

**MINUTES OF THE MEETING OF THE PROSPERITY POLICY DEVELOPMENT
GROUP HELD AT FOLLATON HOUSE, TOTNES ON TUESDAY, 09
DECEMBER 2008**

MEMBERS

* Cllr R F Croad – Chairman

* Cllr J I G Blackler – Vice-Chairman

* Cllr J Brazil

∅ Cllr I Longrigg

∅ Cllr F J Hawke

* Cllr J T Pennington

* Cllr R M Lawrence

* Cllr M Stone

* Denotes attendance

∅ Denotes apology for absence

Also in attendance and participating:

Cllrs H D Bastone, M J Hicks, P W Hitchins and M F Saltern

Officers in attendance:

All Agenda Items: Strategic Director (Community), Head of Financial Services, Communications Manager, Senior Member Support Officer and Member Support Officer;

PPDG.15/08 MINUTES

The minutes of the meeting of the Prosperity Policy Development Group held on 23 October 2008 were confirmed as a correct record and signed by the Chairman.

PPDG.16/08 DECLARATIONS OF INTEREST

Members were invited to declare any interests in the items of business to be considered during the course of the meeting, but none were made.

PPDG.17/08 BUDGET PROPOSALS 2009/2010

Consideration was given to a report which updated Members on the budget position facing the Council. The report also outlined bids for additional expenditure and options available to address the funding shortfall.

The report concluded in stating that each year the preparation of annual budgets became more challenging than before; this year was particularly difficult due to the general economic conditions, uncertainty in financial markets and falling interest rates. Uncertainty existed over the future funding and structure of local government. Members' views were now sought as to how they wished to reconcile the competing demands of additional expenditure, service provision and sound financial management.

In presenting the report, Officers presented to the Group a paper which provided an update on the proposed budget gap following publication of the presented report and the outcome of the Executive meeting of 4 December 2008 (minute E.79/08 refers). The Head of Financial Services outlined the savings identified by the Corporate Management Team, the Concessionary Bus Fare scheme which, it was felt, would not be as costly as initially anticipated, and the increased council tax from a higher tax base due to increased numbers of properties within the district. However, additional pressures on the Council's monies were noted as being a reduction of investment income due to lower interest rates and a net reduction in car park income. If Members were minded to support the potential budget bid of an E-Newspaper (as outlined in the circulated papers) and the additional budget bid as proposed by the Executive (as tabled to the Group and referred to in minute E.79/08) towards the running costs of an additional street sweeper, Members were looking at a revised potential budget gap of £406,000.

During discussion, particular reference was made to:-

- a) the reduced investment income due to lower interest rates. Members were advised that the figure of £60,000 was a best estimate and, with the economic uncertainty could be subject to change;
- b) a budget analysis of individual services. The Group felt that in order to ascertain an understanding of the individual services within the Council, it was important for each Policy Development Group and Scrutiny to receive detailed service and budget reports on those services within their remit from the appropriate Head of Service. Specifically relating to the Prosperity PDG, Members felt it was important that a report be presented to a future meeting which detailed the Economic Development Team's current and future service and budgetary pressures. It was hoped that by going through each service during the year before the budget cycle, Members would have a better understanding of where priorities might lie. The Deputy Leader of Council assured Members that the Executive did receive detailed updates from Head of Services on a regular basis and, that the Executive would be pleased to assist the PDGs and Scrutiny if they were minded to examine services;
- c) the importance of assisting the business community. A Member questioned what the Council was doing to assist the business community, especially in light of the current economic situation. In response, it was noted that a meeting with representatives from the business community had recently been held and an update would be circulated to Members in the Members' weekly bulletin publication. However, Members requested that a report be presented to a future meeting detailing the role of the Council in relation to business aid;
- d) a Members' belief that the budget book should include estimates of the future financial situations which may face the Council;

- e) savings generated from reducing expenditure on marketing for the South Devon Area Tourism Partnership. A Member expressed concern in relation to this saving, highlighting the importance of tourism to the district. However, in contrast, further Members felt that the Council should not favour one specific type of industry. Furthermore, a Member noted that the tourism industry tended to create poorly paid seasonal jobs, whereas the Council should be looking to endorse highly paid year round jobs;
- f) bridging the budget gap. Members were advised that at the Executive meeting of 4 December 2008, officers had been tasked with identifying which of the annual contributions to Council Reserves could be reduced and set the Senior Management Team a target for additional savings (in addition to the £494,000 as proposed at presented Appendix D to the report). It was felt that such savings would be aided through the Shared Services and Integrated Devon projects.

Although in support, the Group expressed concern that information had not been made available to them in relation to the various Council reserves;

- g) a Members view that the Council should reduce its expenditure on communication and publicity.

The Group then proceeded to consider both proposed budget bids and voted on each individually:-

B1. E-Newspaper

A Member raised strong objection to this bid questioning the need to spend £10,000 on an e-bulletin when existing staff could maintain such a database. In response, it was advised that in order for the initiative to work effectively, an up to date database needed to be established and maintained. Moreover, it was noted that the prosperity action plan identified the need for increased communication with the local business community.

The Group then voted by five to one in support of this bid.

B2. Mechanical Street Sweeper

The Group unanimously supported this bid.

(Meeting commenced at 10.00 am and concluded at 11.00 am).

Chairman