

Report of:	Managing Director
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Portfolio Leader:	Leader of the Council
Key Decision:	Yes
Report Track:	Cabinet: 15/12/16

CABINET
15 DECEMBER, 2016
FEEDBACK FROM THE PUBLIC CONSULTATION ON THE FINANCIAL RECOVERY PLAN AND APPROVAL OF SAVINGS OPTIONS

1 Purpose of Report

- 1.1 To consider the feedback from residents, stakeholders and communities during the 6 week consultation period on savings options arising from the Council's Financial Recovery Plan (FRP) published on 22 September, 2016; and in light of this feedback, to select savings options totalling £1.6m that ensure the Council can meet its statutory financial duty to approve a balanced Budget for the General Fund Revenue Budget for 2017/18 to 2019-20 period.

2 Recommendations

Cabinet is asked to:

- 2.1 **Consider** the outcomes of the public consultation and engagement for the Financial Recovery Plan proposals, including the survey results and written submissions provided by residents, stakeholders and communities.
- 2.2 **Approve** that the following options are not recommended for inclusion and are withdrawn from the process:
- Cease to operate the CCTV service
 - Reduce the operating hours of the CCTV service
 - Stop floral displays in town centres and traffic islands, including hanging baskets
 - Withdraw from the Green Flag application process
 - Reduce the capacity to deal with claims for housing benefit and council tax reduction
 - Integrate Local Land charges within Corporate Support Team

- Review the role of the Local Strategic Partnership
- Align internal and external Health & Safety functions
- Delete Customer Services Assistant post in Development Control (to be reviewed as part of the business case for shared services with Stafford Borough Council).

2.3 **Approve** that the following options are recommended as stated for inclusion in the draft Council Budget for 2017/18 to 2019/20:

(A) Capitalisation/ Use of reserves

- Use of capital funds

(B) Optimisation and Transformation

- Reduce Operational Costs of Parks and Open Spaces services
- Deliver the staffed parks service in house
- Reduce the contingency budget in Parks and Open Spaces
- Reduce expenditure on the maintenance of the Housing Register
- Outsource operation of the café at Hednesford Park Pavilion (completed)
- Delete marketing budget for building control service
- Reduce Building Control car allowance budget
- Delete 0.35 fte Private Sector Housing Technical Officer
- Reduce staffing budget in Environmental Health
- Delete vacant Trainee Communications Officer post
- Reduce level of service for research and information
- Reduce ICT communications budget
- Reduce staffing hours in Democratic Services
- Reduce consultation budget
- Delete role of typist in Housing Strategy team
- Restructure the Waste & Engineering team & delete relief Waste Development Officer
- Demolish the out-of-use Rugeley squash courts (completed)

(C) Management Structure

- Delete vacant Property Services Manager post and create Property Officer post with associated savings
- Delete Senior Management post in Environmental Health
- Delete Senior Management post in Financial Management
- Delete Risk & Resilience post in Governance following retirement of post-holder.

*A separate report will be required for approval at Council on the proposed new management structure.

(D) Shared Services

- Reduction in the internal audit provision
- Stafford BC led Shared Services to deliver savings
- Review call handling operation between Contact Centre and Social Alarm Service
- Explore option of joint working between Street Cleansing and Parks & Open Spaces
- Explore Development Control & Planning Policy as a shared service
- Explore Environmental Health as a shared service
- Explore Building Control as an extended shared services across majority of District / Borough Councils in Staffordshire.

(E) Democratic/ Governance

- Remove allowance paid to Elected Members for IT equipment in full.

(F) Reductions in Corporate and Support Services

- Restructure the Policy & Performance Team

(H) Reduction in funding to external bodies

- Relocate Chase Tenants & Residents Forum and re-let the property on a commercial basis
- No longer fund or install Christmas illuminations anywhere in the District
- No longer provide Local Council Tax Support Grant to Parish Councils

(I) Reduction in front line services to the public

- Continue to operate the CCTV service and seek a contribution from Staffordshire Police
- Delete an Environmental Enforcement Assistant post
- Review the resources in the Countryside Team
- Reduce post specification by using only 2nd class mail
- Reduction in neighbour consultations for planning applications
- Reduction in management hours in Economic Development
- Start charging for pre-application advice on major planning applications
- Increase Cannock Market Hall fees
- Increase trading days at Cannock Indoor Market from three to four days
- Provide new entrance and additional stalls at Cannock Market Hall
- Increase charges / revenue from bus stations
- Increase fees for football pitch hire by 20% (increase is limited to 10% if more than 50% of team members reside in the District).

