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25 October 2010

To the Members of the Council

You are hereby summoned to attend an **EXTRAORDINARY** meeting of the **COUNCIL** to be held in the Council Chamber at these Offices on Wednesday 3 November 2010 at 6.00 pm for the transaction of the business set out in the Agenda.



Chief Executive

Members of the Council:

B W Butcher (Chairman)	P G Heath	J C Record
S R Nicholas (Vice-Chairman)	G J Hood	V J Revell
B W Bano	L A Keen	A F Richardson
T J Bartlett	N S Kenton	C Rook
T A Bond	C E Kirby	J A Rook
S S Chandler	P S Le Chevalier	F J W Scales
N J Collor	S M Le Chevalier	D G Smallwood
M D Conolly	S G Leith	A R Smith
G Cowan	D R Lloyd-Jones	C J Smith
M R Eddy	P A Lodge	J M Smith
C M Edwards	S C Manion	R J Thompson
R Frayne	D A Mayes	J F Tranter
A Friend	C J Meredith	R S Walkden
M S Furnival	K Mills	I H Ward
J H Goodwin	J M Munt	P A Watkins

DECLARATIONS OF INTEREST

Members are required to disclose the existence and nature of a personal interest at the commencement of the item of business to which the interest relates or when the interest becomes apparent. An explanation in general terms of the interest should also be given to the meeting. If the interest is also a prejudicial interest, the Member should then withdraw from the room or chamber.

AGENDA

1. **APOLOGIES**

To receive any apologies for absence.

2. **ANNOUNCEMENTS**

To receive any announcements from the Chairman, Leader, Members of the Cabinet or Head of Paid Service.

3. **EAST KENT WASTE PROJECT**

The Cabinet at its meeting on 13 October 2010 and the Scrutiny (Policy and Performance) Committee at its meeting on 12 October 2010 considered the report of the Director of Property, Leisure and Waste Management upon the East Kent Waste Project (copy circulated separately). The following is recommended to Council:

Cabinet – 13 October 2010

It was agreed to recommend to Council that, pursuant to the Local Government Act 2000 and the Regulations made under it, the delegation of executive functions from Shepway District Council and Kent County Council relating to the management of the contract, as detailed in paragraph 8.2 of the report, be accepted.

Scrutiny (Policy and Performance) Committee – 12 October 2010

It was agreed to recommend to Council that, pursuant to the Local Government Act 2000 and the Regulations made under it, the delegation of executive functions from Shepway District Council and Kent County Council relating to the management of the contract, as detailed in paragraph 8.2 of the report, be accepted.

4. **DELIVERING EFFECTIVE SERVICES – SHAPING THE FUTURE OF THE DISTRICT**

The Cabinet at its meetings on 6 September 2010, 4 October 2010 and 1 November 2010 and the Scrutiny (Policy and Performance) Committee at its meetings on 6 September 2010, 12 October 2010 and 1 November 2010 considered the report of the Head of Paid Service upon the Delivering Effective Services – Shaping the Future of the District (copy circulated separately).

Cabinet and Scrutiny (Policy and Performance) Committee at meetings on 1 November 2010 will make recommendations that will be reported to Council.

5. **EXCLUSION OF THE PRESS AND PUBLIC** (Page 4)

The recommendation is attached.

MATTERS WHICH THE MANAGEMENT TEAM SUGGESTS SHOULD BE CONSIDERED IN PRIVATE AS THE REPORTS CONTAIN EXEMPT INFORMATION AS DEFINED WITHIN PART 1 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AS INDICATED AND IN RESPECT OF WHICH THE PROPER OFFICER CONSIDERS THAT THE PUBLIC INTEREST IN MAINTAINING THE EXEMPTION OUTWEIGHS THE PUBLIC INTEREST IN DISCLOSING THE INFORMATION

6. **DOVER TOWN CENTRE INVESTMENT ZONE** (Paragraph 3 – Information relating to the financial or business affairs of any particular person)

- (a) To receive presentations from Bond City Limited and Chase & Partners.
- (b) To consider the report of the Director of Regeneration (to follow)

7. **APPOINTMENT OF DIRECTORS** (Paragraph 1 – Information relating to any individual)

To consider the report of the Head of Paid Service (to follow).

Access to Meetings and Information

- Members of the public are welcome to attend meetings of the Council, its Committees and Sub-Committees. You may remain present throughout them except during the consideration of exempt or confidential information. Seating is available within the Council Chamber for the press and up to 35 members of the public
- All meetings are held at the Council Offices, Whitfield unless otherwise indicated on the front page of the agenda. There is disabled access via the Council Chamber entrance and a disabled toilet is available in the foyer. In addition, there is a PA system and hearing loop within the Council Chamber.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of charge, and all agendas, reports and minutes can be viewed and downloaded from our website www.dover.gov.uk. Minutes are normally published within five working days of each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting. Basic translations of specific reports and the Minutes are available on request in 12 different languages.
- Refreshments will be available for Members in the HMS Brave Room prior to the meeting.
- If you require any further information about the contents of this agenda or your rights to gain access to information held by the Council please contact Louise Cooke, Democratic Services Manager (telephone: (01304) 872352 or e-mail louisecooke@dover.gov.uk).

Large print copies of this agenda can be supplied on request.

Report Number 131010/01

To: Joint Report to Dover and Shepway Cabinet
Date: 13 October 2010

To: Joint Report to DDC Extraordinary Council
Date: 3 November 2010

Status: Key Decision

Directors: Keith Cane, Landlord Services
Roger Walton, Property, Leisure & Waste
Management

Cabinet Members: Councillor Nick Kenton, Portfolio Holder for
Environment & Planning
Councillor Rory Love, Deputy Leader and
Cabinet Member for Strategic Services

SUBJECT: EAST KENT WASTE PROJECT

SUMMARY: This report sets out details of the collaboration between the four East Kent authorities, Shepway, Dover, Canterbury and Thanet, and Kent County Council and following the conclusion of the competitive dialogue process seeks approval to:

- (i) Award the contract;
- (ii) Enter into the necessary inter authority legal agreement between Kent County Council, Dover District Council and Shepway District Council;
- (iii) Make and receive the necessary delegations to enable Dover District Council to manage the contract.

N.B. No authority can withdraw from the 10 year contract without also compensating the contractor and its partner district council and The Kent County Council for all the resultant costs and losses.

REASONS FOR RECOMMENDATIONS:

Agreement is sought to the recommendations set out below to enable the project to be progressed and legal agreements relating to the proposed contract and the partnership working between Shepway District Council, Dover District Council and Kent County Council to be completed and signed.

RECOMMENDATIONS:

That each Cabinet:

- 1. Receive and note the report.**

That SDC's Cabinet:

- 1. Subject to the completion of an inter authority agreement between DDC, SDC and KCC, the standstill period and the completion of legal formalities to the satisfaction of the Head of Environmental Services in consultation with the Head of Corporate Services and the relevant Cabinet Member:**
 - (a) awards the contract for Recycling & Waste Collection and Street Cleansing services to Bidder F;**
 - (b) pursuant to the Local Government Act 2000 and the Regulations made under it, delegates the executive functions relating to the management of the contract, detailed in paragraph 8.2 of this Report to Dover District Council.**
- 2. Delegates the finalisation of the inter authority agreement between DDC, SDC and KCC to the Head of Corporate Services in consultation with the relevant Cabinet member.**

That DDC's Cabinet:

- 1. Subject to the completion of an inter authority agreement between DDC, SDC and KCC, suitable mitigation of any remaining significant risk items, the standstill period and the completion of legal formalities to the satisfaction of the Director of Property, Leisure and Waste Management in consultation with the Solicitor to the Council and the Portfolio Holder for Environment & Planning:**
 - (a) awards the contract for Recycling & Waste Collection and Street Cleansing services to Bidder F;**
 - (b) authorise the Director of Property, Leisure and Waste Management to discharge the executive functions accepted by the Council pursuant to the recommendation set out below.**
- 2. Delegates the finalisation of the inter authority agreement between DDC, SDC and KCC to the Solicitor to the Council in consultation with the relevant Cabinet member.**

That DDC's Council:

- 1. Pursuant to the Local Government Act 2000 and the Regulations made under it, accepts the delegation of executive functions from SDC and KCC relating to the management of the contract, detailed in paragraph 8.2 of this Report.**

1. INTRODUCTION

- 1.1** The respective Cabinets will be aware that the East Kent authorities, namely Dover, Shepway, Thanet and Canterbury (EKD&CCs) have been working with Kent County Council (KCC) for the past two years to develop a partnership approach to the provision of recycling and waste services. This project built on

some initial bilateral work between Shepway and Dover based on the similar end dates for our existing contractual commitments.

1.2 This partnership has resulted in proposals for introducing new services which are based on a complex business case which, in summary, sees KCC as the waste disposal authority supporting the District Councils as collection authorities by using monies derived from savings in disposal costs to fund changes in the collection services.

1.3 The principles of the project were agreed by East Kent Joint Arrangements Committee (EKJAC) on 25 November 2009, by DDC on 11 January 2010 and by SDC on 5 January 2010 following which a Memorandum of Understanding was entered into setting out the broad terms of the agreement. In line with the agreed recommendations, this has been developed into a formal five-way agreement which has now been signed committing the authorities as follows:

- The East Kent Districts commit to a Nominal Operating Model (NOM).
- DDC and SDC commit to deliver recyclates (including composting materials) as specified in the NOM to the transfer points and facilities specified by KCC from 2011.
- CCC and TDC commit to deliver recyclates (including composting materials) as specified in the NOM to the transfer points and facilities specified by KCC not later than 2013.
- KCC will provide processing capacity and or facilities and necessary haulage thereto for the waste streams collected by the DDC and SDC in accordance with the NOM from 2011 and for CCC and TDC not later than 2013.
- KCC provide financial support in relation to the change in collection methodology and containerisation costs.
- The East Kent Districts agree to use best endeavours to keep households within their administrative areas informed as to the new methods of waste collection.

2. NEW SERVICE METHODOLOGY

2.1 At the core of the entire project is the requirement for the collection authorities to commit to the (NOM) collection methodology.

The precise details of this methodology have been developed in discussion with the bidders as part of the competitive dialogue process and informed by the results of a public consultation undertaken across Shepway and Dover. This has led to the development of a refinement to the collection methodology, the Alternative NOM (Alt NOM) that has been shown to offer significant advantages over the original NOM. This was agreed by EKJAC on

19 May 2010, by DDC on 5 July 2010 and by SDC on 28 July 2010. These proposals have also been accepted by each of the other partner authorities.

2.2 The Alt NOM will see the introduction of the following service methodology:

- a) Weekly collection of food / kitchen waste (segregated);
- b) Alternative weekly collections of recyclables and residual waste; plus
- c) Fortnightly collection of garden waste (existing service arrangements maintained).

2.3 A standard household will have a wheeled bin for residual waste, a wheeled bin for cans, plastic, bottles and other dry recyclables, and a box for paper and card. A smaller bin will be provided for the storage of food/ kitchen waste outside the house prior to collection. The containment arrangements for garden waste are unchanged.

2.4 These changes are expected to increase the recycling rates within the two authorities from the current figures of 31% (DDC) and 36% (SDC) to close to 48%.

3. PROCUREMENT OF NEW SERVICES

3.1 Dover District Council's current contract with SITA for the provision of recycling, waste collection and street cleansing services was awarded as a seven year contract commencing in October 2001 and has now been extended to 15 January 2011.

3.2 Shepway District Council's current contract with Veolia for the provision of recycling and waste collection services commenced in April 2000 and has now been similarly extended to 15 January 2011. SDC's Cabinet agreed in July 2009 to include street cleansing services as part of the procurement process. This will involve the transfer of SDC's street cleansing workforce to the successful bidder in accordance with the TUPE Regulations.

3.3 The procurement process for the new services has now been progressing for 12 months, which is quite usual for a complex procurement process such as this, and has been undertaken in accordance with the competitive dialogue process under the Public Contracts Regulations 2006. This has proved to be a very complex process but does have some significant benefits in that the dialogue with bidders enables the Councils to have detailed discussions over the proposed specification, resourcing levels and costs before finalising the service specification..

3.4 The Public Notice was published in the Official Journal of the European Union in August 2009 seeking expressions of interest for a 10 year contract regarding:

- Provision of recycling, waste and street cleansing services in the districts of Shepway and Dover;

- Waste Transfer, Material Recycling and Organic Waste Processing capacity/facilities to sort and market the recycle and organic output generated by Dover / Shepway from 2010 and Canterbury / Thanet from 2013.

3.5 The following nine bidders were selected following evaluation of the pre-qualification questionnaires:

- Biffa Waste Services Ltd
- Cory Environmental Municipal Services (CEM) Ltd
- FOCSA Services Ltd
- Kier Support Services Ltd
- Serco Ltd
- SITA UK Ltd
- Urbaser SA
- Veolia ES Ltd
- Verdant Group PLC.

