

## **BATH AND NORTH EAST SOMERSET**

### **RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL**

Monday, 12th November, 2012

**Present:-** Councillors John Bull (Chair), Manda Rigby (Vice-Chair), Colin Barrett, Paul Myers, Charles Gerrish, Barry Macrae and Nigel Roberts

**Also in attendance:** William Harding (Head of Human Resources), Vernon Hitchman (Divisional Director, Legal and Democratic Services), Angela Parratt (Head of Transformation), Andrew Pate (Strategic Director, Resources), Tim Richens (Divisional Director, Finance), Ian Savigar (Divisional Director for Customer Services), David Thompson (Divisional Director, Improvement & Performance) and David Trethewey (Divisional Director , Policy & Partnerships)

#### **38 WELCOME AND INTRODUCTIONS**

The Chairman welcomed everyone to the meeting.

#### **39 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

#### **40 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Cabinet Member Councillor David Bellotti sent his apologies to the Panel.

#### **41 DECLARATIONS OF INTEREST**

There were none.

#### **42 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

#### **43 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

A member of the public, Lin Patterson made a statement to the Panel on 'Save Our 6-7 Buses' in which she thanked the Council regarding bus subsidies. *A copy of the statement can be found on the Panel's Minute Book.*

Councillor Bull commented that the decisions on bus subsidies were not confirmed, Ms Patterson acknowledged that the process was not over yet.

#### **44 MINUTES OF PREVIOUS MEETING - 17TH SEPTEMBER 2012**

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

#### **45 KEYNSHAM TOWN CENTRE REGENERATION - UPDATE**

The officer was unable to attend the meeting. The item was deferred for consideration at a future meeting of the Panel.

#### **46 MEDIUM TERM SERVICE AND RESOURCE PLANS**

The Panel considered and commented on the Medium Term Service and Resource Plan.

#### ANNEX 1

P10. Councillor Macrae stated that he was horrified that 220 families are costing £250-300k. The Strategic Director for Resources Andrew Pate explained that the figure included a range of public expenditures from a wide range of agencies, not just the Council and including police plus health. He explained that significant work as part of the connecting families project was needed to take this forward; it is not a quick win and is about prevention.

P11. Councillor Gerrish noted that there was no reference to ICT coming back in house but was referred to elsewhere.

P13. Councillor Myers asked what protection was in place in terms of the Government nationalising parts of our commercial estate. The Strategic Director explained that there was not a Government plan to do this and that their direction of travel was more local control and localism but with financial restrictions.

Councillor Barrett asked if the Avon Pension Fund could be used to fund projects. Tim Richens, Divisional Director Finance explained that the Pension Fund could only invest in line with underpinning legislation and not on individual local schemes.

P16. Councillor Macrae asked about the tourism levy. The Strategic Director explained that this would be based on practice in other places eg. France and the Lake District. Councillor Gerrish stated that it was a sensible way to look to find additional revenue and that he was comfortable with the principle, he explained that hotels could collect the money.

P18. Workforce Planning - Councillor Macrae raised the issue of the impact of the proposed cuts on staff morale, he stated that there would be an increasing cost to the authority due to the stress of the cuts which was impacting a large number of staff. He stated that he hoped this was taken on board. The Strategic Director explained that all divisional directors and managers are asked to be aware of these issues; he stressed the need for good communication and acknowledged that it was a significant challenge. Councillor N Roberts stated that the change programme does help in that people can see that it is about innovating and not staying the same.

He further stated that the authority had a responsibility to set a budget according to what funds we have, he said that there would be some natural wastage. Councillor Barrett added that morale is paramount. William Harding, Head of Human Resources assured members that there is full consultation with the Unions and staff.

#### Appendix 1

P21. Councillor Gerrish stated that the plan to hold wage growth to 1% might be asking too much over this length of time. The Divisional Director for Finance explained that there will be variations in the three year plan but that the assumption was in line with the Government's public sector guidelines.

#### Appendix 2

Councillor Gerrish asked if there is capacity to manage the scale of the programme regarding the work for DDA. The Strategic Director and Julie Bromley – Finance and Resources Manager, Property explained that the Capital Plan Maintenance Programme and DDA are priorities and she believed there is capacity. Councillor Macrae stated that there was a lot of property development in Bath and Keynsham but not Midsomer Norton. Councillor Myers asked that the Somer Valley are be considered and built flexibly into this plan.

