

TRANSFORMATION AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 30th October, 2012

Present:- Councillor Mrs Elizabeth Shenton – in the Chair
Councillors Mrs Burgess, Hambleton, Mrs Hambleton, Mrs Heames and Howells

1. APOLOGIES

Apologies were received from Cllr Clarke, Cllr Fear, Cllr Mrs Peers, Cllr Stringer and Cllr Waring.

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting held on 3 September 2012 were agreed as a correct record.

4. MEDIUM TERM FINANCIAL STRATEGY

The Committee considered a report regarding the Medium Term Financial Strategy which had been approved by Cabinet on 17 October 2012. The report had been brought to the Committee for their comment and feedback. Officers were thanked for the excellent format and use of language in the report and strategy, which made it accessible to Members and members of the public.

The Medium Term Financial Strategy was updated every year and aimed to predict the likely budget totals. A Budget Review Group (BRG) had been set up, chaired by the Portfolio Holder for Finance and Budget Management, and made up by three Cabinet members and two senior Officers. The biggest uncertainty facing the Council's finances was central government funding. The details of the funding settlement would not be available until the third week of December.

Members questioned which efficiencies were being investigated in order to create savings. Nothing was off the table and the BRG had been given a clean slate to work with. Fees and charges, terms and conditions, procurement, expenses, staffing, and changing the way we work were examples of areas that were being looked at. Members questioned which particular areas were being looked at in relation to staffing and terms and conditions. The Portfolio Holder for Finance and Budget Management advised that there were around twenty different options regarding staffing, but that there would be no redundancies. With regard to expenses, best practice would be looked at in order to be consistent with other local authorities across the country, as some current practices at the Council did not match what was happening elsewhere. These efficiencies were currently in draft form and there was no solid selection at the moment; the selection would be made available at the next meeting of the Committee. The settlement for central government funding was the

key issue to the selection of efficiencies, and it was preferable to not commit to any efficiencies at this stage.

Members highlighted the 5% reduction in Central Government funding that had been assumed, and questioned that if the reduction was greater than 5% with no efficiencies in place and no increase in fees and charges, where would staffing become relevant. If the settlement was worse than anticipated then it would be covered by an additional sum which did not include staffing cuts. Members further questioned service reviews that were being undertaken. The reviews would give more power to section heads and allow them more freedom to run their directorates in the way they considered best. Every Head of Service had been given the option to participate and there had been a peer challenge. There would be possible savings and the potential to invest to save. It was considered by Members that the cost of labour was the greatest form of expenditure for the Council. Full time equivalent staff had not been reviewed and vacant posts may have been offered by the Executive Management Team as possible savings. Members questioned whether new vacant posts were being looked at, and if so, which ones. There were a number of different posts, but Officers did not have the details to hand. The posts would have been vacated at different times over the last twelve months. The information would be provided to the Chair after the meeting.

The General Fund Balance of £1.4 million was questioned by Members. The reserves had been reviewed as part of the budget process and all indications were that they would appear to be sufficient. It was questioned whether the money factored in for Council Priorities had been factored in to continue, which was confirmed to be the case. It was further questioned what would happen if the £10,000 sum allocated to home security support for vulnerable residents was not enough. The best use was being made of the £10,000 and the Portfolio Holder was happy with the situation moving forward. The current spend on the priority was within the allocated sum and was being monitored with feedback being received. The Portfolio Holder would hold discussions with the Executive Director Resources and Support Services if demand outstripped the budget, and budgets needed to be looked at.

The Town Centre Partnership and the £30,000 that had been allocated to it were questioned by Members. It was considered that this did not seem a large figure and Members questioned whether the recruitment process was now underway for the Town Centre Manager. The advert for the Town Centre Manager position would be out that week and there would be a robust recruitment exercise for the role. Funding was being sought from other sources, and the £30,000 figure was the Council's contribution. It was requested that the Committee receive the figures regarding this, the funding position and a copy of the advert for the Town Centre Manager.

Members questioned what the potential additional areas of income generation were. Advertising was considered a potential for income generation as there were areas within the borough that were ideal for advertising. Initiatives such as selling space on the back of parking tickets were an option; the majority of councils did this and Newcastle Borough did not. It was hoped that advertising would be implemented in time to affect next year's budget and there were other discussions taking place too. It was noted by Members that Jubilee 2 had done well with generating income. It was noted in the minutes of the previous meeting however that expenditure was eating into the income being generated. This was due to additional cleaning of the facility.. There would be a six month report at the next Committee meeting which would show that income was significantly up.

