

## **BUDGET TASK AND FINISH GROUP – FINAL REPORT**

### **1. PURPOSE**

- 1.1 The Budget Task & Finish Group have, on behalf of all members, now examined the Council's financial plans and annual budget for 2017/18 in considerable detail. This report presents the findings of the Group to the Corporate Overview and Scrutiny Panel for their 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 2017 and beyond.

#### **Membership of group**

Cllr Sue Bennison  
Cllr G R Blunden  
Cllr Kate Crisell  
Cllr M R Harris (Chairman)  
Cllr Mrs A E McEvoy  
Cllr Mrs A Rostand  
Cllr A D O'Sullivan  
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 and 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. The group were also provided with the Revenue and Capital Budget Books for 2016/17. As part of their research, group members asked service managers a wide range of detailed questions during the process. They also asked for a list of statutory and non - statutory functions.

2.3 Generic questions were asked of each Portfolio Holder on the following :

- *Plans for Partnership/Collaborative Working / level of savings anticipated?*
- *Methods of maximising income, other than increasing charges?*
- *Financial and efficiency impact of service reviews undertaken to date, and planned for 2017/18?*

### **3. FINDINGS OF THE TASK & FINISH GROUP**

A selection of issues discussed from each portfolio are highlighted below. Savings figures are given where these were supplied.

#### **3.1 Leader's Portfolio**

Savings from reviews which had taken place in 2015/16 included Human Resources, Business Improvement, and Employment and Tourism (£45k). The Council provided payroll services to the NPA through a Service Level Agreement. The Group wished to pursue the question of whether this could be extended to other organisations.

The Leader was asked about the effect of the Devolution process. Although the devolution discussions had raised a number of potential opportunities for collaborations on service provision, authorities had been awaiting the outcome of devolution before committing to any initiatives. This dialogue would continue.

The Leader was also asked about sickness absence levels, which had risen slightly in 2015/16, and he had asked for further details of this to be provided at the next Industrial Relations Committee meeting in December.

#### **3.2 Housing & Communities Portfolio**

The portfolio holder was asked about maximising Housing income, which was to a large extent restricted as housing rents were controlled by legislation and must reduce by 1% per annum until at least 2019/20.

It was noted that a task and finish group dealing with CCTV had suggested formalising charges to parish and town councils and this was in hand, along with a camera and network upgrade and an overall review of locations.

Partnership working was ongoing through the Community Safety Safer New Forest Strategy and Delivery Group, where the Council liaised with its statutory partners, Police, Fire and Adult and Children's Services. The Council also worked in partnership on the Troubled Families initiative. The Council was also a member of The Hampshire Alliance for Rural Affordable Housing (HARAH). The Council has also worked in partnership with HCC on land acquisitions / swaps to achieve a housing scheme at Cranleigh Paddock.

It was noted that there was still work to be done in addressing rising costs of Bed and breakfast accommodation and alternative provision

A number of savings had been achieved, for example from a review of Community Safety (£65k), and senior staff reductions in the Housing Service earlier in 2016/17, which would bring cost benefits over future years.

The Group acknowledged the difficult and complex challenges facing the Housing service. It is felt that the Right to Buy policy was in need of review and that the Council should consider lobbying local MP's to this end.

### **3.3 Health & Leisure Portfolio**

The Group noted that the Health & Leisure Portfolio had achieved significant financial benefits from partnership working, efficiency savings, and income generation, whilst customer satisfaction had increased. The service was reported to be £115k ahead on income. The leisure service was entirely discretionary but had the aim to be self-financing, focusing on its strengths, better use of technology for its customers and continued investment in facilities. It was striving to achieve a balance between operating as a business whilst providing a service to the community. A fundamental Service Review is to take place in 2017.

The Portfolio holder was asked about throughput and user satisfaction at Dibden Golf Centre, which was run in partnership with a private contractor and this was under current review. Customer satisfaction had risen from 49% to 72% over the last 5 years.

The service worked with Community First, doctors' surgeries, Hampshire Cultural Trust, Children and Young People Emotional Wellbeing and Mental Health Group, New Forest Health and Wellbeing Partnership Board, and participated in 'dementia friendly' initiatives.

The Group were pleased to note improved transparency in respect of community grants and member meetings on these were taking place early in the New Year.

### **3.4 Environment Portfolio**

The Portfolio holder was asked about Beach hut rents and the extent to which these would recoup the money spent on replacement, and it was noted that rents would increase by 3% in 2017/18. There were also questions about Bottom Ash, grass cutting and public conveniences costs.

A number of efficiencies and cost savings were noted from reductions in the number of recycling centres (£140k), land drainage (£140K), roadside litter collections, and fly tipping reorganisation (£50k). A review of pest control, vehicle workshops and enforcement activities will be undertaken in 2017/18, though currently the savings are unknown.

The Group noted examples of collaborative working with the Environment Agency for coastal works, and with Poole BC on a beach management plan to achieve efficiencies for joint funded projects. The Council was also working with TVBC to retender the tree management contract. A street cleaning pilot with New Milton Town Council had reduced costs and improved service standards. There was further potential for efficiencies on driver training and vehicle procurement through collaboration with Project Integra.