P26. Councillor Gerrish stated that he was concerned about the reference to 'basic levels of maintenance', Richard Long – Estates Manager explained that the department would not lose sight of maintenance. Councillor Bull stated that there were risks in reducing maintenance. The Strategic Director stated that the plan included less expenditure as a result of rationalising property through the workplaces programme and having easier to maintain property.

P26. Councillor Myers asked if there could be a reference added under 'Property' to community assets and localism.

Councillor Macrae asked about Community Safety. Councillor Bull pointed to the reference to the minimal role that we will play in Community Safety as the grant on this will transfer to the police commissioner. Councillor Roberts stated that there was a need to keep some things that are important to communities such as taxi marshals.

#### Appendix 4

Councillor Bull congratulated officers on getting everything in to the report.

P33. 'ICT-Corporate' Councillor Bull stated that ICT systems often cost more than predicted so he felt it was optimistic to say there would be savings in this area. Angela Parratt – Head of Transformation, explained that savings had already been made in some departments through rationalising what we have and this would be widened to savings on the global Council spend. She explained that there were a lot of examples where savings could be made such as duplications.

Councillor Macrae asked about the staff impact which is stated is 'to be assessed', he asked why the information was not in the report. The Strategic Director explained that ICT is outsourced at the moment and there are people who work in ICT outside

the Council and the whole resource pool had to be looked at which could not be done yet as the service was not back in house at this time. Councillor Roberts stated that it was a good strategy.

Councillor Bull asked what 'procure to pay' meant. The Finance Divisional Director explained that at the moment invoices are processed manually, the new system would do this automatically which would reduce the manual work. He confirmed that payments would be at 30 days.

P34. Customer Service Programme Management – Councillor Gerrish stated that he was concerned that this was not an effective saving and it might be unwise even though it was year 3, he stated that staff are working and coming up with ideas, losing this intelligence may be counterproductive. The Strategic Director explained that this programme/service does come to a close in 2015 and within the general workforce planning we needed to think ahead.

P35. Management Structure – Councillor Bull asked what this meant. The Strategic Director explained that he was not ready to announce the detail yet and more would follow early in the New Year but that the number of managers would have to go down in line with budgets.

P36. Property – Councillor Bull stated that the proposed savings were worrying. Councillor Macrae agreed and stated that 20 staff was a large number and that this service was income generating. The Strategic Director stated that the level of saving was large but that Property had the largest budget in the Department which was generally receiving a 15% cut. Councillor Gerrish stated that the 'less responsive service' reference was worrying and could lead to major damage and that these savings may be a false economy. The Estates Manager stated that maintaining balance between in house and the external market was important, he stated that there would be a cultural shift. He acknowledged that there would be impacts but that the protection of assets was paramount. The Strategic Director stated that he did not want a reduced ability to collect commercial estate income but that there were opportunities for the Property Department to work with Heritage and Major Projects and Schools. He explained that there were some efficiency opportunities.

Councillor Rigby stated that she was interested in how savings could be split up. She stated the need for a staging plan for developments and agreed about maximising income. She suggested looking at the proposed cuts separately (Property development and income maximisation). The Panel asked that this be brought back to their January 2013 meeting with more details of the proposals.

P37. Travel Plan – Corporate (Policy and Partnerships) – David Trethewey, Divisional Director Policy and Partnerships, explained the introduction of HMRC travel rates. Councillor Gerrish stated that he hoped the same would apply to members. Councillor Gerrish added that meeting times should be set around train timetables (half past the hour). Councillor Barrett asked if the move to HMRC travel rates was changing the conditions of service for staff. The Head of Resources explained there was some discretion to vary the scheme in discussions with Trade Unions. He explained that car allowances are not part of contracts.

P39. Legal – Vernon Hitchman, Divisional Director for Legal and Democratic Services explained that he was looking at ways in which local authorities could share

specialist legal expertise. He explained that he had looked at areas where we have been over cautious. The proposed cuts would result in a minimal legal service. Councillor Macrae stated that we could not resource for every eventuality. Councillor Gerrish added that there may be savings to be made in other departments if they could not rely on a legal department as a safety net. He added that, the Council has occasionally been outgunned in the past and left exposed and the proposed savings may leave us more exposed.

P42. Advertising (Improvement and Performance) – Councillor Gerrish stated that we should look at adverts in car parks as a potential source of revenue. Councillor Barrett suggested waste bins.

P44. Housing Benefit and Universal Credits – Ian Savigar, Divisional Director for Customer Services explained that any cuts in government grants could result in staff cuts. It was agreed that this would be noted as a potential risk.

