

Minute of discussion on Medium Term Financial Plan at the District Executive held on Thursday, 4th October 2007

78. Medium Term Financial Plan (Agenda Item 8)

The Portfolio Holder, Councillor Paull Robathan, drew Members attention to the scale of savings table, detailed on page 13 of the report which he said would be necessary to achieve the Councils objective of a balanced budget. He noted that external experts had been employed to look at Business Process Re-engineering and that the Council would need to review its priorities each year to achieve the required savings. He asked Members to note the report and endorse the savings plan outlined in paragraph 14 of the report.

The Head of Finance reported that once the outcome of the Comprehensive Spending Review was known then she would have a clearer financial picture. In the meantime, in consultation with other Finance officers in Somerset, she had prudently allowed £200,000 for 2008/09 for areas of risk. She noted that the amount required for Countywide Concessionary bus fares was causing concern and the South West Audit Partnership were checking that the bus companies were keeping accurate passenger records to ensure correct recharges.

The Chief Executive said that the Council must produce a balanced budget whilst protecting existing staff from redundancy. He said that all staff were aware of and understood the external recruitment freeze and he had invited expressions of interest from all staff who wished to consider voluntary redundancy. However, there was no guarantee or commitment by either party at the present time. He said that Bentley Jennison had been engaged as consultants to look at the lean thinking/Business Process Reengineering and he was confident that they would find savings across the Council.

In response to questions, the Chief Executive confirmed that:-

- Between £5,000 - £8,000 had been committed for the initial consultant's assessment.
- Any reductions in staff would be the result of reductions of workload in a service.

Members expressed concern at the transfer of services to the voluntary sector, however, the Chairman stated that any transfers would only occur if the Council was assured that the service would continue efficiently and the voluntary organisation had demonstrated that it had the capacity and skills to continue the service efficiently.

Members were content to note the report and endorse the savings plan.

RESOLVED: (1) that the current position on the Medium Term Financial Plan (Revenue Budgets for 2008/9 to 2010/11) be noted.

(2) that the District Executive endorse the savings plan outlined in paragraph 14

Reason: to note the current position on the Medium Term Financial Plan and to endorse the savings plans outlined in paragraph 14 of the report.

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