

By: Geoff Wild, Director of Law and Governance  
 To: Corporate Policy Overview Committee - 25 January 2008  
 Subject: **The Future of Democratic Services and Localism**

## 1. Analysing the savings cuts

1.1 In July 2006, Democratic Services were charged with making savings of £500k over the next 2 years. This was later revised in October 2006 to £450k (£250k in 2007/08; £200k in 2008/09). The Leader asked for an Issues Paper on how this could be achieved.

1.2 The following was submitted:

<b>Democratic Services cost centres</b>	<b>2006/07 net cash limit £k</b>
Secretariat (Committee Teams and most Member Support)	£1467.0
Members (Member Allowances and other costs related directly to Members)	£2248.1
Lord Chancellor's (appointment process for Magistrates – all costs reimbursed by Lord Chancellor's Department)	0
<b>Total net cash limit 2006/07</b>	<b>£3715.1</b>
LESS Member's Allowances (Basic, SRA, mileage and fares)	<u>£1953.8</u>
<b>Net cash limit 2006/07 excluding Member's Allowances</b>	<b>£1761.3</b>
Less reduction made during 2006/07 through the transfer of Cabinet Member Secretaries and an Assistant Staff Officer to Directorates	-£137.6
<b>Updated cash limit 2006/07 excluding Members' Allowances</b>	<b>£1623.7</b>

1.3 Savings of £450k represented 27.74% of the updated cash limit. It seemed that the reduction made in the budget during 2006/07 through the transfer of staff to other Directorates was not taken into account when the savings target was set.

1.4 There were three ways in which savings of the magnitude of £450k could be achieved:

- radical modernisation of services (which would require an element of 'invest to save')
- major reductions in the services provided
- a combination of the two

## **1.5 Modernisation**

**1.5.1 Greater use of technology.** Electronic publication of committee agendas, etc, could save a significant proportion of the current printing bill (£57.6k last year). Work was already in progress to allow Democratic Services to publish agendas, reports, etc direct to the website. Once completed this should allow a major saving to be made in the printing bill (say £40k in 2007/08 and future years).

Of course, electronic publishing requires a change of culture amongst both Members and officers. They have to accept that agendas, etc, are normally only be accessible on-line and not in paper form.

This was agreed.

Since then, we have introduced direct publishing to the website in Autumn 2007. We are progressively moving towards greater electronic publication of committee agendas, minutes, correspondence with Members, etc, to reduce the current annual printing and postage bill of £68k. Operating on the principle of "less paper" rather than "paperless".

### **Anticipated savings: £30k**

**1.5.2 Partnership working.** Kent District Councils could be approached about working together in various areas in order to allow savings to be made by both KCC and the districts. For example, a jointly agreed KCC/District Overview and Scrutiny programme could be negotiated to pool and share the costs of O&S research staff. A joint Member Training programme could also be developed. This is still being explored.

**1.5.3 Income Generation.** There might be scope for carrying out Overview and Scrutiny research on behalf of districts (as an alternative to the partnership arrangements suggested above) or neighbouring counties. There might also be scope in assisting NHS bodies in Kent with their democratic processes.

This is still being explored.

**1.5.4 Merger of Committee staff with Local Boards staff.** Committee staff already worked closely with the Community Liaison Managers (CLMs) (who were not within Democratic Services), and there were a number of developments taking place (such as the Lyons Inquiry, preparation of the Local Government White Paper, and the preliminary thinking, which eventually led to the Local Government and Public Involvement in Health Act 2007 (LGPIHA). This suggested that closer working or a merger would be beneficial by helping to focus resources on developing KCC's neighbourhood agenda, something which was encouraged by Lyons, the White Paper, and the LGPIHA.

A merger of the Democratic Services Unit with the CLM team would also provide savings in staff over the short to medium-term.

This was agreed and the merger of Democratic Services and the Local Boards Team to form the new Democratic Services and Local Leadership Unit will take effect from 1 April 2008.