- Increase parking charges by 10p / hour

2.4 **Approve** the following options as amended as described and recommend for inclusion in the draft budget:

- Review and reduce the social alarm installation service: *amended to reflect alternative proposal received from staff*
- Reduce the grant to the CAB: *amended to reflect on-going discussions with CAB regarding relocation and property costs; no reduction in grant in 2017/18 with joint commitment to explore how to reduce property costs.*
- Review existing contract for leisure and culture services to deliver savings: *amended to reflect proposals from Inspiring Health Lifestyles: From the options presented, the following are recommended for implementation:*
 - *Discretionary NNDR (Business Rates) - £20,000*
 - *Reduction in Planned Maintenance - £10,000*
 - *Prince of Wales – revised operating Model - £15,000*
 - *Increase income from Footgolf - £20k (Commercial at risk)*
 - *Increase private hire charges by 10% at Prince of Wales - £5,000 (Commercial at risk)*
 - *Reduction in Arts and Sports Development Budget by 25% - £9,200*
 - Capital Investment proposal that delivers £50,000 additional revenue by 2019/20 (Chase leisure centre)
 - The Head of Commissioning in consultation with the Culture and Sport Portfolio Leader to:
 - (a) Implement the two 5 year extension periods under the existing contract arrangement to include all saving proposals and variations, and
 - (b) Enter into a separate interim management arrangement with Independent Healthy Lifestyles (IHL) for up to two years for the new Artificial Grass Pitch and changing pavilion at Bradbury Lane, Hednesford.
- Reduction of grass cutting frequencies on Council owned land and cease any follow up operations: *amended to reduced number of cuts but maintain follow up operations in line with reduced numbers of cuts.*
- Increase fees for cemeteries/memorials by 20%: *amended to a 15% increase following feedback*
- Stop providing a Revenues and Benefits reception and enquiry service at the Rugeley Area Office and Hednesford Library: *amended to reduced provision in Rugeley (2 days / week) and Hednesford (1 day/week) on a 12 month trial basis and then review.*

2.5 **Consider and approve** the following new options:

- To recommend to Council that the number of Scrutiny Committees are reduced from the existing 6 to 4 at the start of the new Municipal Year (May 2017) in response to a recommendation from the LGA Peer Review.
- To include the Land Charges service in the business case for a shared service for Development Control / Planning Policy with Stafford Borough Council.
- The Council will explore the feasibility of introducing charges for CCTV evidence requested by Staffordshire Police, and insurance companies.
- The Council will also explore an offer from the West Midlands CA (Transport for WM) re CCTV provision made as part of the consultation.

3 Key Issues and Reasons for Recommendation

- 3.1 Cannock Chase Council's Financial Recovery Plan (FRP) was published in September 2016, detailing the reductions in funding facing the Council due to changes in Government grant, the reduction in business rates income due to the premature closure of the Rugeley Power Station site, and continuing uncertainty over the future of the New Homes Bonus revenue stream. As such, the FRP set the context for Council's requirement to "take decisions about how it will achieve financial balance in the future". A savings target of £1.6m from the Council's General Fund Budget was identified and formed the basis for consulting on £2.1m savings options.
- 3.2 Public and stakeholder consultation has been an integral part of the FRP process, described in further detail in section 5 below. A total of 829 responses were received to the survey, along with written representations from community groups, stakeholders and individuals totalling approximately 40 submissions. A summary of the survey results and the main themes raised by respondents is included in the Appendices to inform the proposed decisions and reasons for recommendation.
- 3.3 The recommendations set out the proposed options in four categories:
- a) not recommended for inclusion and withdrawn from the process
 - b) recommended as stated for inclusion in the draft Budget
 - c) amended as described and recommended for inclusion in the draft Budget
 - d) New options arising from the consultation.
- 3.4 The total savings for each year 2017/18 to 2019-20, in accordance with the £1.6million saving requirement, are contained elsewhere on the agenda.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) The Financial Recovery Plan process reflects the Council's priorities, and the savings options proposed are intended to minimise the impact on the delivery of corporate priorities.

