

## NOTES OF INFORMAL MEETING BETWEEN DCC CLLR ROBERT GOULD AND JIM BIGGIN OF ACRA

1. The meeting was held at DCC on Wednesday 2<sup>nd</sup> April with the objective of updating the current DCC financial position as at the start of the 2014-15 financial year and communicating that to ACRA members
2. The overall 2013-14 financial performance was very close to budget with, as forecast, a financially insignificant over-spend. However, the over-spend in demand led services continues to give concern because whilst it was again, as in 2012-13, approximately balanced by under-spend in centrally controlled budgets this ad-hoc approach has a limited shelf life and must be replaced by something that is structurally sounder.
3. The extreme weather experienced across the County during the winter caused additional expenditure of some £1.2 million of which £750,000 is the subject of a claim on Central Government under the Bellwin Scheme (akin to an insurance claim with £500,000 being the uninsured excess). In addition there are a number of other Central Government amelioration schemes:
  - 3.1. £5.8 million (a mixture of capital and revenue) to repair the roads. This money must be spent by August 2014 and will cause some rescheduling of the road programme
  - 3.2. Property related schemes to effect repairs and in the course of that activity to better protect the property
  - 3.3. Some rebating of Business Rates/Council Tax
  - 3.4. Allocations for the repair of coastal damage
4. Projecting the current position into the future based upon the latest understanding of such capricious variables as Central Government actions indicates that further savings will be required amounting to approximately: £9.8 million in 2014-15; £17.3 million in 2015-16; £16.2 million in 2016-17. The savings for 2014-15 have been identified and must now be vigorously pursued since identifying and delivering is not the same thing.
5. The savings for future years are more problematic. A number of initiatives have been identified under the DCC Forward Together scheme – a three year plan to produce at current estimate £27.7 million in savings, somewhat short of the overall savings required. The One Council initiative designed to produce a stronger tax-payer oriented service is aiming to produce a further £14 million of savings.
6. *Purely for planning purposes* projections for 2015-16 and 2016-17 assume a 2% increase in Council Tax in both years. As 2015-16 is an election year at both national and local level this assumption could be called into question, particularly if Central Government announces for example that a referendum would be needed to increase Council Tax by say more than 0.5%
7. 2014-15 is the first year in which Local Authorities will “benefit” from the business rates retention scheme. Quite how the scheme will work remains unclear and this uncertainty is exacerbated by processing delays in the Valuation Office Agency – a quango that passes judgement upon the level of business rate and currently has a large backlog. As important, the nature of the scheme will inject an entrepreneurial element into Local Authority financing and it remains to be seen if DCC has the internal skills to manage this new environment.
8. Further financial uncertainty is caused by the potential switch of schools over to Academy status. This could both reduce the Education Services Grant and cause fragmentation of support services thereby reducing the effectiveness and productivity of the central overhead spend.

9. The Dilnot reforms to the care and support services that help frail and disabled people remain independent, active and safe will have an as yet unquantified impact. The costs of such care are either paid for by individuals or on a means-tested basis by Local Authorities in the form of specific services or cash payments that enable people to make their own care and support arrangements.
10. Finally, the impact of the Better Care fund that involves Local Authorities working together with health partners, also remains a largely unknown quantity
11. A new school is needed in Christchurch and DCC has now committed to a budget of £6.787 million. There are still issues surrounding the proposed site and it is recognised that this unfortunate delay is causing the rumour mill to work overtime in parts of Christchurch. The situation will be corrected as soon as commercial negotiations allow.
12. In summary it is clear that by 2016-17 DCC will only be able to spend on services at a level of 80% of the 2011-12 levels whilst also accommodating an increase demand for those services. This must mean that the whole nature of service delivery has to change. DCC recognises a need to consult with the people of Dorset over the timing and nature of these changes.
13. It is an ACRA concern that some of the personnel currently employed by DCC will find it difficult to cope with the overall plethora of change that is envisaged over the next three years and that in addition progress may be delayed by the loss of key people. Cllr Robert Gould assured us that these risks are indeed seen as serious and are set against the background of a large reduction in full time posts. DCC is monitoring and managing them closely.
  - 13.1. Concerns about stress and sickness are reported regularly to the staffing committee and measures are in place to support managers as their roles change. This will be particularly important as DCC start to do things differently in the future.
  - 13.2. The overall Forward Together programme is overseen by the Forward Together Board which is made up of the cabinet members and the senior management team. This meets monthly and receives reports on each of the main projects and these reports include a risk register. One of the risks that have been identified is the loss of key personnel.
  - 13.3. The LGA Peer review team are returning for a follow up visit to assess DCC progress following their original review last year. This will give a useful external view of DCC strengths and weaknesses as the Forward Together project progresses.
14. Our next meeting will be held in October-November 2014

Jim Biggin  
April 2014