## **Anticipated savings: £175k**

### **1.6 Reductions**

1.6.1 Apart from one post which was being deliberately held vacant, there was no spare capacity in the Unit. Thus, any savings would require reducing or stopping completely the provision of particular services or facilities. Note that, in most cases, savings from staff reductions would be offset by redundancy costs. Savings have in fact been achieved through vacancy management and running cost efficiencies.

## **Anticipated savings: £10k**

**1.6.1 Committee Teams.** One member of staff who left earlier in 2006 had not been replaced. The intention was not to seek a permanent replacement but instead to employ a temporary clerical assistant for the six months of the education admission appeal season each year (February to August).

This was agreed. Since then, we have filled the full time committee post with temporary cover during the education admission appeals season each year.

## **Anticipated savings: £15k**

1.6.2 An alternative option would be for Members to agree a rationalisation and reduction of committees, e.g. the abolition of the Cabinet Scrutiny Committee (with call-in powers exercised instead by the Policy Overview Committees), Selection Committee, Advisory Boards to Cabinet, Children's Champions Board, etc. This would result in a real reduction in the number of meetings, and allow the number of Democratic Services' staff to be reduced.

This was not agreed and, of course, the LGPIHA is likely to require more Member meetings to undertake overview and scrutiny of public services and this would, in any case, have reduced the scope for such a reduction.

**1.6.3 Overview and Scrutiny Research.** While the Topic Review Programme has been very successful both in public relations terms, and in engaging backbench Members, there is no statutory requirement to carry out topic reviews. It was therefore suggested that the resources devoted to Topic Reviews could be reduced or even removed altogether.

If it was decided to cease Topic Reviews altogether staffing could be reduced by 2 FTE Research Officers; 1 ADP placement funded by Democratic Services; and 1 Democratic Services Officer, offering a saving of c£140k. Alternatively, a smaller saving could be achieved by reducing, rather than completely ceasing, Topic Reviews.

Because the Topic Review programme has been so successful in allowing backbench Members to make a contribution to policy development, any cutback in it was likely to be unpopular with Members from all political groups.

Research Officers would be required to handle more than one Topic Review at any given time. CLMs would also be required to become involved in supporting Research Officers with Topic Reviews.

Abolition of the Topic Review programme was not agreed, but the staffing resources were reduced by about 50%, leaving 1.5 fte Research Officers for general reviews and 1 Research Officer for NHS Overview and Scrutiny.

**Anticipated savings: £53k**

**1.6.4 Member Support Staff.** A number of options (some mutually exclusive) were suggested for rationalising or reducing the officer support provided by Democratic Services' staff to Members:

(a) Both the Labour and Liberal Democrat Groups have one Staff Officer each. One option considered was for both opposition groups to share a Staff Officer. It was recognised that there would be political objections to this on the basis that sharing a Staff Officer would reduce the effectiveness of the opposition as a whole, and might create tensions between the two opposition groups, but it would allow savings of £50k.

This was not agreed.

(b) The Labour and Liberal Democrat Group also have one PA (FTE) each. One option was to combine these PAs with the Conservative's general Members' Secretary, and possibly the Chairman's PA as well, to create a Members' Secretariat for non-Cabinet Members from all parties. This would allow overall staff numbers to be reduced. Whilst it was recognised that there might be political opposition to this, it was noted that pre-1993, the Members' Secretariat did operate successfully on a cross-party basis.

This was not agreed.

(c) PA support to the Liberal Democrat Group was provided by two part-time staff, one of whom was due to retire within the next year. If this part-time appointment was not filled, a saving of 0.5 fte (£16.6k) could be achieved.

This was agreed with the Leader of the Liberal Democrat Group and has been actioned.