5 Report Detail

- 5.1 Cabinet at its meeting on 22nd September, 2016 received a report detailing the Council's proposed Financial Recovery Plan and the options set out for public consultation.
- 5.2 Cabinet had previously in July, 2016 received a Budget Update and Timetable based on an updated General Fund Budget for 2016-17 to 2019-20, following the announcement of the premature closure of Rugeley Power Station that necessitated a revised Budget being approved by Council, with working balances being used to offset the £700,000 reduction in business rates income in 2016-17.
- 5.3 Cabinet at its meeting in July, 2016 approved the development of a Financial Recovery Plan and timeline to address this deficit position. The development of the Financial Recovery Plan included some early engagement with partners and organisations in receipt of funding /concerned with service provision to raise awareness of the Council's predicament and to get early comments on options and timescales for consideration by Cabinet.
- 5.4 The Financial Recovery Plan approved on 22nd September, 2016 presented a range of potential options prepared by officers to reflect the Council's Budget Strategy and its priorities and objectives. The Financial Recovery Plan consultation presented potential financial savings options that included all the services of the Council with the exception of the recently let Refuse and Recycling Waste Contract. The options were presented under the following categories:
- Capitalisation / Use of Reserves;
 - Optimisation & Transformation;
 - Reductions in Management Costs;
 - Shared Services;
 - Democratic / Governance options;
 - Reductions in Corporate and Support Services ;
 - Reduction in funding to external bodies and
 - Reductions in Frontline services to the Public and Income Generation proposals.
- 5.5 The total saving options presented for consultation amounted to some £2.1 million per annum in a full year and were in excess of the £1.6m minimum

savings requirement. This enabled meaningful public consultation to inform the development of the final set of options to achieve the minimum £1.6m savings.

- 5.6 In order to encourage a high response to this process, the Council utilised a range of communications methods. Prior to the consultation period, an animated video setting out the Council’s situation and the need for engagement was posted on the Council’s website and on [YouTube](#). Traditional media promotion via local newspapers and radio was supplemented by a social media campaign with the hashtag #CCDCfuture, reaching over 290,000 accounts on Facebook, Twitter and LinkedIn. Additionally, over 50 community groups and charities were engaged and more than approximately 600 local businesses were contacted with details of the options available to have their say. Supporting information providing more detail for each of the options was also published online.
- 5.7 The consultation period commenced on 23rd September, 2016 and was open for 6 weeks, closing on 6th November, 2016. During this period, the consultation methods employed were grouped by three main approaches:
- Open public survey – a questionnaire available in paper and online versions, open to all respondents. A total of 428 responses were received via this method.
 - Public meetings – a series of four public meetings with “Question and Answer” sessions for attendees to seek further information, propose suggestions and voice opinions. Over 90 members of the public attended these sessions.
 - Telephone survey – commissioned research from a market research agency that targeted a representative sample of the District’s population. 401 respondents completed the telephone survey.
- 5.8 Meetings with stakeholders, such as Citizens’ Advice Bureau, Inspiring Healthy Lifestyles (formerly WLCT) and Parish and Town Councils were also held to discuss the FRP options. Written representations from these organisations and others are included in Appendices 3a-c.
- 5.9 The Council’s Customer and Corporate Scrutiny Committee was also consulted as part of the FRP process and the Committee’s recommendations to Cabinet are included in Appendix 4. Additionally, the Council has consulted with the relevant Trades Unions throughout the process.
- 5.10 The results of the consultation response and details of stakeholder engagement have informed ongoing discussions with Cabinet Members and Officers and are set out in the Appendices to this report.
- 5.11 In terms of the options presented in the consultation, Table 1 below sets out the 10 options with the highest levels of public agreement.

	Agree	Disagree	Don’t Know
(I) Reduce post specification by using only 2nd class mail	83.2%	12.1%	4.7%
(E) Remove allowance paid to Elected Members for IT equipment	81.5%	9.5%	9.0%

(B) Demolish the out-of-use Rugeley squash courts	81.1%	10.9%	8.1%
(D) Delete vacant Property Services Manager post and create Senior Officer post	80.9%	8.7%	10.4%
(I) Increase trading days at Cannock Indoor Market	80.5%	14.7%	4.8%
(I) Continue to operate the CCTV service with a contribution from Staffordshire Police	78.3%	14.4%	7.4%
(F) Restructure the Policy & Performance Team	76.1%	6.2%	17.7%
(I) Provide new entrance and additional stalls at Cannock Market Hall	74.4%	19.1%	6.8%
(C) Delete Risk & Resilience post in Governance	74.0%	9.4%	16.6%
(F) Align internal and external Health & Safety functions	72.9%	12.5%	14.6%

