

Barry Keel
Chief Executive
Plymouth City Council
Plymouth PL1 2AA

21 December 2010

Dear Barry

City Council budget for 2011/12

Thank you for having given the Chamber early insight to the City Council's thinking with regard to next year's budget. I would like to take this opportunity of stating that I believe the consultation process has been much more effective this year and hope that the same process can be repeated for future years.

Our comments on the budget have been derived through:

- the presentation given by Malcolm Coe to the Chamber Stakeholder group on 22 November;
- a meeting held between myself, Charles Evans, director of the Chamber, and Giles Perritt on 29 November;
- a brief review of the 14 December Cabinet Paper : 2011/12 Indicative Budget (Revenue & Capital) allocated to corporate priorities.

Our comments are numbered for ease of reference as follows:

1. We are pleased to see that the number of priorities being addressed by the council has fallen from the 14 CIPS used in previous years to the four now being proposed. We believe that this approach will enable the council to become more focussed in its activities.
2. We are particularly pleased to see that the Council is proposing that Delivering Growth is the top of these four priorities. Delivering Growth will secure revenue streams for the city as a whole and so make the remaining three priorities that much easier to achieve. Indeed we would go so far as to suggest that were Delivering Growth not the top priority then the other three would be almost impossible to address successfully.
3. We were asked to comment on the relevance of the proposed outcomes. Broadly we believe that they are relevant. We would however suggest that the outcome "Rate of small business growth with turnover greater than £100k" might be better placed in the Delivering Growth priority as this impacts more on Growth than Aspirations. We think that the turnover threshold should be that required for VAT registration, ie £70,000 as there are many businesses operating in the city which are not recognised

as they are not VAT registered. It would be also much simpler to record as a measure.

4. We were asked to comment on where we believe the Council should concentrate its attention on efficiency savings. Our primary suggestions are that the Council should :
 - a. make greater use of ICT to streamline its processes further and to reduce manual paper-based activity. This should occur both within internal operations in the Council and in its “front-line” services when dealing with public. Recent research suggests that the cost of a “transaction” delivered over the internet can be as little as 25 pence, compared with as much as £18 when a personal face-to-face approach is used. Such a move will undoubtedly require more investment in ICT systems within the Council and we are pleased to see that this forms part of the “Invest To Save” programme;
 - b. explore the possibility of sharing services with other local authorities, in areas such as council tax collection and other basic activities for which the overall functional requirement is the same. This approach could extend to the sharing of staff across local authorities and we note that South Hams and West Devon Borough Councils have already taken this step by having a shared Chief Executive. We suggest that sharing resource across other neighbouring local authorities may be possible, and indeed desirable, for Economic Development, particularly as the proposed Devon & Somerset LEP is likely to require that delivery is focussed on the Plymouth Travel To Work Area, not just within the city boundaries. We note from the budget documentation that the broad concept of shared services is not cited as a possibility;
 - c. develop more actively its procurement function such that a wider number of private sector organisations are invited to bid for the delivery of Council goods and services. We have been somewhat disappointed that the Council has not made full use of the Sell 2 Plymouth initiative which informs private sector organisations of contracts for up to £25,000. We believe that full use of the system would offer the Council the opportunity to procure many goods and services at significantly lower cost than is currently the case. We note that no mention is made of Sell 2 Plymouth in the budget documentation.
5. Our final comment relates to a major cross-cutting theme for the city, namely Digital Connectivity. While such a programme may not intuitively form part of the budget, we also note that it does not currently form a major thrust within the LTP3. Given that Digital Connectivity can :
 - a. facilitate the delivery of the economic strategy;
 - b. reduce the need to travel and so reduce the city’s carbon footprint;
 - c. offer the ability to share services with other local authorities;
 - d. allow better sharing of information with other public sector agencies such as the NHS, police and fire service to provide a more joined up delivery of services to the public;

we believe this programme does deserve a formal place in the city's thinking and strategic development. It is not clear to us as to how the Council plans to ensure that the concept is embraced across all Council departments and we would like to suggest that this topic is an important agenda item for early 2011.

I hope that you find our comments to be of value and constructive. Thank you once again for having given us this opportunity to comment on the budget at this formative stage in its development.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. S. Parlby'.

David Parlby
Chief Executive

Copy : Doug Fletcher, Chairman
Charles Evans, Director
Giles Perritt, PCC
Cllr David James