**Anticipated savings: £17k**

(d) Until September 2006, the Members' Secretariat comprised 5 FTE posts. Four of these posts transferred to Directorates leaving 1 general Member's Secretary for the Conservative Group within Democratic Services. Selection Committee in July agreed in principle that a second general Conservative Members' Secretary should be recruited. If such an appointment was made, it would result in an additional cost of £26.5k pa but funding has not, so far, been made available.

The position was that the general Conservative Members' Secretary was not being fully utilised and had considerable spare capacity. It was therefore suggested that this Secretary should be relocated to Room 1.65 in order to allow her and the Cabinet Member PAs to provide mutual cover and balance out their overall workload. It was also suggested that no action should be taken to recruit a second general Conservative Members' Secretary unless and until the workload justified it.

This was agreed.

(e) It was suggested that it might be possible to merge the Members' Desk with the Main Reception Desk, but it was pointed out that the Members' Desk receptionists provided valuable clerical support to the Democratic Services Unit as a whole, as well as providing support to Members. This work would still need to be undertaken so the opportunities for real savings here were very limited.

This was not agreed.

(f) If Member support staff and Member facilities were reduced, there might be an opportunity to rationalise the management of those staff, leading to further savings of up to **£50k**.

This was agreed and the Member Services Manager post has been made redundant with effect from 31 January 2008.

**1.6.5 Member Facilities.** A number of options were suggested for savings in this area, such as:

(a) Considerable savings had already been achieved on the Members' car service over recent years through the use of sessional drivers, instead of permanently-employed chauffeurs. With the transfer of the last chauffeur to administrative duties, further savings of **£7k** could be made.

One option was to reduce or remove entirely the Member car fleet. This option would only be worthwhile in the longer-term because the cars are leased; the leases had three years to run; and the penalties for early termination were high. However, after three years, if the cars were not replaced, then, as well as the savings in car leasing costs (**£20k**), there would be related savings in running costs (**£13.5k**) and in the employment of chauffeurs (**£40k**). However, these savings would be offset by increases in mileage claims or taxi fares by those Members who currently made use of the car fleet.

An alternative option was to transfer the running of the car fleet to Kent Top Travel (an arms-length company set up by Commercial Services). Such an option appeared to offer the possibility of savings. However, this was explored but ultimately rejected because operation of the Member Cars did not fit into Kent Top Temps' business model.

It was agreed to reduce the Member car fleet by one vehicle (fortuitously, one car had recently been written off in a flood and this allowed us to terminate the leasing arrangements with immediate effect) and introduce a more restrictive protocol governing car usage by Members and officers, resulting in a reduction in leasing, running and driver costs. The Leader was given a cost benefit analysis comparing costs of retaining a fourth car with potential additional taxi costs incurred by having only three cars. The Leader was also given confirmation that Members could make use of the Car Club cars.

**Anticipated savings: £7k**



### 3. What Proportion (%) of Total Budget the savings Represented

07/08 target of £190k = 5% of net budget of £3,798k

08/09 target of £166k = 4.6% of net budget of £3,615k

### 4. How this Compares with Savings Targets set for other parts of CED

07/08 target of £14288k = 10.8% of net budget of £132,073k for CED, ranging from:

- £4,375k from Property = 41.8% of net budget of £10,458k
- £455k from IS = 3% of net budget of £15,276k

### 5. The measures required to be taken to meet those targets, including loss of key staff

The above actions requires a loss of 5.5 FTEs over 2 years

### 6. Alternative savings proposals for 2008/09 and subsequent years rejected by the Leader

1	Reduction or complete cancellation of Member and Local Schemes Grants, comprising: Member Community Grants £840k Small Community Capital Grants £500k Local Schemes Grants £400k <i>Complete cancellation would run counter to localism agenda and would be unpopular with backbench Members, but reduction (e.g., scrapping of Local Schemes Grants) may be acceptable.</i>	Up to £1.740m
2	3% pa reduction in Members' Allowances and Expenses <i>This area was excluded from the budget cuts originally imposed on Democratic Services. The next major review of Members' Allowances is expected to take place at the time of the May 2009 election.</i>	£200k
3	Scrap Local Boards and all Member Support from Community Liaison Managers Potentially 6 FTE redundancies <i>Runs counter to localism agenda and could affect CPA/CAA.</i>	£330k
4	Reduce or remove staff support from Opposition Groups Potentially 5 FTE redundancies <i>Would be strongly opposed by opposition groups unless</i>	Up to £150k