Table 1: Top 10 Highest Agreement - all responses (phone, online, paper) = 829

5.12 Table 2 below sets out the 10 options with lowest levels of public agreement in the consultation process.

	Agree	Disagree	Don't Know
(I) Cease to operate the CCTV service	10.4%	85.0%	4.6%
(H) Reduce the grant to the CAB	18.5%	74.1%	7.5%
(I) Reduce the operating hours of the CCTV service	20.5%	72.6%	6.9%
(I) Increase parking charges	23.8%	70.1%	6.2%
(I) Stop floral displays in town centres and traffic islands, including hanging baskets	25.5%	69.7%	4.6%
(I) Increase fees for cemeteries/memorials by 20%	26.7%	64.7%	8.7%
(I) Reduction of grass cutting frequencies on Council owned land and cease any follow up operations	27.7%	63.8%	8.3%
(I) Increase Cannock Market Hall fees	28.5%	63.1%	8.4%
(B) Review and reduce the social alarm installation service	29.1%	34.3%	24.6%
(B) Reduce Operational Costs of Parks and Open Spaces services	33.2%	56.3%	10.5%

Table 2: Top 10 Lowest Agreement – all responses (phone, online, paper) = 829

5.13 In terms of amended options (Recommendation 2.4 above), the reasons for amendments are as follows:

- **Review and reduce the social alarm installation service:** *amended to reflect an alternative proposal received from staff during the employee consultation which would deliver savings of £8,000 per annum, a reduction*

of £2,170 per annum from the original proposal. This is supported by the management of the service.

- **Reduce the grant to the Citizens Advice Bureau:** *the Leader and Managing Director of the Council together with Head of Commissioning met with CAB representatives during consultation. The implication of reducing the grant by £53,000 per annum is that it would result in the closure of the Rugeley CAB office. In order to avoid this outcome and maintain the CAB presence in Rugeley, there is joint commitment to explore how to reduce property costs which take up 28% of the Council grant by a relocation of the Cannock CAB office into the Civic Centre; no reduction in grant in 2017/18 would be made whilst this option is being investigated and taken forward with savings expected from the 2018/19 financial year post relocation.*
- **Review existing contract for leisure and culture services to deliver savings:** *A number of meetings took place with the charity that operates all the Council's cultural and leisure services to determine how £150,000 savings could be realised. From the options presented, the following are recommended for implementation:*
 - *Discretionary NNDR (Business Rates) - £20,000*
 - *Reduction in Planned Maintenance - £10,000*
 - *Prince of Wales – revised operating Model - £15,000*
 - *Increase income from Footgolf - £20k (Commercial at risk)*
 - *Increase private hire charges by 10% at Prince of Wales - £5,000 (Commercial at risk)*
 - *Reduction in Arts and Sports Development Budget by 25% - £9,200*
 - *Capital Investment proposal that delivers £50,000 additional revenue by 2019/20 (Chase leisure centre)*

The total savings from these options are £129,200 phased over a number of financial years and there are redundancy implications.

In order for the operator to deliver these saving options and to generate a return from the capital investment proposed it will be necessary to take a longer term perspective and trigger the two 5 year extension periods included in the existing contact arrangements.

It is also proposed to enter into an interim management arrangement with IHL for up to 2 years for the new Artificial Grass Pitch and changing pavilion at Bradbrury Lane, Hednesford.

- **Reduction of grass cutting frequencies on Council owned land and cease any follow up operations:** *amended to reduce number of cuts but maintain follow up operations in line with reduced numbers of cuts. This amendment is as a result of concerns expressed, especially at the public meetings, that ceasing follow up operations after mowing would make the District look unkempt. A revised savings level to accommodate this change is from £47,000 to £25,000 per annum.*
- **Increase fees for cemeteries/memorials by 20%:** *amended to a 15% increase following feedback that public support for this option is low. Burial*

charges have not increased in the last three years for Council cemeteries and charges remain lower than most other similar facilities in Staffordshire.