### **3.5 Finance and Efficiency**

The Group were pleased to note the work to develop a commercial property investment strategy which could be a promising source of future income. The matter was being pursued by a Task and Finish Group reporting to COSP. This was in addition to the ongoing work to maximise income from existing assets, including effective collection of rents and periodic reviews.

Savings from reviews of accountancy and audit (£60k), and central purchasing (£67k) had been achieved, and a review of ICT Services was underway. Digital Service Delivery, a Customer Service Strategy, and the Building Works review were also in train.

The Council had partnership agreements with organisations such as Citizen's Advice Bureau (CAB), and Community First through significant grants. A task and finish group was considering the level of a number of grants, including for CAB. It was suggested

that central government be urged to provide support to CAB's in view of the expected pressure caused by Universal Credit.

The Council's Internal Audit service already provided various services to a number of local parish and town councils, as well as districts of Christchurch, East Dorset, Purbeck, Poole and Rushmoor.

The Group heard that an actuarial review of the Council's pension liabilities had meant that a significant sum (£1.6 million over the next four years) would need to be found, which negated some of the savings made over the past year, though was inescapable.

### **3.6 Planning & Transportation Portfolio**

The Portfolio Holder was asked how the Planning Department will cope with the projected 10,000 more homes being built over the next decade. Work was being undertaken within the service to identify efficiencies that will assist with this. Planning application fees were set by Government but these underestimated the costs involved, especially for smaller scale developments. Charges for pre application advice were set to cover costs.

The Group noted that the planning management team had been restructured in 2015/16, which had subsequently contributed to the corporate review through service managers taking on additional responsibilities, thus facilitating staff reductions elsewhere. A review of Land Charges fees was planned for the forthcoming year. Income from Local Plan potential site allocation advice for 2016/17 was estimated at £10k.

Examples of joint working were shared services with the NPA, including Payroll, Accountancy and Audit, Ecology, Archaeology, and Tree Team. The Group noted that negotiations were underway with Southampton, Eastleigh and IOW councils to provide a joint Building Control Service.

### **3.7 Previous Recommendations**

The Group were pleased that there had been considerable progress on some of last year's recommendations, some of which are repeated below for reference.

- A need for a structural review of the Health and Leisure service (Being undertaken in 2017)
- Identification of land for a crematorium (Now being pursued by private sector)
- CCTV Task and Finish Group to identify revenue sources (Negotiations with Parish and Town Councils concluding by Spring 2017)
- Customer services changes to make savings (Report to COSP in March 2017)
- Review of bring sites for recycling (Completed)
- Fees and charges – Keyhaven (Completed)
- Review of annual revenue grants (Completed January 2017)
- Commercial Property Investment (Draft strategy being progressed)

## **4. CONCLUSIONS / CHAIRMAN' COMMENTS**

The Group were aware of the considerable pressure on portfolio holders at this time, given the pace of change and the significant challenges involved, and would like to express their gratitude for the portfolio holders' openness and participation in the process.

Overall, the Group were impressed at the clear shift of all portfolios towards a more business-lead approach and a strong theme of business development this year. The Group noted the substantial changes from corporate restructuring and service reviews, both of which had delivered significant savings and are ongoing.

The Group was pleased to hear that a fundamental review of the Council's Health and Leisure Service would be undertaken in 2017. In view of its potential significance for the Council overall, the Group request that a report be submitted to COSP before a final decision is made.

The Group also suggests that COSP receives annual reports on its pension liabilities, in view of the potential impact on Council finances.

The Group would again highlight that Bed and Breakfast costs have been a matter of concern for a number of years, and suggest that a working group be formed to investigate alternative options.

Although it was clear that joint working was taking place in a number of areas, the Group again asks for consideration to be given to offering the Council's services to more external organisations as a way of generating income.

The Group acknowledges that Government funding has fallen by approximately 40% over the last 6 years and all statutory services are still being efficiently provided.

The reduction in government grant, combined with other pressures, means the Council is still facing a significant challenge to close the deficit over future years, and further measures will be needed to achieve this.

## **5. RECOMMENDATIONS**

The Budget Task & Finish Group would recommend that:

- (a) All portfolio holders be urged to seek further opportunities for provision of services in collaboration with other authorities and organisations, especially the National Park Authority;
- (b) Representations be made to New Forest MP's on the Right to Buy policy and its detrimental effect on housing provision;
- (c) The Government be made aware of the effect on the public in regard to Universal Credit and the impact on the Citizens' Advice Bureau;
- (d) Consideration be given to increase income generation from offering the Council's services to other organisations, eg payroll, audit, and other services where practicable;
- (e) That in view of its financial and community significance, COSP receive a report on the Leisure Review and be given the opportunity to comment before a decision is made.
- (f) That a Task and Finish Group be set up to examine alternative options for Bed and Breakfast provision.

Councillor Michael Harris  
Chairman of Budget Task &  
Finish Group

**Background Papers:**  
Budget Task and Finish Group working  
papers and resource plans. Published  
documents