

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Scrutiny and Overview Committee

16th December 2004

AUTHOR/S: Chief Executive

MEDIUM TERM FINANCIAL STRATEGY – EXPENDITURE PROPOSALS

Purpose

1. To enable the Committee to scrutinise bids being put forward for new spending in 2005/06 onwards

Effect on Corporate Objectives

2.	Quality, Accessible Services	The Cabinet has agreed that the Medium Term Financial Strategy should be based on the approach that new spending should only be approved for inescapable commitments and spending to support the CPA Improvement Plans for the following areas: Improving Customer service; the new settlements and affordable housing – which directly support the corporate objectives: Quality Accessible Services, Sustainability and Village life (respectively). One of the valuable roles which the Committee can fulfil in scrutinising the spending bids included with this report is to assess whether they will lead to real improvements in the Council's priority areas.
	Village Life	
	Sustainability	
	Partnership	

Background

3. The CPA team identified the lack of a current Medium Term Financial Strategy as a weakness of the Council. At its meetings in October and November the Cabinet has been developing its approach to a Medium Term Financial Strategy (MTFS) with the aim of the approval of a strategy by February.
4. One of the most important considerations in developing a MTFS is to enable the Council to respond to the many additional spending pressures which are likely to arise in 2006/7 and future years. For this reason it has been agreed to limit additional spending for the next three years to:-
 - (a) Inescapable spending requirements
 - (b) Spending to support the CPA Improvement Plans for the three priorities: improving customer service; the new settlements; and affordable housing.
5. The Council is currently developing a CPA Improvement Plan for each of the above priorities setting out clearly for the next three years: actions to be undertaken; outcomes to be achieved; milestones and resources needed. This work has not yet been completed in detail, but the actions and outcomes for each priority area will be under the following headings:-

Improving Customer Service – actions, milestones and resources to:-

- (a) Complete the Contact Centre project and provide a high standards of service for residents using it.
- (b) Achieve government targets for e-government and specific service delivery.
- (c) Establish a wider range of services, including transactions, on the web site
- (d) Establish service standards across the Council and publish them. Monitor progress against them; provide training; integrate with Council systems;
- (e) Improve and use complaints and compliments systems.
- (f) Improve user satisfaction figures by the time of the three yearly survey in 2006.

New settlements – actions, milestones and resources to:-

- (a) Adopt clear objectives and corporate arrangements for pursuing them.
- (b) Clarify the ongoing role of the Council in the changing district.
- (c) Ensure the timely completion of the LDF, Action Area Plans, masterplans, design guidance etc to achieve the Council's objectives.
- (d) Ensure that the needs of services are effectively pursued through the development process.
- (e) Achieve and contribute to effective partnership arrangements

Affordable Housing – actions, milestones and resources to:-

- (a) Continue to achieve at least 300 units of affordable housing per year, including an element of local village schemes.
- (b) Contribute to the LPSA County wide target of 290 affordable houses without grant.
- (c) Ensure planning policies, partnership arrangements and resources are available to meet these targets.

6. The Cabinet has given approval in principle to expenditure bids put forward which fall into these categories. The next step is to ensure that these bids are accurately costed; represent value for money; and genuinely reflect the Council's priorities. To assist in this officers have prepared templates (**APPENDIX 1**) giving more detailed costs and justifications for each of the bids (over £10,000) which have been agreed in principle and for which there is planned expenditure in 2005/6.

Considerations

7. Given the financial situation facing us, it is important that any new spending is inescapable or will bring tangible benefits in relation to our priorities. In scrutinising these bids the Committee is advised to take into account the following questions:-
- a) **Are the inescapable bids genuinely inescapable?** In other words, if the Council does not approve the bids, will the Council or the public suffer specific and real harm. The sort of justification which might be acceptable is that if the expenditure is refused, the Council would:-
 - break a contract or other legal/partnership agreement
 - be faced with legal challenge
 - be challenged by audit or inspectors
 - fail in a clear statutory duty which would result in real service implications
 - risk health/safety implications
 - b) **Would the bid make a real difference in relation to our priorities?** In other words would the bid make a direct contribution to our three priorities (as defined in paragraph 5 above) or is the link more tenuous?