3.6 As the process developed, Urbaser, Biffa, Kier and Cory have each withdrawn for a variety of reasons leaving us with five bidders at the close of dialogue on 13 August 2010. The councils issued a Call for Final Tenders (CFT) on that date with tenders returned on 23 August 2010.

3.7 Since then the Project Team has been working on the formal evaluation of the five submissions to determine the quality and financial scores and to assist in the selection of the preferred bidder.

4. TENDER ASSESSMENT

4.1 The evaluation criteria for the project form part of the formal tender documentation and extend to many pages. In summary, The Evaluation Methodology operates across three tiers of criteria and associated weightings. The Tier 1 evaluation criteria and weightings are shown below:

Tier 1 Evaluation Criteria Descriptions	Weighting
Financial Submission	45.0%
Technical (includes Legal)	40.0%
Quality Management Systems	5.0%
Environmental Considerations	5.0%
Added Value	5.0%
Total	100%

- 4.2 In assessing the financial submissions, the evaluation of each bid aims to take account of the whole life costs of the project over the ten year contract term. Services costs are scored relative to their variation from the arithmetical mean and, as the project seeks to deliver a cost effective solution taking account of both collection and disposal, an adjustment made for the impact of the respective solution on disposal costs.
- 4.3 The evaluation of the technical submissions was based on a detailed review of the Service Delivery Plans submitted by the bidders as part of the Response Requirements. The weighting of each aspect of the submission was as follows:

Technical Tier 2 Criteria	Section Weighting	Overall Weighting
Refuse/Recycling/Garden and Food Waste Collection	22.5%	9.0%
Bulky Waste	1.5%	0.6%
Clinical Waste	1.5%	0.6%
Management of Bring Banks	1.5%	0.6%
Trade Waste	1.5%	0.6%
Street Cleansing	22.5%	9.0%
Waste Transfer	7.0%	2.8%
Recyclate Processing	7.0%	2.8%
Garden/Food Waste Processing	7.0%	2.8%
Paper and Card Processing	7.0%	2.8%
Call Centre	5.0%	2.0%
Legal Issues	16.0%	6.4%
Total	100.0%	40.0%

- 4.4 In addition to the primary areas of financial and technical, bids were assessed in terms of quality management, environmental issues and added value. The weighting of each aspect of the submission was as follows:

Quality Management Tier 2 Criteria	Section Weighting	Overall Weighting
Contract Management	20%	1.0%
Performance Management	20%	1.0%
Health and Safety	20%	1.0%
Maintenance Plans	20%	1.0%
Contingency Planning	20%	1.0%
Total	100%	5.0%
Environmental Considerations Tier 2 Criteria	Section Weighting	Overall Weighting
PART A - Environmental Strategies	60%	3.0%
PART B - Reduced Carbon Emissions	40%	2.0%
Total	100%	5.0%
Added Value Tier 2 Criteria	Section Weighting	Overall Weighting
Cost Saving	75%	3.75%
Improved Service to customers	25%	1.25%
Total	100%	5.0%

5. ASSESSMENT OF BIDS

- 5.1 Following the issue of the Call for Final Tenders on 13 August, submissions were received from the five remaining bidders on 23 August. The Tender report prepared following the evaluation process (included at Appendix A) sets out in some detail the analysis of each solution.
- 5.2 The combined evaluation scores for financial and non-financial for each of the solutions are set out in Appendix A (Paragraph 4.1) and based on this evaluation process it is clear that the highest scoring bid has been submitted by Bidder F. It should be noted that a key identifying each of the bidders is included at Appendix B.

6. BUDGET IMPACT

- 6.1 Members will recall that the project has been developed with the aim of establishing new arrangements for recycling and waste collection and

disposal which offered the most cost effective solution for the taxpayer of East Kent overall. Funding arrangements have been developed which see KCC supporting the East Kent Districts by means of enabling payments drawn from the savings on disposal costs.

- 6.2 This business case had been fully modelled as part of the development of the project but now that actual tender costs are available it is possible to fully assess the impact on the Council's budget, although this is complicated to some extent by the phased roll out of the new services and the mid financial year start. A summary of the impact of the new service costs on the current medium term financial plan is included at Appendix E which shows that the cost of the new services are slightly lower than the business case model predicted with savings on both the collection and processing elements of the contract.

7. CONTRACT AWARD

- 7.1 On the basis of the evaluation of the bids and the budget analysis noted above, each Cabinet is therefore asked to agree to the award of the contract for the provision of recycling and waste collection services, street cleansing and waste processing for the period 16 January 2011 to 15 January 2021 to Bidder F.
- 7.2 The Regulations provide for a Standstill Period of at least ten calendar days following the notification to the bidders of the decision to award the contract in principle. Thereafter, an award notice will be published in the Official Journal of the European Union and the contract will be entered into with the successful bidder. Following this detailed implementation discussions with the contractor will commence.
- 7.3 It should be noted that whilst the new contractual arrangements will start on 15 January 2011, the roll out of the new collection arrangements is unlikely to commence much before June 2011 and will extend over a number of months with completion projected for autumn 2011.

8. GOVERNANCE ARRANGEMENTS

- 8.1 The governance arrangements for the new contract have been drafted on the basis of DDC acting as the lead authority for the new contract. This, in part, has required the development of a detailed three-way legal agreement between DDC, SDC and KCC to link the project agreement with the contractor with the principles contained within the 5-way inter-authority agreement between the East Kent Districts and KCC.
- 8.2 In order for DDC to be able to act on behalf of SDC and KCC it is necessary for the two authorities to formally delegate certain functions to DDC. These are as follows:

8.2.1 Delegations from KCC to DDC

In accordance with the approved budgets of Kent County Council to exercise the powers and discharge the responsibilities of Kent County Council arising under the East Kent Waste Contract 2010 and to manage and administer the contract on the council's behalf subject to obtaining prior authority in relation to the following:

- Any payments against Bill of Quantity 6A or 6B;
- The placing of any orders relating to containerisation;
- Any instruction or action which may result in additional costs to KCC in excess of [value to be agreed] (or such other amount as KCC may notify to DDC from time to time);
- The taking of any action pursuant to Clause 13 (Relief Events, Force Majeure and Excusing Causes) or Clause 14 (Changes to the Services) under the Project Agreement;
- The taking of any default action relating to any of the services described in Service Delivery Plans 7(Waste Transfer) ,8 (Recyclate Processing) and 9(Garden & Food Waste Processing);
- The taking of or responding to any dispute resolution relating to the services described in Service Delivery Plans, 7(Waste Transfer) ,8 (Recyclate Processing) and 9 (Garden & Food Waste Processing);

8.2.2 Delegations from SDC to DDC

In accordance with the approved budgets of Shepway District Council to exercise the powers and discharge the responsibilities of Shepway District Council arising under the East Kent Waste Contract 2010 and to manage and administer the contract on the council's behalf subject to obtaining prior authority in relation to the following:

- Any instruction or action which may result in additional costs to SDC in excess of [value to be agreed] (or such other amount as SDC may notify to DDC from time to time);
- The taking of or responding to any dispute moving to external resolution procedures pursuant to Clause 53.4 of the Project Agreement;
- The decision to exercise step in rights under Clause 32 of the Project Agreement;
- The decision to agree or settle any payments to be made or received pursuant to Clauses 36 and 37 (Council Default), 38 and 39 (Contractor Default) and 40 and 41 (Force Majeure);
- The taking of any steps to assign the contract, terminate the contract or materially vary the terms of the contract;
- Any variation of the Parent Company Guarantee or release from the obligations contained therein.

8.3 Reserved Functions

Importantly, certain matters are expressly excluded from the delegation and will still require decisions of the individual authorities in accordance with their own decision making arrangements. These are as follows:

8.3.1 SDC

- The approval of the Service Plans and budgets;
- The discharge of the Authorities functions in its capacity as landlord of the Ross Depot lease.

8.3.2 KCC

- The approval of the Service Plans and budgets
- The taking of or responding to any dispute involving third party external resolution procedures pursuant to Clause 53 of the Project Agreement or otherwise.
- The decision to exercise step in rights under Clause 32 of the Project Agreement;
- The decision to agree or settle any payments to be made or received pursuant to Clauses 36 and 37 (Council Default), 38 and 39 (Contractor Default) and 40 and 41 (Force Majeure) under the Project Agreement;
- The taking of any steps to assign or terminate the Project Agreement or materially vary the terms of the Project Agreement;

The first of these matters namely, the approval of Service Plans and budgets, is likely to be of the greatest significance for practical purposes. It is through the annual approval of service plans and budgets that the individual authorities will control, in accordance with their own particular decision making arrangements, the manner in which the services under the Project Agreement are performed in so far as they relate to their individual functions.

8.4 Legal commitments

No authority can withdraw from the 10 year East Kent Joint Waste Contract 2010 without compensating the Contractor, its partner district council and the Kent County Council for all the resultant costs and losses. This long term commitment underpins the business case of the Five-Way Inter Authority Agreement, and is the basis on which bidders have submitted their bids.

8.4.1 Under the East Kent Joint Waste Contract 2010 each of the authorities are jointly and severally liable for breaches of contract committed by the others.

8.4.2 In addition to setting up the governance arrangements, the Three-Way Inter Authority Agreement allocates liability as between the authorities in the event of early withdrawal or breach of contract by one of the authorities. In either case, the withdrawing or defaulting authority must compensate the others for all their costs and losses.

- 8.4.3 The losses can be extensive: the non-defaulting or continuing authorities are to be compensated to the extent they are put into the position they would have been in had the party not withdrawn or defaulted. The contractor may also be entitled to compensation if the withdrawal or breach of contract results in the East Kent Joint Waste Contract 2010 being terminated.
- 8.4.4 However, DDC, in carrying out the Lead Authority's functions, will not be liable to KCC or SDC or both for actions done in good faith.
- 8.4.5 The authorities are also liable to each other if they breach any of the terms of the Three-Way Inter Authority Agreement, which includes varying or withdrawing any of the functions delegated to DDC.

9. OPTIONS AVAILABLE TO THE COUNCIL WITH ASSESSMENT OF PREFERRED OPTIONS

- 9.1 Given the expiration of the current contracts and that the proposals have been previously agreed by EKJAC, the East Kent Districts and the County Council, no alternative options are being put forward for consideration.

The recommendations contained within this report are made as the Project Team believes the project will deliver significant improvements to services within current budget allocations.

10. INFORMATION TO BE CONSIDERED IN TAKING THE DECISION

- 10.1 Community consultation has been an integral part of developing the new services and a District-wide consultation process has been undertaken in both Shepway and Dover between April and June 2010 with almost 1000 responses to the questionnaire being received in each District. The results were highly supportive of the proposed service changes and details are included at Appendix C.

- 10.2 In particular it is worth noting that as regards Dover residents:

- 95.6% of residents considered the achievement of 45% recycling by 2015 and 50% recycling by 2020 to be important or very important to them.
- 95.2% of residents considered the collection of additional plastics to be important or very important to them.
- 73.8% of residents considered the introduction of separate weekly collections of food waste to be important or very important to them.
- 87.2% of residents considered the provision by the Council of containers for waste to be important or very important to them.
- 93.7% of residents considered better co-ordination between street cleansing and refuse collections to be important or very important to them.

Workshops were held with a cross-section of those who responded in Sandwich on 8 September. A summary of the issues raised at this event is included at Appendix D.

11. RISK MANAGEMENT ISSUES

11.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Not all partners sign the contract and associated legal agreement	High	Low	Proposal has already been discussed in detail within each authority.
Council's decision is subject to successful challenge by one of the unsuccessful bidders under the competitive dialogue process.	High	Low	The councils have taken care to ensure that the procurement process complies with the requirements of procurement law.

12. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

12.1 Legal Officer's Comments (JC – SDC/HR - DDC)

All relevant legal issues have been addressed in the main body of the Report . SDC's Head of Corporate Services and DDC's Solicitor to the Council have been heavily involved in this procurement as members of the Project Team for some months and have provided ongoing advice throughout the process. External legal advice has also been given by Eversheds during the procurement. In addition, DDC's Solicitor to the Council has contributed to the risk assessment at Appendix F.

12.2 Finance Officer's Comments (MD)

This financial comment addresses the financial implications of the tender process and the agreements with the other partner authorities on the basis of the "Alternative NOM".

The main financial elements of the project are the current net costs of the service including waste collection, waste recycling, street cleansing, recycling credits / income, "enabling payments" from KCC to the districts to meet the increase in service costs arising from the NOM, and the costs of containerization (the provision of new wheelie bins and containers).