P45. Savings from Christmas lighting budget (Policy and Partnerships) – Councillor Barrett asked about the additional provision for Weston, he stated that he was concerned with putting money up front for three years. Councillor Gerrish stated that he felt that the Council should seek to remain the client for a framework contract but not the payer. He explained that the Council can achieve economies of scale that communities could not.

P46. Democratic Services (Legal and Democratic) – Councillor Bull stated that proposed cuts are directly concerned with how we operate as a democratic body. He added that the proposals would reduce the accountability of the administration. He suggested ways to deal with the shortfall - reduce the Ward Councillor Initiative and/or reduce Councillors allowances by 10%. He favoured these savings rather than lose the mechanism for calling the administration to account. He explained that there was already work that could not be done due to a lack of staff. He stated that to reduce scrutiny meetings from 40 a year to 12 was hardly even a skeleton body. He stated that we should find ways to maintain the staff and stated he felt strongly about this.

Councillor Gerrish stated that he shared the concerns and that cutting meetings would be disenfranchising the minority. He added that to reduce scrutiny panel meetings would mean that when panels did meet they would cease to be productive due to over long agendas. He stated that he recognised that there is a rationale in aligning scrutiny panels to directorates which would mean less panels, but not less meetings for the remaining panels and that the process could be more streamlined in doing so but he was totally against the proposed cuts as shown in the report. He added that the call-in process had significant value and members could destroy these budget proposals by call-ins. He urged officers to rethink on this. The Strategic Director stated that asking a scrutiny panel to consider cuts to scrutiny meetings would always be controversial; he explained that these proposals had come up at the budget fair. He stated that the alignment to directorates was interesting as the directorates had been cut from 5 to 3. He explained that the capacity to support scrutiny meetings in management terms is reducing. He concluded by stating that the budget papers showed a set of proposals which could be varied. Councillor Bull stated that some people who heard these proposals at the budget fair were aghast.

The Divisional Director for Legal and Democratic Services explained that he had been asked to protect the Weekly List and Forward Plan and that he could not cut many regulatory meetings so the easiest area to reduce is the PDS function. Councillor Macrae stated that this proposal should be stopped now as we should not cut back on democracy. He accepted that there may be restructuring but underlined that democracy must be funded and prioritised. Councillor Roberts stated that we must look at what we are doing and whether it is holding the Executive to account, he pointed out that there were no public at the meeting tonight. He stated that Democracy is not sacrosanct. He mentioned that there was a current working party looking at PDS Panel remits.

Councillor Rigby stated that the direction of travel for the working party is to align PDS Panels with directorates. She stated that there will be hard decisions and one area cannot be ring fenced, the area should at least be robustly examined. Councillor Barrett stated that the Cabinet style of local government meant that there was less and less democracy, he stated that the proposed cuts meant that we are going further down the road of not being accountable to the electorate. He, along with Councillor Macrae, underlined that the proposals are undemocratic and that Trade Unions should be consulted at every stage.

Councillor Gerrish stated that effective scrutiny helps the Cabinet to run effectively and that some panels have a larger public turn out than others. He stated that savings must be achieved and that democracy is expensive. He suggested that the Council could run cheaper with less Councillors and this should be looked into. He stated that he was uncomfortable with cutting PDS meetings to 12 per year, two of these meetings would be budget meetings and it was right that the finances of the Council be subject to detailed scrutiny. He added that he supported a small cut in members allowances although Cabinet member allowances should be protected.

Councillor Bull concluded that this area should be an area of concern and needed further consideration. He also suggested that the Scrutiny Chairs Group be asked to look at the implications without drastic cuts in meetings or staff.

P49. The Strategic Director updated the panel explaining that in section 3 the figures do not allow for an increase in Council Tax, but include the government Council Tax freeze grant (equivalent to 1% and paid for 2 years). He stressed the uncertainty around the settlement in December.

Councillor Barrett stated that the officers had done this difficult task well.

Councillor Gerrish stated that panel members had received an email from a member of the public Nicolette Boater which had been taken into account.

It was **RESOLVED** that the following issues require further consideration and highlighting as part of the budget process for 2013/14:

1. Property Services
2. Democratic Services

**47 CABINET MEMBER UPDATE**

The Cabinet Member for Resources sent his apologies to the Panel. There was no Cabinet Member Update.

**48 PANEL FUTURE WORK PLAN**

The Panel noted the Future Work Plan.

The meeting ended at 9.15 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**