Members questioned what was meant by good housekeeping. This could be a number of things including energy usage, use of I.T. equipment and printing in black and white rather than colour. It was questioned by Members what was meant by the better use of assets. Shared use of the Civic Offices with partners was an example, as was using the best routes with regard to vehicles to save petrol; the best value should be made of any physical assets. It was questioned whether this would mean fixed capital assets and it was confirmed that this would be the case. The Asset Management Strategy was a current review of all Borough Council owned assets with disposal or shared use being considered, and the strategy was expected to be received by the Committee in December. The former St. Giles and St. George's school building and the former Sainsburys site were examples of properties included in the review. Members questioned whether the Asset Management Strategy would name sites and it was confirmed that definitive sites would be named and the business list would be received with the Asset Management Strategy in December. There was no new information to be shared with the Committee; the Council was always looking at partnership working.

The Committee concurred they were satisfied that the questions asked had been sufficient and they were positive with the report and strategy, subject to the additional information that had been requested.

RESOLVED: (a) That the information be received.

(b) That the Committee be provided with the funding position and a copy of the advert for the Town Centre Manager position.

5. **OUTLINE OF THE BUDGET CONSULTATION PROCESS**

The Committee received a verbal update regarding the budget consultation process from the Head of Communications.

The Communications department were in the penultimate week of a six week consultation, which would conclude the week ending Friday 9 November. There had not been a major budget consultation since 2004 and the Communications department had tried to be innovative, inclusive and extensive in their approach to the consultation. A variety of approaches were being utilised including face to face meetings, public meetings, online consultation, coffee mornings and events at Jubilee 2, which the public had been supportive of. 6,000 copies of the special budget Reporter had been distributed and 500 responses had been received so far. Young people were being engaged through the Kidsgrove Youth Parliament and it was important that their voices be heard. The Head of Communications felt that the consultation was going quite well. It had been a learning curve, with some elements being good and some not so good. Lessons were being learnt should the process be conducted again.

Members considered that the use of resources was an important element to consider. The results of the consultation would be brought to the next meeting of the Committee on 10 December. Members questioned what the attendance had been at the public meetings. These had been the least successful element of the consultation exercise, with the face to face meetings being the most successful. Asking people to come to you did not work, it was necessary to go where the conversations were, as engaging the public was difficult. Members considered that it was difficult to quantify the consultation results and questioned how the results would be fed into the

outcomes, and how they would affect the final decisions. This could be considered alongside best practice compared to neighbouring authorities. The Council was doing well compared to its neighbours considering the number of responses and the size of the population. It was hoped that there would be around 600 responses in total. If there was a clear steer from Borough residents then this would be given weight.

Members considered that the consultation questions on the questionnaire were quite simple and that most residents would like improvements. They questioned how the exercise could be validated when most people would consider the options extremely important. The Head of Communications considered that the two documents distributed had worked as a pair, with context being established from the special edition Reporter. The questionnaire would not be distributed in isolation. People were taking the time to complete the questionnaires and make comments; they were not just ticking the boxes.

The question was raised by Members as to why a question had not been included regarding council tax, and it was asked whether there would be a freeze or a reduction in council tax. As of the date of the meeting there would be a steer to the Executive Director Resources and Support Services that a freeze would be desirable. If the settlement for central government funding was not good, then the situation could be reassessed, but the aim was to have a freeze. The possibility of including a question regarding council tax had been discussed by the Budget Review Group who compiled the questionnaire; however it was decided to settle upon areas of direct concern for the public. Best practice had also been considered, and a similar format to best practice had been followed. It was noted that Stoke-on-Trent City Council had not asked a direct question as part of their budget consultation. It was questioned whether members of the public had made comments regarding council tax, and it was confirmed that this was the case, with many comments noting that they did not want an increase in council tax. The Portfolio Holder also noted that council tax had been mentioned several times when speaking to members of the public.

Members questioned whether it had been ascertained that all people partaking in the face to face meetings resided within the Borough. This was confirmed as the case, and where people were completing the questionnaire online, they were asked for their post code and address to ensure they were Newcastle Borough residents.

The Chair of the Committee requested the breakdown between the percentage of people who completed the questionnaire online and those who physically completed it, for the next meeting. It was considered that online consultation might be the key pointer in going forward.

RESOLVED: (a) That the information be received.

(b) That the results of the consultation be brought to the next meeting of the Committee on 10 December.

6. URGENT BUSINESS

There was no urgent business considered.

COUNCILLOR MRS ELIZABETH SHENTON
Chair