These elements are summarised in the table below and the subsequent narrative.

Note			Refuse Collection £000	Recycling £000	Street Cleansing £000	Total £000
1	Current Service Costs for 2011/12 in MTFP¹	Current costs	1,446	1,276	1,039	3,761
2		Income from recyclates ²		(235)		(235)
	Sub Total		1,446	1,041	1,039	3,526
3		Less Assumed saving in 2011/12 budget	(200)	(200)	(100)	(500)
4	Total in MTFP for 2011/12		1,246	841	939	3,026
5	Predicted Service Costs following tender submissions	Contract costs based on tender submissions (based on 2011/12 full year)	878	1,285	1,349	3,512
6 & 7		KCC Enabling payment	(131)	(95)		(226)
		Share of collection savings to KCC	54			54
8	Total current costs		801	1,190	1,349	3,340
9	Shortfall / (savings) against current costs		(645)	149	310	(186)
10	Shortfall / (savings) against the MTFP		(445)	349	410	314

¹ MTFP = Medium Term Financial Plan

² Recycling Credits and Green Waste subsidy, paid by KCC to DDC, will be fixed at 2009 levels and will continue for the term of the agreement at those fixed levels. They are therefore neutral when comparing the above options and have, for simplicity, been omitted. They total £420,000 per annum.

Notes:

1. Current service cost is based on the 2011/12 costs of the current contract. The table is based on 2011/12 whole year costs of the full service. In practice there will be a phased roll-out of the new service. A more detailed analysis is provided at Annex E.
2. Income from recyclates is the income that DDC generates by selling the recyclates it collects. This is a forecast but is subject to market fluctuations.
3. The assumed savings were included in the MTFP as a forecast of the savings from re-tendering the service.
4. The assumed budget in the MTFP.
5. The predicted service costs are based on the bill of quantities from the preferred tender.
6. The KCC enabling payment includes £96k to compensate for lost recycling income. This is £140k less than the income from recyclate sales, because DDC also has to pay £140k for haulage of the recyclate.
7. The enabling payment also includes £131k for the additional costs of the collection methods, with a deduction of £54k for KCC's share of collection savings from joint contracting with Shepway.
9. The project shows a saving of £186k against current service costs.
10. As the MTFP assumed a total of £500k savings, there is a shortfall of £314k against the MTFP budget.

It should also be noted that the tenderers have been required to provide an analysis of their price between refuse collection, recycling and street cleaning, and for transparency this has been reproduced in the report. From this analysis it can be shown that the cost of street cleansing has increased by £310k.

However, the basis of pricing the tenders, and in particular, the attribution of overheads and shared costs across the elements of the service is not precise, a client cannot accept parts of the tender and reject others.

In addition to the above revenue costs, KCC will also pay £1,990k for purchase of wheelie bins for DDC, and a total of £135k for electronic address labeling of the DDC and SDC recycling bins.

KCC will also share any additional savings from reduced landfill costs if recycling is successful in diverting more waste away from landfill. This will be shared on the basis of 50% to KCC and 50% to the districts, and then shared between the districts pro rata to households. KCC will use the first £135k of any saving from this source to claw back the £135k for electronic address labeling.

The main financial risks of the project are :

Risk	Impact	Likelihood	Mitigation
Inflation – the enabling payments and the recycling credits and green waste subsidy are fixed for the 10 years of the agreement.	<p>Dependant on rate of inflation.</p> <p>At 2% inflation the payment would lose 22% of value over 10 years.</p> <p>At 5% it would lose 63%.</p> <p>Applied to enabling payments of £131k and the recycling credits of £420k the impact would be between £121k and £347k</p>	Dependant on rate of inflation.	The recycling credits may be withdrawn by Government at any time. This agreement locks KCC into paying these credits. So although they may be eroded by inflation, their continued payment is certain.
Containerisation costs may exceed £1,990 for DDC	Depends on actual costs.	Medium	KCC have agreed to cap the overall costs of containerization for DDC and SDC therefore any underspend for one authority could be used to meet the costs to the other.
Fluctuations in income from sale of recyclates.	DDC's annual income stream could fluctuate by as much as + or – 20% reflecting changes in the market for recycle.	It is not possible to reliably predict recycle market values.	The enabling payments from KCC provide certainty in place of market fluctuations. DDC is protected from market falls but does not benefit from market rises.

A further risk assessment is provided at Appendix F.

12.3 Diversities and Equalities Implications

An initial Customer Access Review screening has been undertaken in line with Council policy and this will be developed in partnership with the new service provider. .

13. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Roger Walton, Director of Property, Leisure & Waste Management, Dover DC and Head of Environmental Services, Shepway DC
Telephone: 01304 872420
email: roger.walton@dover.gov.uk, or roger.walton@shepway.gov.uk,

The following background documents have been relied upon in the preparation of this report:

None.

Appendices:

Appendix A: Tender report (Confidential)

Appendix B: Tender Evaluation Key (Confidential)

Appendix C: Results of Community Consultation

Appendix D: Summary of issues raised at consultation meeting on 8 September.

Appendix E: Budget Impact Analysis; Dover DC

Appendix F: Further Risk Assessment; Dover DC (Confidential)

Appendix C: Results of Community Consultation

Dover Survey:

Recycling and Waste Collections

Dover District Council and Shepway District Council, in partnership with Kent County Council, will soon be entering into a new, joint contract for recycling and waste collections. A joint contract will offer economies of scale which will help to ensure that we get the best price for our residents for the collection and disposal service. We would like to give you the chance to help shape the new service before a new contractor is appointed in July and before the new recycling and waste collections start.

You can do so by completing a short survey. The questions are below or you can complete the survey on-line.

For Shepway District Council residents please go to: www.shepway.gov.uk

For Dover District Council residents please go to: www.dover.gov.uk

A copy of the questions is also available from council offices

- 1. Residents have told us that they want opportunities to recycle more. In response to this, councils across Kent have jointly agreed an ambition to recycle 45% of waste by 2015 and 50% by 2020. How important is it to you personally that we help meet this ambition?**

70.5%	<i>Very important</i>	25.3%	<i>Important</i>	2.7%	<i>Not important</i>	0.7%	<i>No view</i>
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- 2. The only kind of plastic we currently collect is plastic bottles. How important is it to you that other types of plastic (for example yoghurt pots and margarine tubs) are collected and recycled?**

74.3%	<i>Very important</i>	20.9%	<i>Important</i>	3.0%	<i>Not important</i>	0.8%	<i>No view</i>
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- 3. We are looking at ways of how food waste could be collected every week separately from residual (dustbin) waste so that it can be composted. How important is it to you that food waste is collected weekly and composted and not sent to landfill?**

43.2%	<i>Very important</i>	30.6%	<i>Important</i>	22.3%	<i>Not important</i>	2.4%	<i>No view</i>
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- 4. How important is it to you that the contractors who collect your recycling and waste put your containers (wheelie bins, box and bags) back at the place where you left them?**

67.4%	<i>Very important</i>	26.9%	<i>Important</i>	3.3%	<i>Not important</i>	0.8%	<i>No view</i>
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- 5. Our current contracts do not enable us to collect recycling from larger blocks of flats. If you live in a block of flats, how important is it that we offer you a recycling collection in the new contract?**

12.5%	<i>Very important</i>	6.3%	<i>Important</i>	0.5%	<i>Not important</i>	51.9%	<i>No view</i>
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- 6. In Shepway waste collections currently start at 7.30 am. We could deliver a more efficient and cost-effective recycling and waste collection service if the earliest collection rounds started at 7am - which they already do in Dover. If you live in Shepway, how convenient would this be for you:**

7.9%	<i>Very convenient</i>	4.1%	<i>Convenient</i>	1.4%	<i>No convenient</i>	46.6%	<i>No view</i>
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- 7. How important is it to you that the council provides you with containers for your waste to minimise the risk of it escaping and being blown around/ripped into by seagulls etc?**

65.3%	<i>Very important</i>	21.9%	<i>Important</i>	10.1%	<i>Not important</i>	1.3%	<i>No view</i>
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- 8. How important is it to you we install bins in our town centres that can collect recycling as well as litter?**

49.5%	<i>Very important</i>	38.0%	<i>Important</i>	9.0%	<i>Not important</i>	2.3%	<i>No view</i>
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9. How important is it to you that litter in the street is recycled wherever possible after it is swept up?

45.8% *Very important* 42.7% *Important* 8.5% *Not important* 2.3% *No view*

10. Streets can sometimes look dirty and untidy on collection days. How important is it to you that we provide better co-ordination between the recycling & waste collection and street sweeping services?

63.8% *Very important* 29.8% *Important* 3.3% *Not important* 1.1% *No view*

11. How would you prefer to receive information about the new waste services?

55.9% *Leaflet* 39.8% *Web site* 1.3% *Road shows* 14.1% *All three*

Is there any other way you would like to receive information? 16.5%

We would particularly like to hear your priorities for the new service if you have a disability or for any reason find it difficult to put out your recycling and waste for collection. Please add your comments below.

24.4%

Would you be interested in attending a small workshop to further discuss the waste and street cleansing contract? If so please provide contact details below:

16.9%

In order to help us understand the issues for particular areas, would you please let us have your town/parish and postcode.

Town/Parish 94.7%

Postcode 92.7%

Thank you for taking the time to complete this survey

**Appendix D:
Summary of issues raised at consultation meetings on 8th September**

1. WASTE WORKSHOPS: SANDWICH, 8TH SEPTEMBER

a) Feedback from 4pm and 7pm workshops

- Can Community refuse bins be provided in town centres?
- Will the box be big enough for two weeks?
- Box would be too heavy to carry with two weeks recycling.
- Large households need a larger bin or two.
- Could provide different colour bins for assisted collections.
- Introduce collections of clothing at the kerbside for textiles that charity shops don't want.
- Link food waste collections to community waste projects for anaerobic digestion.
- Extend street cleansing services in Sandwich to beyond the town walls.
- Ensure proper sweeping of pavements in Wingham.
- Have we considered that waste arisings will increase with moves to wheeled bins.
- Ensure clear communications to residents for new services.
- Need to ensure wider public are educated to participate in recycling.
- Need also to ensure contractor is properly trained to support services.
- Concerns over use of wheeled bins in areas of terraced housing or properties with limited storage.
- Consider on-street communal bins for residual waste.
- Provide smaller bins for elderly/ infirm/ single occupancy.
- Query as to whether food waste bin is big enough and if not what options would there be.
- Suggestion that we should use Town and Parish Councils to support publicity.
- Concerns that paper would blow away from black box.
- Suggestion we should give more publicity as to what happens with recycling.

**Appendix E:
Budget Impact Analysis; Dover DC**

Budget 2011/12

Refuse Collection	MTFP Budget Projections	Predicted Costs based on tender submissions
Budget Description	£	£
Contract payments.	1,446,000	878,018
In-year savings assumed in MTFP as a potential benefit from the introduction of the new services.	-200,000	0
Sub-Total	1,246,000	878,018
Recycling		
Budget Description	£	£
Contract payments.	1,116,720	1,284,878
Service Recycling Banks	19,250	Included above
Haulage Costs	140,000	Included above
Income from recyclable materials	-235,000	Included above
In-year savings assumed in MTFP as a potential benefit from the introduction of the new services.	-200,000	0
Enabling Payment from KCC (Recycling Income)		-95,525
Enabling Payment from KCC (Service Costs)		-131,259
Payment to KCC for share of collection savings		54,500
Sub-Total	840,970	1,112,594
Street Cleansing		
Budget Description	£	£
Contract payments.	1,039,080	1,349,413
In-year savings assumed in MTFP as a potential benefit from the introduction of the new services.	-100,000	0
Sub-Total	939,080	1,349,413
Overall Summary	MTFP Budget Projections	Predicted Costs based on tender submissions
	3,026,050	3,340,025
Estimated Budget Impact relative to MTFP provision +£313,975		

DOVER DISTRICT COUNCIL

REPORT OF THE HEAD OF PAID SERVICE

NON-KEY DECISION

BUDGET/POLICY FRAMEWORK

CABINET – 1 NOVEMBER 2010

SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE – 1 NOVEMBER 2010

EXTRAORDINARY COUNCIL – 3 NOVEMBER 2010

DELIVERING EFFECTIVE SERVICES – SHAPING THE FUTURE OF THE DISTRICT

Recommendation

That the Council:

1. *Approves the service priorities and standards as outlined at Appendix 1, section 2.*
2. *Approves the Chief Officer (high level structure) as outlined at Appendix 1, section 2, as the succession structure to be implemented from 1 April 2011.*
3. *Recognises that Years 3 and 5 represent indicative structures of where the Council proposes to be, subject to external factors (the uncertainty of the Revenue Support Grant settlement (RSG) may result in consideration of faster progression).*
4. *Recognises the structures and priorities, as contained within the report, inform the development of the Medium Term Financial Plan (MTFP).*
5. *Recognises that the consequential changes to the Constitution will be undertaken with such changes being brought into effect from 1 April 2011.*
6. *To appoint to the new Chief Officer posts subject to competition and the provisions of the Constitution.*
7. *Recognises the outcomes of the Comprehensive Spending Review (CSR), and remaining uncertainty of the Revenue Support Grant Settlement, will result in further savings to be identified.*

Contact Officer: Nadeem Aziz, Chief Executive, extension 2401.