- c) **Would service users or the public experience a real benefit as a result of the bid?** Could this benefit be quantified? Ideally, spending proposals would demonstrate an improvement to performance indicator targets, but there could be other ways in which a benefit could be demonstrated – for example:-
- a new service that will be available and an assessment of the number of users and/or the ways that they will benefit.
 - an extension in the availability of a service and the people who are likely to benefit.
 - an improvement to the environment experienced by a number of residents

Additional Bids

8. The following proposals are put forward which were not included in the bids approved in principle by the Cabinet on 17th November:-
- (a) **Continued Employment of Refuse Support Officer.** It has been proposed that the categorisation of this post as being to promote recycling did not do justice to the importance of the post in providing a customer service. It is therefore submitted as a bid under improving customer service.
- (b) **Northstowe Housing Project Manager.** This post was included in the bids provisionally agreed by Cabinet as starting in 2006/7. However, it is now put forward to start in 2005/6. Funding may be received from the Infrastructure Partnership or the possibility of a joint post with Cambridge City could be explored.
- (c) **Planning Service - Software to enable residents to ask the question "Do I need Planning Permission"** on line. (£32,000 - one off). This is an additional bid put forward to improve customer service.
- (d) **Planning Service - Software to allow on-line submission of planning applications** (£41,000 - one off) A further bid put forward to improve customer service.

Financial Implications/Risk Management

9. At this stage Management Team and Cabinet have not considered (a) the additional bids and (b) the detailed justifications for all the bids. A judgement will need to be made about which bids are to proceed in the light of the merits of the bids (taking into account the comments of this Committee) and the overall financial position facing the Council in the light of the government financial settlement and other factors. The inclusion of the bids with this report does not at this stage indicate approval by Management Team or Cabinet.
10. There are a number of assumptions behind the Cabinet's current planning of the MTFS, for example:-
- (a) That the Council's council tax is not subject to capping.
- (b) There will not be a further large increase in planning applications over the existing level of 2,700 per annum.
- (c) Planning Delivery Grant will continue to finance the existing planning posts which have been created using the grant.

- (d) The posts required for the growth areas (Northstowe, Eastern Fringe, Southern Fringe etc) will be funded by Cambridgeshire Horizons (the Infrastructure Partnership)
11. If any of these assumptions are not met, the Council will need to review the savings or the expenditure bids, on which it is planning to base the MTFS

Recommendations

12. The Committee is recommended to scrutinise all the bids, taking into account the questions in paragraph 7 above, and for each bid to:-
- (c) To support the bid as being inescapable or making a real contribution to the Council's three priorities.
- (d) To advise the Cabinet to refuse the bid, giving reasons.
- (e) To ask for further work on the bid before it is presented to Cabinet.

Background Papers: all the papers used in the preparation of this report are already published.

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- (for individual bids) The contact officer given in the reports in Appendix 1

APPENDIX 1

New Expenditure Bids for 2005/6

Detailed justifications of the following bids are attached:-

Bid	Cost in 2005/6 (£000s)	Inescapable or to meet Priorities	
1	Affordable Housing – Appraisal of Council Housing assets	24	P
2	Affordable Housing – Northstowe Housing Project Manager	35	I
3	Benefits Improvements	83	I/P
4	Community Access Points Co-ordinator	30	P
5	Community Facilities Construction expert	48	P
6	Northstowe Governance	33	P
7	Conservation – Trees and Landscape Officer	11	P
8	Disabled Facilities grants	100	I
9	Refuse and Recycling Officer	21	P
10	Waste and Recycling costs	252	I
11	Retendering of the dry recyclables contract	60	I
12	Programmed maintenance to plant	34	I
13	Variations to cleaning contract	11	I
14	Vending Machines	12.4	I
15	National Graduate Programme	15	P
16	ICT Desktop upgrade	45	I
17	ICT E-Government requirements	31 (c) 62.5	I
18	ICT – GIS	160	I
19	JDI development project	90	I
20	Planning - on line enquiries	32	P
21	Planning – on-line submission of applications	41	P
22	Cambridgeshire Horizons (Infrastructure Partnership)	30	P