbeing Portfolio

- 3.8.1 The Group were pleased to receive an update on the operational review and noted the forecast significant cost savings which would be delivered at minimal detrimental effect to the service provided to the public. The leisure service had benefited from good investment in recent years and once the savings from the operational review were realised, the required subsidy towards this service would be the lowest it had ever been.

The Group also support the work being undertaken by the Leisure Task & Finish Group in respect of future leisure service management.

- 3.8.2 The Group noted the transfer of calls from the Contact Centre to the Leisure Services Team and the related savings this will generate.
- 3.8.3 In respect of Dibden Golf Course, the Group were aware of the recent change in arrangements to bring about an improved partnering relationship with the third party operator.
- 3.8.4 The Group were aware of the revenue contribution made by the Council towards the Eling Experience coupled with a possible shortfall in projected incomes, and would like a review and re-evaluation of the current arrangements.
- 3.8.5 In respect of the Sports and Community Development Service, the Group suggested that additional partnership opportunities be identified for running various events, reducing the cost to the Council.

4. CONCLUSIONS / GROUP COMMENTS

- 4.1 Overall the Group was impressed with the depth and breadth of knowledge of the Portfolio Holders and were grateful to them for their support and engagement in this process. It was also pleasing to note a common theme expressed by the Portfolio Holders of positive relationships with Officers across the Council. The group is pleased with the savings, efficiencies and progress achieved by all portfolios over the year, all at little or no detrimental effect to the front line service delivery to the residents of the New Forest.
- 4.2 In general, the Group would wish to emphasise the importance of the website upgrade and the many efficiencies across several services which depend upon the success of this project. The Group is pleased to note that the Customer Services Task and Finish Group is pursuing the matter.
- 4.3 The Group also wished to request a report to Corporate Overview & Scrutiny Panel on central costs/overheads breakdown and how this is achieved. The Group was sympathetic with the need for additional expertise necessary for property investment and hoped that this is addressed shortly, given the potential benefits involved.
- 4.4 The Group feels that there is a need for a new impetus to drive forward partnership/collaborative working with neighbouring councils and partner organisations.
- 4.5 The Group is also aware of inflationary increases in costs, for example in energy and wages which will counteract some of the efficiencies planned for the future.
- 4.6 The Group suggests a centralised assets control mechanism to give a strategic view of all the Council's land and property holdings to enable long term planning and income generation in this regard.

5. RECOMMENDATIONS

5.1 That the Corporate Overview and Scrutiny Panel be given updates at their 27 June 2019 meeting on progress with the following recommendations:

- I. That the Council consider automatic number plate recognition technology and consider modest regular increases in parking fees, rather than occasional step increases.
- II. That an annual report be sent to Cabinet on the use of Community Infrastructure Levy.
- III. That efforts be made to increase the number of households using the garden collection service in view of the significant potential income generation that could result.
- IV. That the Community Affairs Portfolio Holder investigate ways and means to improve income and reduce costs within Community Alarms, CCTV and Customer Services.
- V. That consideration be given to additional support for property investment, including the option to use external expertise.
- VI. That the Council consider a modest expansion of the geographical area taken into account when looking at property investment, so long as there was still a local economic benefit applicable to the New Forest.
- VII. That consideration be given to creating a centralised accommodation strategy within the Local Economy, Property & Innovation Portfolio, which, whilst allowing each service to manage operational land or buildings, the future use and income potential could be brought together to allow a strategic view of the Council's property holdings.
- VIII. That the Portfolio Holder for Local Economic Development, Property & Innovation keep a watching brief on LEPS grant funding and explore opportunities wherever possible.
- IX. That a report be submitted confirming progress the ICT Protect and Maintain fund as well as the implications of the new ICT Strategy going forward.
- X. That a more pro-active approach be given to partnering/collaboration with other organisations.
- XI. That a re-evaluation of the current arrangements in terms of the District Council's contribution towards the Eling Experience be undertaken.

Further Information:

Budget Task and Finish Group

Enquiries:

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Background Papers:

Budget Task and Finish Group working papers and resource plans. Published documents