Reasons why a decision is required

1. This Council, in adopting the recommendations of the Employment Stability Report Phase 2 – The Way Forward, on 19 May 2010 recognised the unprecedented period of financial uncertainty and constraint facing this council. Due to these unprecedented pressures, over coming years, this Council will need to make significant savings from its budgets.
2. The announcement of the CSR on 20 October 2010 set out significant reductions in funding to Local Authorities and the proposals in this report start to address the anticipated Year 1 General Fund deficit. This is the start of the process however there is an appreciation that following the announcement of the CSR and uncertainty

- service prioritisation
- restructuring
- further efficiencies within services/departments
- shared services

Background information

3. Cabinet discussed the original version of the attached report (Appendix 1) at its meeting on 6 September 2010 and approved the report for wider consultation. The updated version of the report at Appendix 1 reflects all of the changes adopted by Cabinet at its meeting on 6 September 2010 and 4 October 2010 and includes annex 7 that collates the results of the consultation, surveys and research findings to date. Cabinet discussed a second version of the report with updated consultation results on 4 October. The Cabinet decisions arising from these meetings are as follows:

<p>CAB 20 6.9.10</p>	<p>It was agreed:</p> <p>(a) That it be recognised that the proposals and direction of travel recommended in the report at Appendix 1 are influenced by the latest information available from Central Government.</p> <p>(b) That the service priorities and standards, as outlined in section 2 of the report at Appendix 1, be approved for consultation.</p> <p>(c) That the Chief Officer (high level structure), as outlined in section 2 of the report at Appendix 1, be approved for consultation.</p> <p>(d) That the efficiency savings outlined in Annex 6, and the projects identified as being required to deliver resource savings, be approved for consultation.</p> <p>(e) That the following amendments be made to the report:</p> <p>(i) Organisational Structure references to 'Directors' to be amended to refer to 'Directorates';</p> <p>(ii) Alternative Service Delivery function to be allocated to the Chief Executive;</p> <p>(iii) 'Strategic Transport' to be re-named and upgraded to 'Gold' service standard in line with Regeneration Delivery;</p> <p>(iv) 'Facilities' to be upgraded to 'Silver' service standard;</p> <p>(v) 'Support for Council meetings, Councillors and Civic responsibilities' to be downgraded to 'Silver' service;</p> <p>(vi) 'Electoral Services (statutory functions only)' to be downgraded to 'Silver' service standard;</p> <p>(vii) 'Complaints' to be downgraded to 'Bronze' service</p>
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	<p>standard;</p> <p>(viii) 'Freedom of Information' to be downgraded to 'Bronze' service standard.</p> <p>(f) That the report (subject to the amendments at (e)) be approved for wider consultation with stakeholders, with responses informing an updated report to Cabinet on 4 October 2010.</p>
<p>CAB 36 4.10.10</p>	<p>(a) It was agreed:</p> <p>(i) That the consultation and research findings received to date as attached at Annex 7 of Appendix 1 of the report be recognised and the proposed actions/recommendations be approved.</p> <p>(ii) That it be recognised that the consultation and feedback from stakeholders will continue to inform the evolving report and that final details on consultation responses will be reported to Cabinet on 1 November 2010.</p> <p>(iii) That the public conveniences situated at Buckland Bridge, Dover and The Clock Tower, Dover be closed from 1 November 2010 in support of the Corporate Assets Priority Lists project detailed at Annex 6 of Appendix 1 of the report.</p> <p>(b) It was agreed that, subject to any further issues that are identified in an updated report reflecting the Government's Comprehensive Spending Review announcements, which will be considered at the Cabinet meeting of 1 November 2010, and recognising ongoing consultation between Portfolio Holders and Directors of Service, Cabinet recommends from this meeting that the Council:</p> <p>(i) Approves the service priorities and standards as outlined at section 2 of Appendix 1 of the report, subject to the following:</p> <p>(A) The downgrading of licensing, land charges and events to 'bronze' service standard;</p> <p>(B) Further consideration given to service delivery relating to licensing; land charges; statutory Finance and Monitoring Officer functions; Local Democracy Day; insurance; data protection and corporate communications.</p> <p>(ii) Approves the Chief Officer (high level structure) as outlined at section 3 of Appendix 1 of the report.</p> <p>(iii) Recognises that Years 3 and 5 represent indicative structure of where the Council proposes to be, subject to external factors.</p> <p>(iv) Recognises that the structures and priorities, as contained within the report, inform the development of the Medium-Term Financial Plan.</p>

	<p>(v) Recognises that the consequential changes to the Constitution will be undertaken as part of the 2010/11 review.</p> <p>(vi) Forms a Sub-Committee of the Council that must include one member of the Executive to appoint to the new Chief Officer posts, subject to competition.</p>
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4. This report has been fully updated with the above decisions, anticipated implications of the Government's Comprehensive Spending Review announcements and any further consultation responses. Council is asked to review the results and consider the actions/recommendations.
5. Once the Revenue Support Grant Settlement has been received a full report, including performance information, will be brought forward as part of the Medium Term Financial Plan development process.

Options available to the Council with assessment of preferred option

- (1) **To approve the service priorities and standard levels, and the high level structure for Year 1 (2011/12)**
6. This is the recommended option as outlined in the attached report at Appendix 1.
- (2) **Progress the Status Quo – with the acceptance that the structure and organisation will change as the Shared Service agenda progresses**
7. As tranche one, as approved by Council for shared services across East Kent is being delivered, solely focus our attention on determining, how we can better share services and resources across the boundaries to downsize staff costs, achieve the desired efficiencies by spreading resources and improving resilience. This is a valid approach, which sits alongside the re-modelling of services and functions and forms part of the overall solution for this Council.
8. However, the shared service pace of change at present will not address the current budget deficit in the timeframe required nor will it alone address service prioritisation required to effectively deliver all residual services. Therefore although being pursued, alongside the proposals outlined in the attached report, it doesn't examine all of our services or in the shorter term provide the solution required to address our MTFP needs.
- (3) **To not approve the proposals and develop the Year 5 Structure with immediate effect**
9. Although the Year 5 vision is where the Council proposes to be by 2015, moving to this structure at this stage is financially unsustainable and with so many unknowns the risk is too great to burden the local tax payer. This option is also subject to the approval and pace allowed by others. Therefore this option is not recommended due to the financial risk and level of uncertainty existing at this point in time.

Information to be considered in taking the decision

10. Please see the full report, attached at Appendix 1.

Background Papers

Please see the full report, attached at Appendix 1.
Report to Council on 19 May 2010 entitled Employment Stability – The Way Forward

Resource Implications

Budgetary implications are detailed in the attached report at Appendix 1, Note 4.

Comments from Finance

The Comprehensive Spending Review announced on 20 October 2010 set out reductions of 28% in "local authority" budgets over the next four years. This compares with overall cuts of 8.3% across all departmental budgets. However, this includes Police & fire authorities and the pressures on local authorities are expected to be greater.

The headline figure for local government is an average reduction in formula grant funding of 7.1% per annum over the four years of the Spending Review. However, it is important to note that apart from Fire and Rescue authorities, whose cuts fall mainly in 2013-14 and 2014-15, most authorities' cuts are significantly front-loaded to 2011-12. Analysis received¹ suggests the distribution of reductions could be weighted as detailed below:

	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Formula Grant	28,063	25,056	23,453	23,252	21,949
Less:					
Roll in of Specific Grants	3,441	3,931	4,300	4,469	4,483
Police Authorities	3,491	3,391	3,292	3,192	3,092
Fire Authorities	1,057	1,014	972	887	792
Local Authority Funding	20,074	16,720	14,889	14,704	13,582
Year on year change		(16.7%)	(11.0%)	(1.2%)	(7.6%)
Overall change		(16.7%)	(25.8%)	(26.8%)	(32.3%)
Cumulative inflation assumed		2.5%	5.0%	7.5%	10.0%
"Real" reduction in resources		(19.2%)	(30.8%)	(34.3%)	(42.3%)

Current budget projections, based on the figures above are:

	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000
Formula Grant Reduction	16.7%	11.0%	1.2%	7.6%
Projected Annual Deficit (Status Quo)	1,069	1,384	1,668	2,047
Formula Grant Pressure	1,706	2,829	2,952	3,728
Other Budget Pressures	550	550	550	550
Planned Service Savings ⁽¹⁾	(1,755)	(1,755)	(1,550)	(1,550)
Total Annual Deficit / Savings Required	1,570	3,008	3,620	4,775

⁽¹⁾ These are the staff and non staff savings already identified as part of the Delivering Effective Services process and reported to Cabinet on 6 September and 4 October 2010. The 2011/12 savings total £3,325K.

¹ Information received by Local Government Futures who are retained by Kent authorities to provide financial analysis on formula grant.

See the finance comments, as part of the full report attached at Appendix 1, section 4 for full details.

Communication Statement

- I-Space has been used from the outset, with staff able to post questions and answers provided
- All staff forums held on 26 and 29 July
- All staff briefed via Management Team debriefs/cascade held week commencing 19 July
- All staff emails
- Press briefing held and press release issued 21 July
- Public research into service priorities commenced 21 July via the Council's website, with hard copies of the survey available in area offices and the Gateway. Council officers have been encouraging residents to complete the questionnaire and give their views and comments. The on-line questionnaire was also announced in the local press.
- Letter sent from Councillor Paul Watkins, Leader of the Council, to all Town and Parish Councils and Chair of the Compact 21st July
- Further staff forums held on 31 August 2010 and 2 September 2010
- Reminders sent early September via email to 2500 sign me up database, business forms and voluntary and community groups to complete the on-line questionnaire and comment on the report and proposals.
- Formal Staff/Union consultation starts in late autumn once structures are approved by Members
- Formal budget consultation with Staff, Residents and Partners starts in late autumn once the outcomes of the Government's Comprehensive Spending Review are detailed.

Impact on Corporate Objectives and Corporate Risks

The detailed report has taken into account the Corporate Objectives contained in the Interim Corporate Plan. The service prioritisation evaluation includes reference to the Corporate Plan.

Customer Access Review

Once Council has approved the succession structure and service priorities a review will be undertaken.

Attachments

Appendix 1: Delivering Effective Services: Shaping the Future of the District

NADEEM AZIZ
Head of Paid Service

The officer to whom reference should be made concerning inspection of the background papers is the Head of Paid Service, Dover District Council, White Cliffs Business Park, Dover, Kent CT16 3PJ. Telephone: (01304) 821199, Extension 2400.

DELIVERING EFFECTIVE SERVICES - SHAPING THE FUTURE OF THE DISTRICT

CABINET	4 OCTOBER 2010
SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE	12 OCTOBER 2010
CABINET	1 NOVEMBER 2010
SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE	1 NOVEMBER 2010
EXTRAORDINARY COUNCIL	3 NOVEMBER 2010

Cabinet recommends that the Council

1. Approves the service priorities and standards as outlined at section 2.
2. Approves the Chief Officer (high level structure) as outlined at section 2, as the succession structure to be implemented from 1 April 2011.
3. Recognises that Years 3 and 5 represent indicative structures of where the Council proposes to be, subject to external factors.
4. Recognises the structures and priorities, as contained within the report, inform the development of the Medium Term Financial Plan.
5. Recognises that the consequential changes to the Constitution will be undertaken as part of the 2010/11 review.

Executive Summary:

This Council in adopting the recommendations of the Employment Stability Report Phase2 – The Way Forward, on 19 May 2010 recognised the unprecedented period of financial uncertainty and constraint facing this council. Working with the Leader and his Cabinet, the Chief Executive has fully briefed the Opposition Party Leaders, Town and Parish Councils, officers of the Council, the press and stakeholders on the financial pressures facing this Council, what this means to the Council and how we are responding. Full details of engagement are provided at Annex 1.

Due to these unprecedented pressures, over the next 4 years, it is estimated¹ that this Council will need to make savings from its annual budget of approximately £6m. In year one (2011/12) this will be significantly higher due to the anticipated impact of front loading of the CSR funding reductions and reduced turnover resulting in a loss of savings currently achieved by the vacancy provision. In addition an increasing pressure of approximately £1m per annum is forecast.