- **Stop providing a Revenues and Benefits reception and enquiry service at the Rugeley Area Office and Hednesford Library:** *amended to reduced provision in Rugeley (2 days / week) and Hednesford (1 day/week) on a 12 month trial basis and then review as significant concerns raised that residents would have to travel to Cannock to engage face to face with Council services if it could not be resolved via telephone or online. The reduction is justified as the footfall in both Rugeley and Hednesford is low and two days in Rugeley is due to fact that Rugeley has approximately double the footfall of Hednesford. The opening days at Rugeley are likely to be Tuesdays and Thursdays to coincide with market days.*

5.14 In terms of new options (Recommendation 2.5 above) arising during the public consultation period, the following are also recommended for decision:

- To recommend to Council that the number of Scrutiny Committees are reduced from the existing 6 to 4 at the start of the new Municipal Year (May 2017) in response to a recommendation from the LGA Peer Review. This also creates a saving due to the reduced number of allowances provided to Committee Chairs.
- To include the Land Charges service in the business case for a shared service for Development Control / Planning Policy with Stafford Borough Council. The rationale for this is that Land Charges are already part of the Planning Service at Stafford Borough Council so it makes sense to include this as part of the business case for sharing services to be considered by Cabinet in 2017.
- In terms of CCTV, the Council will explore the feasibility of introducing charges for CCTV evidence requested by Staffordshire Police, and insurance companies. The Council will also explore an offer from the West Midlands CA (Transport for WM) re CCTV provision made as part of the consultation.

5.15 It should be noted that the Financial Recovery Plan and consultation process reflected a series of significant issues facing both the District and the District Council, and that the potential implications and consequences of the options put forward could be detrimental for the delivery of the Council's services.

5.16 The consultation process was designed to be as open and transparent a process as possible, whilst acknowledging the difficulties in presenting complex options in a user friendly way. As set out in the Financial Recovery Plan document, the context for these proposed options is that of a particularly challenging era for public services in general, compounded by local issues impacting on Cannock Chase Council.

5.17 Therefore, the public consultation response is a crucial element in assessing the viability of the options proposed and has been considered as such, alongside Officer analyses of potential impact on Council priorities, service demand, demographic and social statistics, financial analysis and organisational capacity. The Cabinet therefore have to balance a wide range of factors in coming to

decisions about which savings options should proceed and which should not or be amended.

6 Implications

6.1 Financial

There are no direct Financial Implications arising from this Report. The recommendations arising from Cabinet's consideration of the feedback from the public consultation on the Financial Recovery Plan saving options, form part of the Draft Budget for consultation included elsewhere on the agenda.

6.2 Legal

There are no legal implications at this stage.

6.3 Human Resources

A number of the savings options have implications for employees of Cannock Chase Council either in terms of changes to roles or deletion of posts. Consequently, a period of consultation with those personnel potentially affected by the proposals has been ongoing in parallel with the public consultation process, in accordance with statute and best practice. The recognised trade unions have also been briefed and informed throughout this period of any proposals affecting employees. Where alternative proposals have been submitted (and are supported by management) as a result of the employee consultation process these are detailed under 5.13 above.

The withdrawal of options described in paragraph 2.2 will mean that employees within the CCTV service will no longer be at risk of redundancy. Similarly the withdrawal of the option relating to aligning in internal and external health and safety functions, and deletion of a post within Development Control will lift the 'at risk' status from those employees affected. A proposed restructure of Policy and Performance will no longer result in a redundancy.

In terms of the savings proposals to be taken forward there are now 8 employees at risk from the options in order to achieve 5 actual redundancies.

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are financial and service risks associated with the implementation of the recommended options. As part of implementation process, risks will be identified, monitored and mitigated and where significant, flagged up as part of the Council's Risk Register.

6.8 **Equality & Diversity**

The implications for Equality and Diversity will be assessed and monitored via Impact Assessments completed during and informed by the consultation period. These EqlAs will be publicly available as part of the full set of documents in due course.

6.9 **Best Value**

Best Value Guidance addresses what is expected by way of consultation with regard to funding decisions. There is an existing Duty to Consult as part of the Local Government Act 1999, setting out that consultation should include Council Tax payers, users of the service under consideration, local businesses and organisations, and those who appear to the authority to have an interest. The Guidance states that this consultation should apply during all stages of commissioning and decommissioning of services.

7 Appendices to the Report

Appendix 1	Presentation to Public Meetings
Appendix 2	Consultation response ranking
Appendix 3	Summary of correspondence
Appendix 4	Minutes of Customers and Corporate Scrutiny Committee – 13 th October 2016

Previous Consideration

Financial Recovery Plan - Cabinet Consultation	22 September 2016
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Background Papers

Consultation Responses
