

From: Chairman of Communities Cabinet Committee
Cabinet Member for Communities
Corporate Director for Customer & Communities
Corporate Director for Finance and Procurement

To: Communities Cabinet Committee

Date: 17 January 2013

Subject: 2013/14 Revenue Budget Consultation Responses

Summary: The late announcement of the Local Government Finance arrangements for 2013/14 means the final draft budget could not be available in time to include in this report.

The Finance Business Partner or Head of Financial Strategy will provide a verbal update on the proposals affecting the Communities portfolio for the committee to consider.

This report contains an extract of the responses to the public consultation, as well as feedback from the MORI exercise, that relate to this portfolio.

1. Introduction

- 1.1 At the last meeting the Committee was given an update on the consultation relating to the draft budget that was launched in September. The consultation closed on 1 November but full analysis of all the responses was not available in time for the committee.

A full report was presented to Cabinet on 3 December and analysis from the independent MORI research and responses to KCC consultation document were published at the same time. These reports are available at http://www.kent.gov.uk/your_council/council_spending/budget_proposals.aspx and a summary of the responses is provided in section 2.3.

- 1.2 The consultation identified that the council faced estimated reductions in government grant/council tax collection of £28m (excluding Dedicated Schools Grant) and estimated additional spending demands of £32m. Together these required savings and income of £60m to balance the budget.
- 1.3 Since the KCC consultation was launched there have been a number of funding changes announced by central government and details of the new business rates arrangements are still to be resolved.

These were reported to Cabinet on 3 December and Cabinet was asked to note the likely overall detrimental impact. Cabinet resolved that the impact would only be quantified after the provisional local government finance settlement is announced

(this was anticipated to be later than previous years and would not be available until close to Christmas).

2. Consultation Responses

2.1 There were a number of issues affecting the Communities portfolio in the consultation, as reported to Cabinet on 3 December. Cabinet's response was included in the report and is set out below (see 2.3) for Cabinet Committee to comment.

2.2 The Executive Summary of the Budget Consultation Report contained the following wording in relation to this portfolio:

"There were no savings proposals linked to community services. As a result there was not a significant level of responses concerning these services".

It must be clarified however that "community services" – in this context – refers to the A-Z classification and not the entirety of this portfolio as there were a number of savings contained within the consultation in relation to the portfolio. These are, however, included under different A-Z headings. The total level of savings for the Communities portfolio is included within section 3.

2.3 Cabinet's response to the consultation feedback is as follows:

Participants felt that there was plenty of scope for communities and individuals to take more responsibility for community services, including paying charges at point of use and further reliance of online services. There was no desire to increase Council Tax or council funding for these services and savings can be made.

People were also willing to consider a reduction in the quality of these services if needed, including things like reducing library buildings.

Participants who did not directly interact with Community Wardens did not appreciate the value they added.

2.3.1 Cabinet welcomes participants' interest in communities and individuals taking more responsibility for Community Services and KCC is already encouraging this. Through Future Library Services, KCC is working with communities to identify options for library services in their local area. Cabinet acknowledges that participants were prepared to accept the closure of library buildings but are confident we can deliver the savings and maintain our existing libraries through transformation.

2.3.2 Cabinet is particularly pleased to see that participants were willing to rely more on online services. KCC is committed to channel shift, as set out in the Customer Service Strategy. This means enabling customers to use the web to help themselves, whilst reserving more expensive face-to-face and phone for the most complex enquiries, or those who cannot go online. The forthcoming replacement and enhancement of kent.gov will make it easier to access information and allow people to carry out more transactions with KCC online which will improve efficiency and cost effectiveness, as well as the user experience.

- 2.3.3 Cabinet acknowledges participants' concerns about the value of Community Wardens. While the area covered by Community Wardens is not universal, other research shows that they are highly valued in the areas they operate in. Cabinet intends to work with the new Police and Crime Commissioner to identify options for community policing to inform the future role of Community Wardens.

3. Medium Term Financial Plan and Budget Book

- 3.1 The published Medium Term Financial Plan (MTFP) 2012/15 set out the main changes between 2011/12 and 2012/13 budget for each portfolio. We did not produce detailed plans for individual portfolios for future years as recent experience has shown that subsequent changes make these plans unrealistic.

The 2012/13 plan for the Communities portfolio was included in the 2012/15 Medium Term Financial Plan (MTFP) on pages 73 and 74 and progress against these savings has been integrated into the financial monitoring papers to Cabinet (and to this Committee) throughout the year. The £15.4m of savings have been delivered.

- 3.2 The Budget Book continues to be produced in an A to Z service format rather than portfolio basis as it focuses attention on the services KCC provides rather than how the authority is organised.
- 3.3 The Budget Book included a revised presentation of the capital programme. This set out the overall capital investments under each portfolio and how expenditure in 2012/15 was planned to be funded.
- 3.4 The final draft MTFP and Budget Book 2013/14 is not yet available due to the late announcement of the Local Government Finance arrangements.

The latest drafts, as well as the budget consultation, both adopt these same principles. The final draft of the MTFP will also include more detail on the national and local economic context and revised revenue and capital budget strategies.

- 3.5 The budget consultation included total savings and mitigations of just under £4.5m, with £2.8m relating to savings agreed as part of the previous 3-year MTFP, as well as £1.7m of new savings. The proposed future net budget for the directorate is £76.5m.

As the budget consultation was presented in an A-Z and not directorate format, a spreadsheet was provided at the November meeting to clarify what savings were being made and from which service.

- 3.6 The timing of the local government provisional settlement means that Committees have had little opportunity to consider the final draft proposals in advance of the meeting. An oral update will be presented at this meeting.

Committees are then invited to consider whether individual Informal Member Groups (IMGs) should be convened to consider the draft proposals prior to final consideration at County Council on 14 February 2013.

4. Recommendations

4.1 Members are asked to:

- (a) NOTE the late announcement of the provisional local government finance settlement and the impact on budget.
- (b) CONSIDER the final budget proposals affecting the Communities portfolio in advance of County Council meeting on 14 February 2013.
- (c) COMMENT on the issues affecting the Communities portfolio raised in consultation and Cabinet's response.

Background Documents

N/A

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