The proposals in this report start to address the anticipated Year 1 General Fund deficit (although there is an appreciation that, with the announcement of the CSR and uncertainty around the Revenue Support Grant settlement further savings will need to be identified) through a mixture of:

- service prioritisation
- restructuring
- further efficiencies within services/departments
- shared services

¹ As at 22 October 2010

The service prioritisation has been achieved through the completion of questionnaires by each service and workshops attended by officers and Portfolio Holders. The services were then scored against a weighted criteria, to ensure a consistent approach. These scores have then been developed into 'Gold, Silver and Bronze' service priority and standard – these classifications are then used as a comparative service priority for future delivery.

It needs to be recognised that this report represents the start of an ongoing process to meet the anticipated budget pressures over the coming years, where this Council will continue to be committed to providing the best quality services, within the resources available. The Council will also seek to support any displaced staff by the use of various outplacement programmes, such as DWP or Next Step, appropriate to the needs of the individual.

1. Introduction:

Dover District Council, like others, is facing unprecedented challenges to its budget and services, as a result of a number of external factors. This not only means difficult decisions have to be made, but it also opens an opportunity to reshape our services to better serve our communities, maximise the potential of partnership working and hold onto talented, dedicated employees.

1.1 Background:

Against the backdrop of a national economic downturn the Council took a number of steps to ensure the services it provides have remained effective and efficient and responsive to the national and local environments:

In October 2008 Council approved the use of a combination of capping the size of the establishment and the active use of redeployment and vacancy opportunities to ratchet down the size of the organisation over time, as outlined in the report entitled Employment Stability through Change and Economic Downturn. This has achieved its objectives of slowing growth in the organisation and reducing the budget pressure from salaries. In 2009/10 combined vacancy turnover and employment stability savings of over £750k were achieved within the year. This was achieved through slowing down the filling of vacant posts, reducing vacancy advertising costs and/or not filling non-priority vacancies. The vacancy provision budgeted in previous years was £400k and so a sizeable increase on this level was achieved.

Even though this process has been extremely effective there remained a number of limitations - the main issue being a lack of equity across the Council, as the process targets only those posts that become vacant and does not take a wider view of all posts across the organisation.

Difficult choices were also made and captured by the Council in the Interim Corporate Plan 2008 – 2011, recognising the Council itself could not entirely fulfil a broad delivery role and therefore focusing on the three priorities of 'Regeneration', 'Value for Money Services' and 'Enabling Other Through Partnerships'.

Alongside the work ongoing within DDC itself, a number of projects are progressing within East Kent:

- (a) A commitment to shared services has led to the appointment of an East Kent Shared Service Director (and dedicated team) for Canterbury, Dover and Thanet Councils and an accelerated programme is currently being negotiated to deliver shared

services where there is benefit to the both the customer and the negotiating authorities.

- (b) The Housing Shared Service Vehicle has been out for consultation and has been supported by tenants and Cabinet, this could see the move to an Arms Length Management Organisation during 2011, subject to Secretary of State approval.
- (c) Approval has been given for a joint Waste contract, between Dover District Council, Shepway District Council and Kent County Council, by a Joint Cabinet meeting in October 2010, this is working to realise financial efficiencies to the negotiating authorities and a more effective service to residents.
- (d) Internal services have already moved to a shared service platform with the East Kent Audit Partnership and East Kent Human Resources Partnership, hosted by DDC.

1.2 The Process for Change:

The Council, like all others is facing an unprecedented challenge to budgets and service delivery. It has been widely accepted that we 'cannot carry on as we are'. Faced with the significant challenges the Council agreed at an extraordinary meeting on 19 May 2010 to enhance the Employment Stability process to identify priority and non-priority functions and therefore related service standards, provide priority redeployment opportunities to staff identified in non priority functions and develop Shadow Organisational Structures for 2011/12 onwards.

However, even since this decision events have overtaken us with the emergence of the significant national deficit leading the Coalition Government to review all departments and budgets. The CSR announcement (Annex 9, letter from Rt Hon Eric Pickles) identifies the need to make further savings and with the uncertainty of the Revenue Support Grant settlement this report is only the start of the process

Our timetable and the processes needed to identify priority and lesser priority functions, must also reflect the pace of change both nationally and locally, and ensure the Council is able to respond effectively to ensure that we manage the anticipated General Fund deficit. However, as this Council is already low taxing, has a very lean management and staffing structure and has already delivered many efficiencies over a number of years, there is no magic solution. Shared services and joint working are dependant on collaboration with others and as committed as the Council remains to the process we cannot solely rely on partnership working to ease the financial pressures.

A Project Board and Team were established to drive forward the enhanced Employment Stability process and this report identifies the findings with proposals on how to shape the future of the Council. The team reviewed services against a set of criteria (*attached at Annex 2*) that were applied consistently across the organisation. Heads of Service and Portfolio Holders were asked to complete a questionnaire (*attached at Annex 3*) and the service boundary, to be scored against the criteria, was set by the completed returns. The completed questionnaires were analysed and used as a precursor to divisional workshops, attended by Portfolio Holders, Heads of Service and Managers, to challenge the returns.

Each service was then scored and a list of priority and lesser priority services emerged. This detailed piece of work, together with the financial modelling and awareness of political/policy influences/drivers and timescales has been the basis on which the shadow organisational structures have been proposed. Following this work through, each service has been allocated a Gold, Silver, Bronze and Tin service standard – this classification relates to the

service priority work undertaken by the Project Team – and becomes a comparator within each Directorate (with resources attributed accordingly). The classification definitions are:

- Gold – Core Service (maintain the current service level but still expect efficiency savings or consideration for alternative service delivery, if and where appropriate).
- Silver– Services that may need to be reduced to below the current service standard dependant on available resource, or alternative delivery method sought (these may see a lowering of service levels).
- Bronze – those services that would impact on the Council if lost, but would be sacrificed or severely reduced in standard if the Comprehensive Spending Review dictates (these will see a lowering of service standard).
- Tin – Cease service.

A Gold service standard should be the core function(s) within that Directorate. The timings for change and the necessity for a clear direction for workforce planning has resulted in the shadow (succession) structures being developed earlier than was originally planned. Detailed work on specific projects will continue through 2011/12.

1.3 Policy Impacts:

The project team was also very aware of the need to ensure correlation with many external factors affecting funding and service delivery (a large number of which the detail and eventual process remains unknown at this time). This will be a challenging transition for the Council and one which will require the flexibility of both it's structure and service delivery aims and standards as negotiations at local, regional and national levels continue apace.

The Coalition Agreement between the Conservative and Liberal Democrat parties was published on 20 May 2010 and outlines how the two parties programmes fit together – it is intended to be achieved over a five year Parliamentary term. The Queen's Speech followed on 25 May 2010, outlining the new Government's forthcoming legislative programme - and it would seem there is to be legislation tabled for nearly every major policy area agreed by the new coalition government.

The three main areas identified through these programmes and that are likely to have the most impact on Shaping the Future of the Council are Decentralisation/Localism, Social Action ('The Big Society') and Government Transparency.

The proposed structures aim to support the flexibility needed in the current climate, whilst the outcome of the above proposals and requirements for consultation and legislation are progressed. Policy strands that need careful consideration in line with the proposed structures and workforce planning are considered in more detail in Note 5 of this report.

With the removal of the Comprehensive Area Agreements and doubt around the future of Audit Commission work it is very much within the remit of Members, in consultation, to identify local performance indicators and an accompanying monitoring programme. The message very clearly from central Government is to be transparent and monitor those services/standards for the outcomes in priorities for resident's and local communities.

As such a new performance reporting framework is to be identified and once approved shall replace the Quarterly Performance Reports.

2. Organisational Priorities:

With proposals for budget cuts and a number of decreasing income streams it is even more vital to identify core priority services and lesser priority services for this Council. These organisational priorities have been derived from a number of work streams, most notably the service questionnaires, and workshops and also the consultation on the Council's website – plus the results of previous consultations. Using this information has helped prioritise services for the future and how they could be delivered more efficiently. The process has also helped to identify if the Council is offering services that have the potential to be outsourced or provided in a different way, or if any services that are perceived as being of lower value could be reduced or even stopped.

Service standards have been determined for all services that are not currently shared services or included in tranche 1 of new shared services. There will not be a universal cutting of the remaining services, instead using the service prioritisation, higher priority services will have a higher level of service standard and associated staffing to meet the standards.

In developing the service prioritisation, a high level Chief Officer structure to deliver the service changes has been developed for Year 1, which Members are asked to approve. This decision will result in changes to the Council's Chief Officer structure as outlined in the Constitution.

Once approved by Council, the process for appointing the new directors from a pool of at risk posts will be applied with the intention of having identified the directors to run the new structures from 1 April 2010 by Christmas 2010. The detailed structures beneath will be determined in early 2011.

At Annex 4 are the current high level organisational structure, the year 1 (2011/12) high level structure and indicative structures for year 3 (2013/14) and year 5 (2015/16).

Consultation:

Previous consultation (including the 2008 Place Survey with statistically reliable results released last year) has highlighted our resident's top priorities in making an area a good place to live as:

- low level of crime
- good health services
- clean streets
- affordable decent housing
- good shopping facilities

These priorities have informed our Corporate Plans and now also inform this service prioritisation work. Although not all of the components in making a good place to live are the sole responsibility of the Council, the ones that are have been attributed a Gold service standard.

Our recent survey is currently on the Council's website, this has been advertised in the local newspapers. In addition, hard copies of the online prioritisation survey have been made available to customers at our area offices and the Gateway in Dover. Council Officers have been asking residents to complete the survey whilst they have been in the offices.

A reminder email was also sent in early September 2010 to 2500 Sign Me up residents, to all Voluntary and Community Groups and to the Business Forum asking them to take the time to visit our website and complete the survey. Full details are provided at Annex 7, in summary our residents are now classing the top 3 most important services as:

- waste collection
- street cleansing
- recycling

and the least important 3 as:

- licensing
- land charges
- events

This probably reflects the services that members of the public access frequently and most associate with the Council as the most important services, and those services only accessed occasionally by the public, usually for particular circumstances, as the least important.

Responses have also been received from the Council's Trade Union representatives, GMB (MPO) and Unison. These are provided at Annex 8 together with the management response.

The tables on the following pages indicate the comparative service priority and standards, within each of the newly proposed Directorates:

Directorate Service Name	Service	Proposed standard of service delivery
Chief Executive		
Head of Paid Service	Statutory Head of Paid Service Functions	Gold
Head of Inward Investment	Regeneration Opportunity	Gold
Policy	Policy	Silver
Communication and Consultation Print and Mail	Design/Photography/Video, PR, Web	Silver
	Printing/Mail	Silver
Shared Services Co-ordination and Alternative Service Delivery	Shared Service Co-ordination and Alternative Service Delivery	Gold
Personal Assistants/Secretaries	Personal Assistants to Corporate Management	Silver
Word Processing	Word Processing	Tin
Directorate 1		
Finance	Accountancy (inc Grants to Voluntary Organisations)	Gold
	Statutory Financial Officer (S151) function	Gold
	Corporate Income	Gold
	Procurement (Creditors and Sundry Income)	Silver
Directorate 2		
Planning	Development Control (as applied to regeneration projects)	Gold
	Development Control (general/other)	Silver
	Building Control (proposed shared service from Summer 2011)	Silver
	Conservation	Silver
	Private Sector Housing	Silver
Regeneration Delivery	Regeneration Delivery (LDF Delivery: Forward Planning)	Gold
	Regeneration Outcomes (delivery- DDC as landowner projects)	Silver
	Strategic Housing	Gold
	Strategic Transport (Influencing role as applied to Regeneration Projects and LDF Delivery)	Gold
	Environmental Sustainability (Climate Change)	Bronze
Community Delivery	Sports Development and Leisure Delivery (inc Deal Pier Officers, VISTA contract management, Strategic Sports Development and consultation)	Silver
	Events	Bronze
	Community Development (delivery)	Silver
	Disabled Facilities Grants (reduction in grant)	Silver
	Housing Needs	Gold
	Neighbourhood Forums	Silver
Museum and Tourism	Tourism	Bronze
	Museum	Bronze
Directorate 3		
Environmental Enforcement and Protection	Environmental Health (Statutory Functions)	Gold
	Environmental Health (Non Statutory Functions)	Silver
	Licensing	Bronze

Directorate Service Name	Service	Proposed standard of service delivery
	Waste Contract Management (including shared service with SDC for waste collection, street cleansing and recycling)	Gold
Parking and Highways	Parking	Gold
	Highways	Bronze
Community Safety and CCTV	Community Safety	Gold
	CCTV	Bronze
Asset Management and Maintenance	Asset Management and Maintenance (includes: area offices, corporate buildings, public conveniences, precincts, bus shelters, Timeball Tower, public clocks and memorials, Cemeteries, including burials and closed churchyards)	Silver
	Facilities Management (Dover Town Hall, Dover Leisure Centre, Tides, Walmer Paddling Pool, Deal Pier)	Silver
	Parks and Open Spaces (including Play Areas, Multi – Use Games Areas, Skate Parks, Beaches and Foreshores etc)	Silver
	White Cliffs Countryside Project (In the future working with partners we will seek an alternative form of delivery)	Silver
	Coastal Protection	Gold
Directorate 4		
Democratic Services	Support for Council meetings, Councillors and Civic responsibilities	Silver
	Land Charges	Bronze
	Electoral Services (statutory functions only) (Recognising the increasing likelihood of local referendums)	Silver
	Statutory Monitoring Officer function	Gold
	Non Statutory Support Services/Local Democracy Day	Bronze
	Civic Car	Bronze
Legal	Legal Services	Gold
Corporate Support and Client Side Commissioning/ Monitoring	Insurance	Gold
	Complaints	Bronze
	Data Protection/RIPA (statutory functions only)	Gold
	Corporate Reviews/Inspection	Bronze
	Equalities	Bronze
	Freedom Of Information	Bronze
	Investors In People	Tin
	Performance Reporting – Monitoring partnership and shared service arrangements/ Surveys	Silver
	Monitoring the achievement of Value for Money	Silver
Risk Management (remaining function to be focused on major projects)	Bronze	
Emergency Planning and Business Continuity	Emergency Planning and Business Continuity	Silver
National Leaflets	National Leaflets Project (An income generator)	Bronze

Directorate Service Name	Service	Proposed standard of service delivery
Internal Project Management	Internal Project Management	Tin

Please note this table does not include Yr1 Shared Services – whose service standards shall be set through the shared service process.

