

South Hams Budget Setting Workshop – 30th September 2015

The Executive Director (Strategy & Commissioning), Steve Jordan facilitated the session and spoke about the Medium Term Financial Strategy, the potential effects of devolution and the need for income generation to meet the predicted budget pressures. A key message was that despite the successful ongoing implementation of the T18 Transformation Programme, the Council still needs to make decisions and changes in order to be fully self-sufficient and financially sustainable.

The Finance Community of Practice Lead, Lisa Buckle then shared a presentation about the forecast gap between income and expenditure as a result of reduced Central Government funded Revenue Support Grant and the possible financial effects of the Government's Spending Review (2015).

Finally, the Business Development Group Manager, Darren Arulvasagam shared a presentation about the Business Development / Income Generation agenda and the introduction of the refreshed Asset Management Strategy. The latter is to be discussed at a meeting of the South Hams Executive on 15 October and then possibly brought to a Full Council meeting later this year.

Feedback from Strategic Priorities – Workshop session (1)

After a brief discussion around the Strategic Priorities set out in "Our Plan" – an interactive session was held, where the Members in attendance split into groups to look at the strategic priorities and to list the top three principles/objectives or areas which they would like to see taken forward in the Budget process for future years (mainly looking longer term at years 2017/18 onwards (Year 2 of the MTFS)).

The exercise yielded a number of outputs. These priorities / principles have been categorised into broad strategic areas as shown below:

The Economy – The Council needs to create conditions whereby South Hams is an attractive place to do business, with the Environment being integral to the Economy. The Council should seek to provide business support, where possible focusing on highly skilled jobs. Members cited the need for joined-up-thinking and the need to link with commercial firms to provide training opportunities. A corporate approach is integral to it. To look at the Council's economic development policies and provide a business support package. Joined up thinking with the LEP (Local Enterprise Partnership). To be supportive of innovation and partnerships.

Affordable Housing – To invest in engaging some expertise to advise on policy and different ways of doing things to deliver the best outcomes for affordable housing. Procure advice on different options and methods of delivery. Find a more clever way of delivering outcomes for affordable housing i.e. not just spending money on affordable housing.

Asset Management – effective disposal/management - all of equal importance.

Statutory “Plus” – Provide more than statutory services from a point of principle and commitment to the community.

Growth – Develop prime locations and strategically partner with Private Sector or Registered Providers to develop our land or land that we acquire, with focus on truly affordable housing and employment units (specifically starter units). It was recommended that the Council refreshes its affordable / social housing policies, provides a package of options and develops a strategy to deliver more homes itself (within constraints and taking account of potential risks). A review of investments was suggested and the potential to generate rental income from homes and commercial property.

Save – Seek efficiency savings over and above T18; Consider outsourcing services where it is cost effective. Consider how we can *save* our communities, heritage and natural environments e.g. renewable energy projects. This was referred to by other groups as making the District attractive to businesses thereby increasing the availability of jobs.

Charges – Follow an Easyjet model; i.e. basic services to satisfy statutory requirements and consider charging for ‘added-value’ items. Set up a trading company (alternative service delivery methods were mentioned), along with the need to make charges profitable, not just a means to reduce the cost to the community.

Feedback from Strategic Priorities - Workshop session (2)

The final interactive session enabled the same groups of Members to set some principles/proposals which they would like the Executive to consider as part of the 2016/17 Budget Setting Process (Year 1 of the Medium Term Financial Strategy). There was some significant correlation between the responses.

The overriding message was that the budget for the forthcoming year should focus on providing stability / consolidation. i.e. spend now to ensure no backlogs and to rid service of focusing and satisfying failure demand.

Increase Council Tax by the maximum allowable percentage *(with lobbying ahead of that maximum percentage being sent to see if there could be no upper limit set before a referendum is triggered).*

This measure would increase the base budget for ensuing years and protect the delivery of services and the Council’s financial resilience.

New Homes Bonus(NHB) – Use more NHB to fund Affordable Housing Capital Build with smaller sums to support the revenue budget if required. Deliver on Affordable Housing.

Set up an Innovations Fund – potentially to support the viability of a Trading Company and innovation.

Short term injection of additional investment into some services e.g. the planning service, to clear temporary service backlogs.

Freeze Car Parking Charges

Line by Line Analysis of the budget to drive out efficiencies/ Focus on delivering efficiencies beyond staffing

Vulnerable Groups – ensure the impact of budget proposals are assessed so that vulnerable groups are protected.

Invest in renewable energy partnerships and projects – potentially start with smaller pilots, be our own developer

Pressurise Primary Care Groups & Registered Providers to help out with the growing cost of Disabled Facilities Grants(DFGs) – to enable residents to live independently in their own homes. The Council currently has the statutory responsibility for DFGs which is a big pressure – work in partnership with others on DFGs.

Demonstrate Clear Outcomes for Customers