

### **Draft Minutes from Corporate Management Committee, 13 July 2023**

#### **Item 6 – Proposed Process for Achieving Savings and Efficiencies**

The report followed on from the Medium-Term Financial Strategy and focussed on the process for savings and efficiencies, as well as the service review programme and financial risk mitigation measures around earmarked reserves.

The Council's Medium-Term Financial Forecast showed a budget gap of some £5.2m by the end of 2025/26, which was a figure that did not include growth. Despite a cautious approach to expected government income and other grants, £5.2m was considered a realistic and significant underlying gap.

Given the number of local authorities who had encountered difficulties in recent times, government investment guidance was soon expected to be tightened, which could impact on borrowing, and even if this was not tightened additional revenue would need to be identified to support additional future borrowing.

A service review programme had begun, with SLT consulted about possible savings initiatives, whilst the more complicated savings would require Member approval. Some schemes would require invest to save.

The complete programme of work would be reported through the proposed Service Review, Communications and Transformation Member Working Party, which would in turn make recommendations to Corporate Management Committee.

The final outturn position for 2022/23 would be reported to the next Corporate Management Committee, and would set out ways to utilise any underspend, which included adding additional funding to property income reserves given the importance of the commercial income stream to the Council, would also set out a different approach to accessing the planned underspend, and would provide details on the Service Transformation reserve that would drive the Council's income stream.

Whilst the Assistant Chief Executive confirmed that Members would be consulted as part of the process, which would include additional finance training sessions, there was concern from some Members about the prospect of not fully utilising service committees as part of the process, and they cited that decisions being exclusively made by Corporate Management Committee would be more akin to a Cabinet rather than Committee system.

The Chief Executive advised that the Council had continuously operated two years in advance with its budget planning and would continue to do so, which was what had allowed services to be maintained and grown, which had largely been achieved through commercial income. The proposed process would continue to income generate, as well as look at efficiencies, and if necessary would consider a reduction in some services.

It was added that Members would be involved throughout the process and any risks would be clearly explained, and a reporting mechanism would be established to ensure all parties were properly briefed.

Several Members pointed to previous examples of where they felt services committees had been sidelined in the decision making process, however it was also confirmed by the Chief Executive that services committees would continue to be informed and involved, and reports would not come forward to Corporate Management Committee without the relevant service committee having the chance to contribute in whatever way was appropriate.

The Committee chair added that Corporate Management Committee membership included the chairs of all services committees, and it would not be intended to diminish or devalue those committees, but having one central committee with oversight of the process being shaped by the Member Working Party was an appropriate way forward, whilst Overview & Scrutiny Select Committee would also play a key role in tracking and challenging progress and delivery.

The regularity of reporting back was also discussed, and whilst it was considered too much of a distraction to ask officers to provide an update report at every Corporate Management Committee, the Project Management action tracker being developed would track all corporate plan actions. A Member asked for appropriate transparency in order to know the detail rather than just the headline.

A named vote was requested on recommendation (ii) only and voting was as follows:

**For (7)**

Cllrs Gracey, Willingale, Balkan, Coen, Cressey, Snow, Willingale

**Against (5)**

Cllrs Gillham, King, Mullens, Ringham, Whyte

**Abstain (0)**

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**Resolved that –**

- i) Progress against the actions set out in the Medium-Term Financial Strategy was noted.
- ii) The approach set out in the report to the identification and delivery of savings, income generation and efficiencies was **recommended** to full Council.
- iii) The transfers to reserves as set out in the report and the creation of the Planned Underspend Reserve and the Service Transformation Reserve (subject to the final outturn position for 2022/23) was approved.