Note:

Gold – Core Service (maintain the current service level but still expect efficiency savings, and/or consideration for alternative service delivery, if and where appropriate).

Silver– Services which may need to be reduced to below the current service standard dependant on available resource, or alternative delivery sought (these may see a lowering of service levels).

Bronze – those services that would impact on the Council if lost but would be sacrificed or severely reduced in standard if the CSR dictates (these will see a lowering of service levels).

Tin – Cease service.

3. Proposed Organisational Structures:

The current and proposed high- level structures can be found at Annex 4.

These proposed structures and associated service priorities and standards, if approved, enable a start to the Medium Term Financial Plan modelling and a sound base on which to make potentially further anticipated budget savings, identified at note 4. The greater the Government cuts, the greater the reduction in service standards for silver and bronze services. These proposed structures are indicative of the necessary timing for change and after year 1 are flexible to respond to an accelerated programme of shared service or alternative service delivery, some of which is not solely within the Council's direct control.

Chief Officers/Newly appointed Directors will be appointed to a Directorate and using the outline structure, budget and service standards for year 1, work with the project team to establish their new directorate's detailed structure, ensuring that their service priorities are delivered and the General Fund deficit is managed within an identified resource envelope. The newly appointed directors will also continue to strive for further efficiencies and delivery of more effective services, making further budget savings as required once the Revenue Support Grant Settlement has been announced.

For each Chief Officer post new job descriptions, competencies and person specifications are to be developed, with elements of professional/technical competency required as well as generic management competency in the new jobs. The selection process will include an evaluation criteria, which will measure the agreed competencies and other relevant factors. For director posts subject to competition, a member panel will select the new directors, using the evaluation criteria, as required in our Constitution.

Year 2 and onwards will be shaped by the new directors and their portfolio holders. The detail becomes less certain, as it is very much dependent on the local and national political landscape, pace of change occurring externally, such as with shared services and the detailed budget position, which will become clearer in 2011.

Until the announcement of the Localism Bill the final direction for a number of delivery mechanisms and replacement processes from the abolition of Quangos and performance management frameworks remain uncertain. However there is a real opportunity for Local Authorities to influence these agendas. Kent Districts and Kent County Council have for a short while been working on a revised Kent Commitment and this work seeks to identify a route for local government to assume new responsibilities to improve services for local people while cutting costs to make significant savings for the public purse. A proposed Kent model will involve radical changes in the way Leaders work together, increasing democratic decision-making over local public spending and enhancing the sovereignty and accountability of individual councils, working on the assumption of Districts as building blocks.

The Kent Re-Commitment seeks to enable more local strategic decisions to be made on the delivery of local public services and genuine devolution of powers to both county and district level – however the potential for which 'local' level the roles, responsibilities and resources are devolved to is still a work in progress as to the 'best fit' and economies of scale. Whilst this work is in progress the future shape of the Council must be flexible enough to work in partnership and identify what must be a local delivery role and that which must be a local enabling role – identifying the lowest level of devolution of service delivery to neighbourhood/community groups and Town and Parish Councils.

At an East Kent level the establishment of an East Kent Leaders/Regeneration Board is in the pipeline and how this can lobby/influence for resources ahead of the Revenue Support Grant settlement announcement is as yet to be determined. The impact of announcements on the Councils regeneration agenda is unfolding at pace and any new structure/service proposals will need to take into account the remit of partnership working and our role within that. Any new structure will therefore need to be flexible enough for potential devolvement of roles and responsibilities to be incorporated.

Within this Year 1 Structure the inter-relationship with external work must not be forgotten. The newly appointed Director with the responsibility for the waste function must also undertake line management responsibilities for staff at Shepway and management of the new multi-million pound contract.

This proposed structure is also currently indicative of the agreed timetable for the shared service programme – should this programme be accelerated the structure shall be amended accordingly.

The Year 1 – 2011/12 Organisational Structure shows:

- Corporate Management Team reduced to 4 Directors
- Slimmed down management structure
- Realignment of services
- Redefinition of service/performance standards

The Year 3 – 2013/14 Organisational Structure shows:

- Further reduction of Corporate Management Team to 3 Directors
- Further slimming of management structure
- Increased shared service delivery assumptions – with a recognition that through the 'Big Society' and 'Decentralisation and Localism Bill' alternative service delivery options may well be identified and implementation underway.
- Further realignment of services.

The newly appointed Directors in Year 1 should also have made effective and efficient service delivery decisions in Year 2 that could potentially alter some of the detail of this proposed structure.

The Year 5 – 2015/16 Organisational Structure shows:

- This is the most difficult structure to predict as a number of external factors are likely to impact ahead of this structure
- There is an assumption that the majority of services are shared
- Shared Chief Executive with 2 Directors – although there is also the possibility of a shared management structure.

4. Proposed Budget Implications/Savings:

Impact of the Comprehensive Spending Review

The Comprehensive Spending Review announced on 20 October 2010 sets out reductions² of 28% in local authority grant over the next four years. This compares with overall cuts of 8.3% across all departmental budgets. Local authority core funding from CLG falls from:

£28.5bn in 2010-11 to
 £26.1bn in 2011-12
 £24.4bn in 2012-13
 £24.2bn in 2013-14
 £22.9bn in 2014-15

The headline figure for local government is an average reduction in formula grant funding of 7.1% per annum over the four years of the Spending Review. However, it is important to note that apart from Fire and Rescue authorities, whose cuts fall mainly in 2013-14 and 2014-15, most authorities' cuts are significantly front-loaded to 2011-12. Analysis received suggests the distribution of reductions could be weighted as detailed below:

	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Formula Grant	28,063	25,056	23,453	23,252	21,949
Less:					
Roll in of Specific Grants	3,441	3,931	4,300	4,469	4,483
Police Authorities	3,491	3,391	3,292	3,192	3,092
Fire Authorities	1,057	1,014	972	887	792
Local Authority Funding	20,074	16,720	14,889	14,704	13,582
Year on year change		(16.7%)	(11.0%)	(1.2%)	(7.6%)
Overall change		(16.7%)	(25.8%)	(26.8%)	(32.3%)
Cumulative inflation assumed		2.5%	5.0%	7.5%	10.0%
"Real" reduction in resources		(19.2%)	(30.8%)	(34.3%)	(42.3%)

There are several other potential issues concerning this revised forecast that need to be highlighted:

² The report is not absolutely clear as to whether the cuts are "real terms" or cash. If, as expected, they are cash and local authorities have to absorb inflation, with estimated inflation of 10% over the next 4 years, the real terms cut is circa 42%.

- If the fire authority funding decrease is actually in real terms this would further reduce local authority funding;
- If Police grant and other Police authority funding streams were to reduce by less than 20% in real terms, this would mean a greater reduction in the Formula Grant received by Police forces (which would be favourable for local authorities);
- The proposal to transfer the Concessionary Fares scheme to Kent County Council could cost DCC up to £500k per annum.

At this stage there is still insufficient information on the scale of the grant reductions for 2011/12 and following years to provide a precise figure on the forecast budget pressures facing this authority. This detail won't be known until the receipt of the annual Revenue Support Grant settlement for DDC, which is unlikely to be received before mid-December 2010.

With such unprecedented levels of uncertainty around the budget we cannot afford to wait for a precise figure before we formulate our plans. We are therefore working on the level of grant reduction shown above as advised by Local Government Futures³. Allowing for committed changes in expenditure levels, assumptions around salaries, inflation and other factors, these grant cuts result in the following forecast annual budget saving requirements by 2014/15:

	2011/12	2012/13	2013/14	2014/15
Formula Grant Reduction	16.7%	11.0%	1.2%	7.6%
	£000	£000	£000	£000
Projected Annual Deficit (Status Quo)	1,069	1,384	1,668	2,047
Formula Grant Pressure	1,706	2,829	2,952	3,728
Other Budget Pressures	550	550	550	550
Planned Service Savings	(1,755)	(1,755)	(1,550)	(1,550)
Total Annual Deficit / Savings Required ⁽¹⁾	1,570	3,008	3,620	4,775

⁽¹⁾ These are the staff and non staff savings already identified as part of the Delivering Effective Services process and reported to Cabinet on 6 September and 4 October 2010. The 2011/12 savings total £3,325K.

2011/12 Budget Position

This report has been produced to provide the basis of delivering savings to meet the reduced funding received. The original modelling undertaken had assumed an evenly distributed reduction in funding across a 5 year period. As detailed above the announced cuts are anticipated to be significantly front loaded with the largest grant reduction impacting 2011/12. The work to date has identified significant savings in 2011/12 but further work is now required to identify additional savings as detailed below:

2011/12 Budget Modelling	Best Case	Worst Case	Most Likely / Mid Case
	£000	£000	£000
Projected Annual Deficit (Status Quo)	1,069	1,069	1,069
Budget Pressures:			

³ Local Government Futures are retained by Kent authorities to provide financial analysis on formula grant. The LGA's analysis comes to similar conclusions.

2011/12 Budget Modelling	Best Case £000	Worst Case £000	Most Likely / Mid Case £000
Reduced Formula Grant Settlement	1,706	1,706	1,706
Reduction in Waste savings	200	400	300
Concessionary Fares transfer	0	500	250
Budget Savings:			
Planned service savings	(307)	(307)	(307)
Other RSG changes	(260)	0	(260)
DES staff savings forecast	(1,000)	(1,000)	(1,000)
Redundancy impact	160	544	352
DES corporate savings	(675)	(225)	(450)
Shared Services	(180)	0	(90)
Savings to be identified	713	2,687	1,570

Work continues to be undertaken to identify further reductions in line with the service standards set within this report.

As part of the Constitution it is the responsibility of the Chief Executive as Head of Paid Service to appoint the officers below Chief Officer level to the detailed structure and this level of detail will be prepared and consulted on as part of the ongoing process, once the high level structures and service levels within this report have been agreed. Staffing and at risk posts will be worked through with East Kent Human Resources and Trade Unions to ensure a fair process, in addition alternative delivery methods for services will be explored.

The Shared Service phase 1 programme is the subject of a separate report, which will be considered by members in early November 2010. There is an initial target saving of 10% for each business unit and a prudent approach of up to half of this target has been included as savings in the budget for 2011/12 until more certainty can be given.

Reducing the size of the staffing establishment will result in costs of redundancy and pension actuarial strains. It is difficult to estimate these costs accurately due to the uncertainty around the detailed structures to be set below the high-level structures included in this report. Based on the assumption of a 30-post reduction the costs associated could vary between £300k and £1,000k under current staff terms and conditions (this could change pending the outcome of the current consultation on the Harmonisation Project for Terms and Conditions).

However, the Project Team will work with the newly appointed directors to assess the best options for meeting the targeted financial reductions in their areas and to minimise compulsory redundancies and hence minimise the cost to the taxpayer of any redundancy decisions. Wherever possible savings will be achieved through natural turnover, redeployment and streamlining working practices in order to retain stability within both the organisation and services to the public whilst moving towards a streamlined future. Redundancy costs will need to be met by offsetting savings within the organisation, borrowing (subject to approval by the Secretary of State to capitalise the expenditure) or through drawing on already limited reserves.