	<i>proportionate cuts made in support for majority group. NB: budget for support staff for majority group split between Directorates, Policy Unit and Democratic Services.</i>	
5	<p>Further reduce or scrap Topic Review Programme (Select Committees) and NHS Overview and Scrutiny research</p> <p>Potentially 4 FTE redundancies</p> <p><i>Would be unpopular with backbench Members, would reduce KCC's excellent reputation in this area, and could affect CPA/CAA.</i></p>	Up to £150k
6	<p>Reduce or remove entirely Member Car Fleet</p> <p>(*NB savings would be offset by increased mileage claims or taxi fares by senior Members and Chief Executive)</p> <p><i>Would reduce reputation of KCC if Chairman had to drive him/herself to events. Possible loss of efficiency for senior Members and Chief Executive who can currently work on chauffeur-driven journeys.</i></p>	Up to £75k*
7	<p>Rationalisation of Committee structure</p> <p>Fewer Committees should result in fewer meetings and this might allow some savings in staff (potentially involving redundancies) and Members' travelling expenses.</p> <p><i>Proposals in the LGPIHA are likely to require additional Member meetings to allow KCC to fulfil its new responsibilities to scrutinise other public services. Failure to fulfil those new responsibilities could affect CPA/CAA.</i></p>	£?

## 7. The effect on staff of reorganisation

The way in which the unit was targeted for such savage cuts made staff feel that their contribution to the work of KCC was not valued. That and the prospect of significant cuts hanging over the unit's head for such a long period has inevitably reduced morale.

Redundancy costs for the three senior members of staff leaving KCC amount to £151k (£69.9k to be met corporately, £81.1k from Democratic Services). Recruitment costs to appoint new Head of Democratic Services and Local Leadership estimated at £10k.

Future developments and plans have been made to accommodate the reduction in resources, e.g. computerised committee management system (CMS), new combined unit synergies, etc.

Whilst the primary benefit of the CMS is to enable staff to work more effectively, it will also enable work levels to be maintained by fewer numbers of staff, thus freeing them up to undertake other tasks.

Opportunities for further savings may still be identified, e.g. transferring education appeals and scrapping Member cars, plus other savings proposals submitted recently

Jettisoning education appeals would just be a cost-shunt to CFE and would not represent a saving for KCC as a whole. It is also worth mentioning the additional pressures which Democratic Services is likely to face as a result of implementation of the LGPIHA – including scrutiny of Police and other public bodies; LINk; community call for action; processing of petitions, etc.

## **8. Future pressures**

The prospects of additional workloads and demands from Members exist in the areas of:

- Localism (increased decentralisation, partnership working and possible delegation of powers and budgets)
- Overview (increased select committee work and scrutiny role, increased number of meetings, etc)
- Scrutiny (LGPIHA implications and increased workload)
- Standards (the prospect of local investigations)

With the corresponding need for additional staffing and/or changes in staff responsibilities.

Somewhat ironically, after having gone through a difficult and tortuous restructuring process and implemented radical savings proposals, we have now received additional funding of £345k for Localism (equivalent to 7.3 FTEs) and £19k for Members' code of conduct training. There are also proposals for additional funding from 2008/09 to support health scrutiny and the general scrutiny process.

## **9. How current levels of resources, staffing, numbers of meetings, etc, compares with other similar authorities - using benchmarking data**

Unfortunately, data of this kind is extremely hard to capture. The problem has always been that every council's democratic services function is organised differently, and so meaningful comparisons are virtually impossible.

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