

CO-OPERATIVE SCRUTINY BOARD MINUTE 61 OF 4 SEPTEMBER 2013

THE BRILLIANT CO-OPERATIVE COUNCIL SUSTAINABLE THREE YEAR PLAN

Tracey Lee (Chief Executive) and Councillor Tudor (Leader) presented a report that identified some of the key financial challenges that the Council faced over the coming three years, proposed a revised approach to financial planning over the medium term and sought approval for a Council-wide transformation programme based on Co-operative Values to substantially reduce the operating costs of the Council and ensure the maximum possible investment in achieving the Corporate Plan objectives.

Since 2009/2010 the Council had already reduced its expenditure by circa £30m through efficiency savings and service reductions. With the impact of the reduction in government funding, Welfare Reform, reductions in Revenue Support Grant and the localisation of the Council Tax benefit and Business Rates receipts and the increased demand for Council services, the Council faced an estimated funding gap over the next three years of circa £65m. The value of these savings equated to the complete shutdown of Exeter City Council for five years.

The proposed Transformation Programme would deliver a fundamental change in the way that the Council goes about its business, delivering significant savings in four key areas –

- economic growth initiatives that would provide financial dividends for the Council, a more commercial approach to the way that the Council runs its services and smarter procurement and commissioning;
- customer-led service design, transforming the way the Council interacts with customers to meet their demands and preferences;
- creating an integrated approach to health, wellbeing and social care commissioning, working co-operatively across all local communities and partners;
- smarter, evidence based decision-making for the Council using co-operative principles and support services delivering against the Council's new organisational requirements.

To support the delivery and implementation of the Transformation Programme, the council would develop two 'enabling programmes' focused on –

- better use of the Council's physical and technical infrastructure and assets to better service the needs of the organisation now and into the future;
- ensuring that Members and staff are engaged and supported through the Transformation Programme and that they have the necessary skills to deliver.

In response to questions raised by Members, it was reported –

- (a) the cuts from Central Government were unprecedented and as such there would be reductions in Council services although currently no decisions had been taken; however the three year plan outlined how this would be achieved;
- (b) engagement with the local community would continue as part of the scrutiny process;
- (c) this situation provided a good opportunity to undertake more effective working with neighbouring authorities (such as the Council administering the Business Rates Scheme for the whole of Devon);
- (d) the Corporate Management Team was undertaking a series of road shows (73 in total) across the whole authority, to share the values, objectives and outlining the new Corporate Plan; members of staff would be asked to make a commitment to be open to change and not to dismiss it;
- (e) an undertaking was made to provide a detailed breakdown of the estimated funding gap of circa £65m.

The Chair thanked Tracey Lee and Councillor Evans for attending the meeting and for the transparency and openness with which they had shared the financial challenges facing the Council. The Chair also offered the Board's assistance in undertaking effective scrutiny, in order to add value to this process.

The Board agreed to endorse the recommendations to City Council, as follows –

- (1) adopt a longer term approach to addressing the reduction in funding available to the Council, planning for a balanced indicative budget in each of the coming three years;
- (2) support the implementation of Council-wide transformation programme, based on Co-operative Values, to substantially reduce the operating costs of the Council and ensure the maximum possible investment in achieving the Council's objectives;
- (3) agree Cabinet review earmarked reserves and balances to ensure that the Transformation Programme reserve is adequate to cover cashflow requirements for the period of 2013/14 to 2016/17 (managing the overall costs incurred and savings achieved across each financial year);
- (4) a further report is presented by Tracey Lee (Chief Executive) and Councillor Evans (Leader) to the Co-operative Scrutiny Board at its meeting on 16 October 2013, setting out the Transformation Programme and its key elements, including the governance proposals, in more detail to enable effective scrutiny.