In addition, within each service/business area there are suggestions for areas of savings and further opportunities for the managers and teams to identify efficiencies. There will be the flexibility for each service to explore these options within the parameters of meeting the agreed service priority and standard of 'gold / silver / bronze'.

Approval of the structures and priorities contained within this report will inform the budget production process for 2011/12. The detailed budget will be based on these proposals and the RSG settlement incorporated to provide an informed 2011/12 forecast position later in the year.

It needs to be recognised that this report represents the start of an ongoing process to meet the anticipated budget pressures over the coming years, where this Council will continue to be committed to providing the best quality services, within the resources available.

Efficiency Projects (staff and non-staff):

Although wishing to remain as an Employer of Choice, if the budget settlement is as anticipated, further areas will need to be explored to identify future budget savings, potentially within individual teams, but subject to business needs. Below are a selection of potential staff related savings, however, before action could be undertaken on some of these, the Council, in line with its Collective Bargaining Agreement, would need to fully consult and negotiate with all staff. Others could be implemented more quickly offering sensible measures to manage budget pressures:

- Freezing re-grades, honorariums, stepping up payments, training (other than compliance e-learning), training post entry, long service payments, retirement gifts.
- Reduction in use of temps/casuals to cover overtime, overtime, use of consultants, removal of reclaimed costs associated with home working.
- Offering career breaks/secondments.

The proposed Alternative Service Delivery Manager position will identify, with Portfolio Holders and Directors, opportunities for alternative service provision/delivery and new ways of working and will be responsible (working with Corporate Management Team) to ensure efficiencies continue to be identified and delivered. Following the CSR announcement the need to find alternative ways of working will be paramount.

There have also been a number of project (non-staff) efficiency projects identified through the process and these are being further explored and developed to contribute to the Year 1 General Fund budget deficit (all figures are approximate and detailed recommendations will be contained in the medium term financial plan, including:

- Merging Corporate Communications
- Initial reductions to asset maintenance/management
- Changes to committee reports
- Reviewing and replacing the current civic car lease
- Maximising income streams
- Review refunds to VISTA parking customers
- Reduced Grounds Maintenance budget
- Now the LDF process is moving into a delivery phase, releasing funding from the LDF reserve back into the General Fund
- Assumption of savings from shared services

A full list of efficiency projects, including a number of value for money projects can be found at Annex 6.

5. Detailed Findings within each proposed Directorate Year 1:

In order to deliver services within a fast changing environment and against a backdrop of unknown factors – such as the roles and responsibilities of abolished quangos being devolved and the final outcome of the Comprehensive Spending Review – the Year 1 structure draws together a number of service areas. This is to ensure sustainability in areas that allow delivery of corporate goals, such as regeneration, value for money services and working in partnership, whilst recognising and retaining the flexibility that may be required to sustain and possibly increase delivery of further 'devolved' functions.

Chief Executive:

Supporting the Chief Executive and Executive it is proposed for a dedicated Policy function (able to direct and influence local/regional/national policy and understanding and advising how to use national policy framework to achieve objectives) and a corporate communication function (with the responsibility of advising and directing the Council on all elements of communication, brand and identity management, through modern techniques and technology), and a separate and dedicated function of Inward Investment, that will be required to work very closely with all Directors, in particular Director 2. This function has been identified as a stand-alone function to identify, explore and create opportunities to encourage growth and external funding/inward investment for the District. The function will need the commitment, support and advice of all Directorates for turning the opportunities into delivery.

Within this Directorate the project has identified a need for a shared services coordination and alternative service delivery function – with the increase in shared services it will be vital the organisation has an oversight of the process and impacts on the remaining organisation and residents services, but also important will be the identification, working cross-directorate, of the potential and possibility of alternative service delivery- it is envisaged this could be a temporary fixed term post.

Directorate 1:

There remain a number of functions within the authority (as with any local authority) that are required to keep the organisation 'ticking'. Financial capability and confidence are one basket of measures and these functions remain together in 'Finance' under Directorate 1. The s151 Statutory Officer role is within this Directorate and remains a key role in holding the Council's financial capability.

Directorate 2:

Throughout the Employment Stability process and emerging Coalition policies and direction it became clear that in order to continually drive forward the regeneration of our towns and incorporate a devolution agenda, a number of services all need to come together and move forward in the same direction: community input and ownership, planning, strategic housing and infrastructure. Thus supporting the drive for devolution, alternative service delivery as an eventual outcome (and general theme as the future of District service provision), and the Big Society agenda, resulting in these services being grouped as a 'social regeneration' business, in Directorate 2.

Directorate 3:

Highlighted throughout the majority of consultations undertaken locally, regionally and nationally are the services grouped together in Directorate 3: Street cleaning, refuse collection and recycling, safe streets, ample parking, healthy and clean towns, villages,

buildings and open spaces – all joined in one directorate to promote and deliver a street scene agenda.

Directorate 4:

There is also the ongoing requirement to maintain and support the democratic accountability of the Council and its functions, Directorate 4 sees these 'organisational health' services grouped together, including the legal support required for the delivery of all other services and the Corporate Support function that strives to guarantee objectives are clear, co-ordinated and transparent. With the Statutory Monitoring Officer function also within this Directorate – there is an assurance that the organisation meets any requirements it sets itself or is set by others and governance arrangements are adhered to, including support and guidance for transition to shared services.

6. Consultation/communication:

- I-Space has been used from the outset, with staff able to post questions and answers provided
- All staff briefed via Management Team debriefs/cascade held week commencing 19 July
- All staff forums held on 26 and 29 July
- All staff emails
- Press briefing held and press release issued 21 July
- Public research into service priorities commenced 21 July
- Letter sent from Cllr Paul Watkins, Leader of the Council, to all Town and Parish Councils and Chair of the Compact 21 July
- Further all staff forums held on 31 August 2010 and 2 September 2010
- Formal Staff/Union consultation starts in late November
- Formal budget consultation with Staff, Residents and Partners starts in late autumn once the outcomes of the Government's Comprehensive Spending Review are detailed. A reminder email was sent early September to 2500 Sign Me up residents, to all Voluntary and Community Groups and to the Business Forum asking them to take the time to visit our website and complete the survey and add any comments/suggestions to the proposals contained within this report.
- A number of written responses have been received, both internally from Officers of DDC and externally from towns and parish councils, societies and associations. A summary of those responses, plus feedback and recommended actions can be found in Annex 7 of this report.
- The main internal responses are concerned with the classification of 'gold, silver, bronze and tin' and where services could potentially sit under the proposed new structures.
- The main external written responses suggest further ways for the Council to make efficiency savings, with some comments on the priority rankings for Tourism and the Museum.
- All responses have been replied to.

The online survey research has identified the majority of responses reflect the proposed ratings of 'gold, silver and bronze', however there are a few discrepancies that require further Cabinet discussion and consideration and these are also outlined in Annex 7 of this report.

7. Conclusion:

This is an unprecedented time for the Council. It is facing a difficult, and in some cases unknown, financial climate. However, we can't afford to sit and wait. Therefore this report

identifies clear service prioritisation, which together with efficiency proposals and a leaner management structure starts to meet the challenges facing the General Fund, whilst retaining flexibility to respond to emerging policies and practices, plus maintain a degree of stability for staff.

Annexes

Annex 1	Chronology of Activity
Annex 2	Priority Services – Criteria for scoring
Annex 3	Employment Stability Questionnaire
Annex 4	Current High Level Organisational Structure, the Year 1 (2011/12) high level structure and indicative structures for Year 3 (2013/14) and Year 5 (2015/16)
Annex 5	Proposed Budget Implications/Savings
Annex 6	Efficiency Projects and Savings
Annex 7	Consultation Feedback and Research Findings
Annex 8	Responses from the Council's Trade Union representatives, GMB (MPO) and Unison together with the Management response
Annex 9	CSR announcement letter from Rt Hon Eric Pickles

Chronology of Activity

Employment Stability Phase 2 – The Way Forward	
Cabinet	1 March 2010
Scrutiny (Policy and Performance) Committee	9 March 2010
Cabinet	12 April 2010
Council	19 May 2010
Opposition Leaders briefings	20 July 2010
Trade Union briefing	20 July 2010
Press briefing held and press release issued	21 July 2010
Public research into service priorities commenced	21 July 2010
Letter sent from Cllr Paul Watkins, Leader of the Council, to all Town and Parish Councils and Chair of the Compact	21 July 2010
All staff briefing provided by the Chief Executive at Staff Forums	26 & 29 July 2010
Trade Union briefing	23 August 2010
Opposition Leaders briefings	27 August 2010
All staff briefing provided by the Chief Executive at Staff Forums	31 August 2010 & 2 September 2010
Letter sent to all Town and Parish Councils providing a copy of this report and inviting them to comment on the proposals and attend a Towns and Parish Council Meeting with the District Council	3 September 2010
Cabinet and Scrutiny (Policy and Performance) considered the report	6 September 2010
Letter and e-mails sent to stakeholders, providing a copy of this report, links to the on-line survey and inviting comments on the proposals.	9 September 2010
Responses to consultation collated and included as Annex 7 and 8 to this report	24 September 2010
Town and Parish Council Meeting	4 October 2010
CSR and DCLG announcements	20 October 2010
RSG/NDR Settlement	Early December 2010

Priority Services – Criteria for scoring

Introduction

The ES Team carefully reviewed the responses to the service delivery questionnaires and sought further information and explanation through the workshops.

As a result of these the team identified a total of 71 services. Each service was scored under the following headings – the weighting is in brackets.

- a) Did the service support community aspirations and needs (W4)
- b) Did the service support the Council's core objectives in the Corporate Plan (W4)
- c) Was the service a statutory function (W5)
- d) Did the service generate income for the Council (W2)
- e) The cost and impact of withdrawing the service (W3)
- f) The level of complexity of the service which makes it difficult to undertake generically (W2)

The team scored these between 1 and 5 for each service and weightings as noted above. Minor variations to each weighting do not change the overall banding of the priority functions in this report which indicates that the process and methodology is robust.

From these scores, the team banded the services into 4 areas

Priority 1 – Those services which the Council would seek to maintain at all cost

Priority 2 – Those services the Council would like to maintain if budget allowed

Priority 3 – Those services that would impact on the Council if lost, but would be sacrificed if budget pressures dictated

Priority 4 – Those services that could be severely reduced or removed if required.

CONFIDENTIAL – Information for the Project Team – not for disclosure elsewhere

Employment Stability Questionnaire

.....Division

1. Public Interest Test - Does this service serve DDC's or the Community's interests?	
Subsidiary Questions	Data / information which may assist you in answering the questions
<ol style="list-style-type: none"> 1. Why is this service being provided? 2. Is the service widely used? What is the volume of customers/users? Are users clustered around specific communities? 3. What do the public/customers think of this service? How does this compare with national comparisons? 4. Would DDC provide this service in the same way if were a new start up council? 	<ol style="list-style-type: none"> 1. Background/historical information 2. Volume of customers / users – unit cost of provision. Geographic breakdown of service provision. 3. Medium term (trend) performance data. 4. Customer insight data (corporate, directorate, 3rd party inc. complaints). 5. Subjective analysis.

2. Role of Local Government Test - Is this an appropriate level of service for DDC to provide?	
Subsidiary Questions	Data / information which may assist you in answering the questions
1. Why is the service provided in the way that it is? 2. Is the standard of service required set out externally e.g. primary legislation, secondary legislation, statutory guidance, legal judgements etc? 3. What basic service levels are required? 4. What service levels are desirable? 5. What consideration has been given the lowering of the service standard? What are the risks involved? 6. Is the service identified in either the main or interim Corporate Plan? These can be found at: http://doverdc/ImmlIntranet/leadership_support/interim_corporate_plan_2010-13.aspx	1. Historical information /service plan 2. Legal framework 3. Subjective analysis / comparative performance data 4. Historical information / research. Risk analysis 5. Who depends on your service? 6. Who do you depend on to carry out your service or function?

