

Item	South Hams District Council
Date	14 June 2010
Summary of progress	<p>Local Government Reorganisation Partners may be aware that the government has abandoned all proposals for local government reorganisation in Devon.</p> <p>Shared Services Nationally Local Government and public services as a whole are faced with significant budget difficulties over the coming years. The overall aim of sharing services between South Hams and West Devon Councils is to create savings by pooling resources, sharing managers, and through joint procurement. If we had not taken the decision to go down the shared services route we would be faced with making further service delivery reductions.</p> <p>There are a significant number of potential benefits associated with the sharing of services. These can be summarised as:</p> <ul style="list-style-type: none"> • Greater capacity; • Ability to attract and retain qualified staff in shortage skill areas through the provision of more specialist roles and greater opportunities for development and advancement; • Economies of scale in procurement; • Opportunities for joint innovation and tighter control through use of the best of both authorities' approaches; • Opportunities to redesign service processes to break down silos and encourage cross-authority working; • The potential for re-investment of savings. <p>There are risks and issues associated with this type of venture:</p> <ul style="list-style-type: none"> • the merging of two organisational cultures; • ensuring that appropriate policies and procedures are aligned; • the need to ensure that service performance does not suffer in the long-term; <p>We are aiming to have all shared Heads of Service in place by December 2010, or at least solid plans for a new shared service. We believe that all of our services can be shared to varying extents, whether it is a joint service with joint officers, or where staffing remains unchanged but managers will become shared, or through any 'means' that works for that service - each service will be different.</p> <p>Currently there are 7 shared Heads of Service (HoS):</p> <ul style="list-style-type: none"> • Ian Bollans – Environmental Health • Roger Collins – Building Control Partnership (with Teignbridge DC) • Jan Montague – Human Resources • Marion Playle – Housing and Community Delivery • Lee Bray – Strategic Planning and Economy • Tracy Winser – Revenues and Benefits • Delyth Jenkins-Evans – Head of Corporate Services <p>We have 6 collaborative HoS (these are HoS who are working together to form a future shared service)</p> <ul style="list-style-type: none"> • John Foxworthy - Head of Finance (South Hams) Lisa Buckle - Head of Finance (West Devon) • Chris Lucas - Head of Environment Services (South Hams)

- Helen Dobby - Head of Environmental Services (West Devon)
- Pauleen Blampied - Head of ICT (South Hams)
- Paul Burgess - Head of ICT (West Devon)

The 5 remaining HoS are:

- Stephen Munday – Head of Development Management (South Hams)
- Jane Hart – Chief Planning Officer (West Devon)
- Ken Carter – Head of Landscape and Leisure (South Hams)
- James Stubbs – Interim Head of Property Services (South Hams)
- Ian Gibson – Head of Service - Salcombe Harbour (South Hams).

From combined savings of about £85,000 in 2007/8 we are looking at well over £400,000 for each Council in direct permanent savings in salary costs by the end of this year. If all the savings over the last 3 years were put in a single account they would equate to £1.5m across both Councils. Unfortunately they have had to be used, in part, to make up for the reduction each year in Government Grant in real terms.

Budget Pressures

The national economic situation is requiring the Council to consider its priorities and future core activities:

1. Effect of the Economic Crisis on South Hams

The economic crisis is affecting the Council in many ways and the financial future is very uncertain. The main factors are:

- Councils make investments and the interest helps keep the council tax down and with interest rates at an all time low this is having a detrimental effect on investment income. For South Hams investment income has fallen from £1.3million in 2008/09 to £375,000 in 2010/11 – equivalent to a 26% increase in council tax.
- Every £50,000 in lost income equates to a 1% increase in council tax or savings have to be made elsewhere within the South Hams budget.
- Income from services has fallen by £355,000 (equivalent to a 7% increase in council tax) as a result of reduced economic activity from the following services:
 - car parking charges,
 - planning fees,
 - land charges,
 - commercial property rents
- Demand for services are increasing as individuals and businesses feel the impact of the recession;
 - redundancies mean more people apply for housing benefits,
 - mortgage repossessions lead to more families applying for help with housing,
 - businesses apply for grants and rate relief to help them through the recession

2. Government Grant

SHDC already receives the 2nd lowest grant per head of population in Devon. If we had the Devon average for grant per head of population we would have received an additional £1.2 million which would have solved our budget problems for us.

3. Council Tax

SHDC council is 3rd lowest in Devon at £134.52 and well below average council tax in Devon of £148 and the national average for all district councils of £163. SHDC share of council tax is 9%.

4. Budget Savings

We are achieving savings of £824,500 in 2010/11. The saving for 2010/11 is a real achievement for the Council because it comes on top of the £2m savings that have been made over the last 5 years. This makes our task of delivering further such savings much harder than in other authorities who to date have not pursued the efficiency agenda with the same vigour.

	<p>South Hams as a district council does not deliver services which are a high government priority but nevertheless the services are important to the local population. Street cleanliness, refuse collection, leisure facilities etc. always get mentioned when local residents are asked about what is important to them locally.</p> <p>Through the LSP, it is anticipated that Partners will be kept informed where budget decisions impact on joint priorities or activities.</p>
<p>Current / Shared Issues</p>	<p>An update on progress of actions in the South Hams Sustainable Community Strategy Action Plan is attached as an appendix. Partners' particular attention is drawn to the final right hand column.</p> <p>As part of the Shared Services arrangements the two Councils are proposing the merging of the LSPs of West Devon and South Hams to form one partnership with a single Sustainable Community Strategy, setting out the priorities for both Councils. Please see the report for item 6 on the agenda.</p> <p>Ian Lacey, Group Commander of Devon and Somerset Fire and Rescue Service (South Devon and Dartmoor West) has indicated a wish for the Service to be represented at the LSP. Our initial response was that the Partnership is reviewing its role and representation as part of the potential merger with West Devon's LSP. He has been invited to attend the next SHSP meeting on 13 September 2010.</p>
<p>SHSP Action recommended</p>	<p>To note the issues outlined above and to consider the implications for Partners' priorities and future joint activity.</p>