

## **ACRA Informal Meeting with CBC 19<sup>th</sup> October 2012**

CBC were represented by Councillor Ray Nottage and CEO David McIntosh

ACRA were represented by Nigel Cook (Christchurch Citizens) and Jim Biggin (ACRA Secretary)

The meeting was held to discuss the on-going review, the purpose of which is to explore the current costs of office overheads in both Christchurch and East Dorset (Furzehill).

Councillor Ray Nottage stressed that no matter what the outcome of the investigations the sovereignty of both CBC and East Dorset would be preserved. They would remain two separate legal entities albeit potentially administered from one common location.

Both Councillor Ray Nottage and David McIntosh confirmed that the driving force behind the investigation is the over-riding need to reduce the overheads of administration before the 2014-15 financial year. Thanks primarily to actions taken by Central Government both Councils face a potential reduction in revenue of up to 45% whilst only effectively being allowed to increase Council Tax by up to 2% per annum. Increases in revenue, such as car parking charges, could only partially cover the income shortfall. This means that unless overheads are reduced some Council services would have to be modified, reduced or stopped completely.

The two main types of overhead that dominate Council expenditure are staff costs and the costs of maintaining premises. CBC and East Dorset are now about 50% of the way through their previously announced programme for amalgamating staff teams and thereby gaining economies of scale. Once that programme is complete, there will still be the need to continue to review functions and work methods.

There was some discussion of the possibility of structuring staff units such that separate teams were responsible for Christchurch as against East Dorset. However, neither Councillor Ray Nottage nor David McIntosh believed that this would be possible first because it would fail to take full advantage of the available economies and second because such a structure is not felt to be necessary in order to deliver the services that both require.

A number of other initiatives are being considered, such as partnerships with other local Councils and new means of delivering services at lower cost. Some changes in the behaviour of residents would be valuable - for example a willingness to jointly maintain Council owned grassed areas in the immediate vicinity of their homes would be helpful. Councillor Nottage is endeavouring to ensure that all Ward Councillors take a direct responsibility for all services as they relate to their Wards – something that has not always been possible in the past. It is however unlikely that sufficient cost can be saved by these means alone.

That inevitably now throws the spotlight upon the costs of premises. The two buildings, at Bridge Street and Furzehill, together cost £600,000 per annum to run. This cost can only increase since both buildings have reached an age at which considerable expenditure is required to maintain them. This means that any solution to the cost and revenue problems facing both Councils that involve staying in their current buildings is unlikely to be adequate to the task. It follows that some different jointly occupied premises situated at an as yet unknown site is a logical option to explore.

The need to provide a local representation for both Councils where officers could interface with members of the public is a requirement for both Councils although the exact form and location of that representation has not yet been planned. Its proper functioning would depend heavily upon an underlying technical IT framework.

David McIntosh felt it important to stress that it might not be possible to arrive at a workable, cost effective, arrangement that would be acceptable to Councillors as representatives of local residents. However, if the Council cannot reduce its costs through efficiencies the implications would almost certainly involve the withdrawal of some Council services. The current aim is to maintain current services at their present level but ultimately this objective would have to be sacrificed if no other way could be found of meeting financial responsibilities.

No formal proposal has yet been formalised. It is hoped to place recommendations in front of Councillors before the spring of 2013 with actions agreed in time for the budget round of autumn 2013. There will be consultation with stakeholders but they must recognise the overriding financial issues involved and the comparatively short period of time available to properly address those issues.

The ACRA representatives confirmed their understanding of the situation and support for CBC in what they are trying to do and indicated that they would assist the process in any way possible.

Jim Biggin

23<sup>rd</sup> October 2012