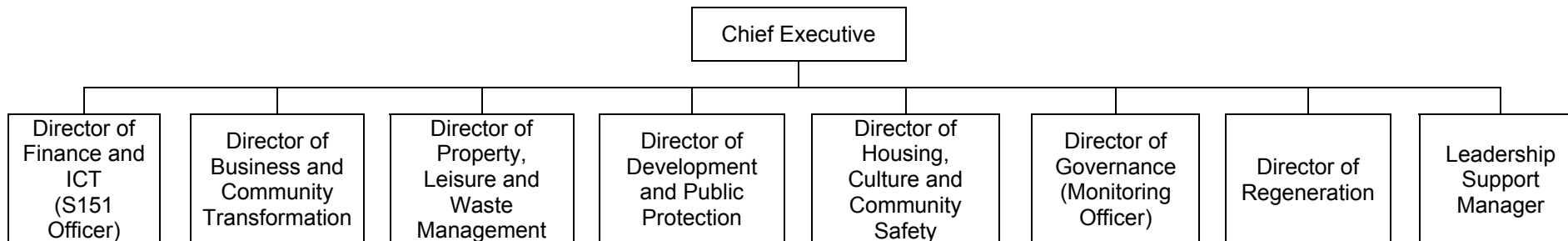
3. Efficiency Test - Could the service be delivered more efficiently?	
Subsidiary Questions	Data / information which may assist you in answering the questions
<ol style="list-style-type: none"> 1. What efficiency savings have been made by this business unit/service over the past four years? 2. Does the service offer good value for money? 3. What are the underlying reasons for the value for money assessment above? 	<ol style="list-style-type: none"> 1. Medium term budget/efficiency data for four years. 2. Subjective analysis.

4. Affordability Test - Can this service continue to be afforded?	
Subsidiary Questions	Data / information which may assist you in answering the questions
1. Please confirm the 20010/11 divisional cost and headcount budgets? 2. What is the assessment of future need / demand on this service in terms of a) Statutory requirements / demographic change etc. b) Shared services 3. To what extent does this service depend on internal transfers / external funding? 4. What assessment has been made of the sustainability / maximisation of external funding sources? 5. Does the service provide a net income to the council? How much?	1. Budget 2. Medium term budget 3. Shared services proposals/timetable 4. Subjective analysis / Business modelling data.

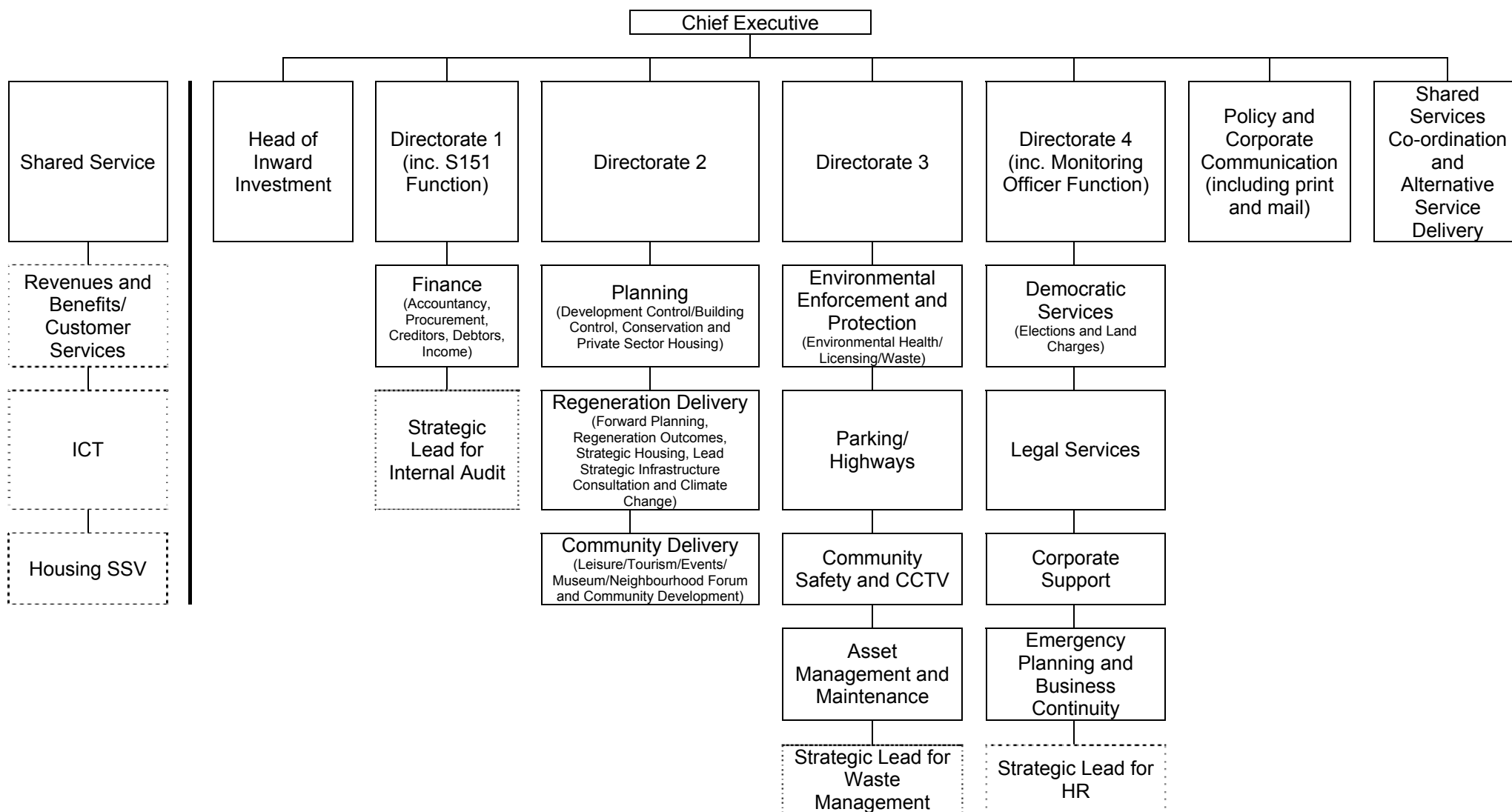
5. Alternative Service Provision – Could this service be provided by another level of government e.g. KCC/Parish Councils or other public, private or voluntary sector organisation?

Subsidiary Questions	Data / information which may assist you in answering the questions
<ol style="list-style-type: none"> 1. Is there any statutory obligation to provide this service? 2. Why is the service provided in-house? 3. Has the service previously been provided by another layer of local government or voluntary/community group? 4. If legislation allows could savings be identified through transfer or commissioning of function to another tier of government or third party? 5. Are there any examples of other tiers of local government or third parties (i.e. non top tier) undertaking or commissioning this function? 6. What is the state of the market in relation to the provision of this service? 	<ol style="list-style-type: none"> 1. Legal / service plan 2. Historical information. 3. Subjective analysis 4. Policy Research

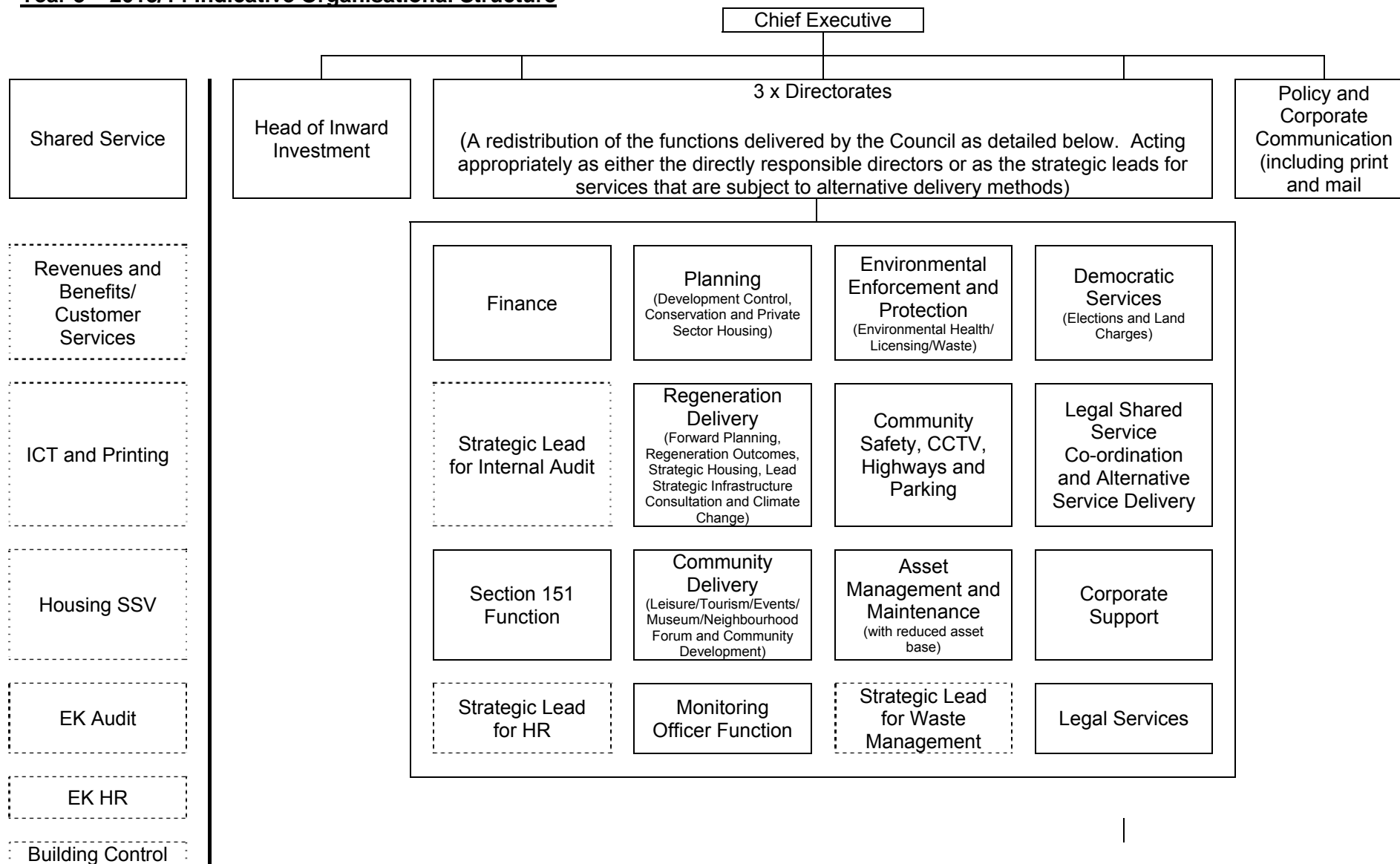
Current High Level Organisational Structure



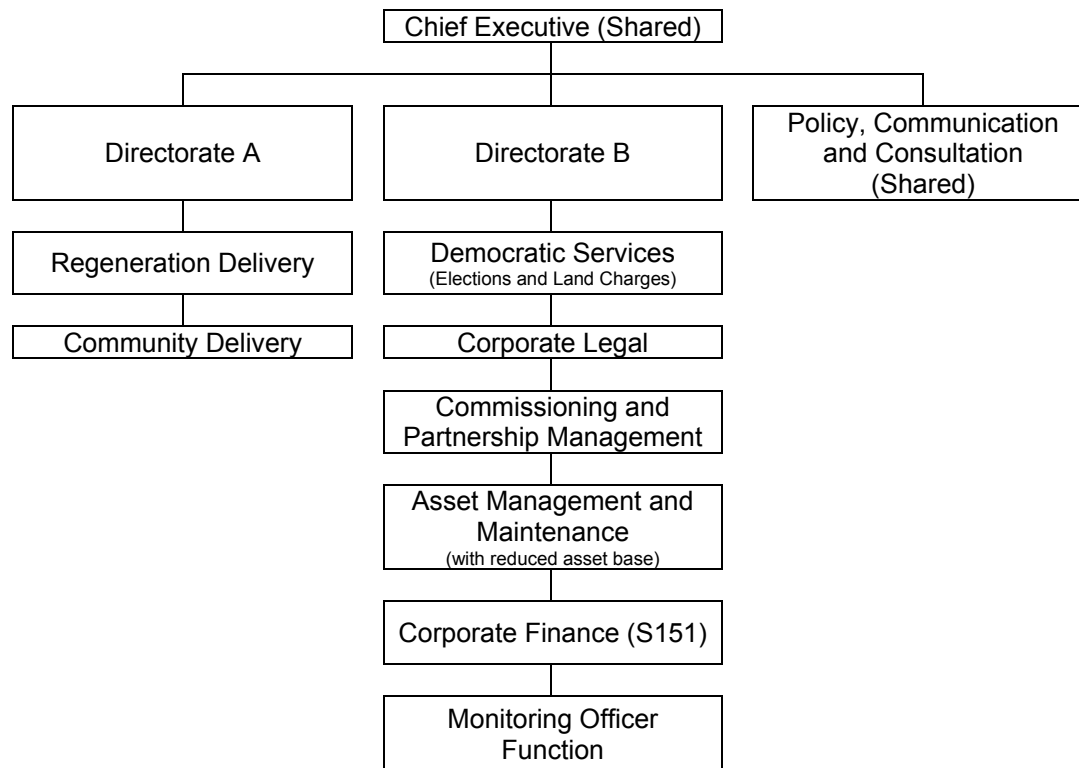
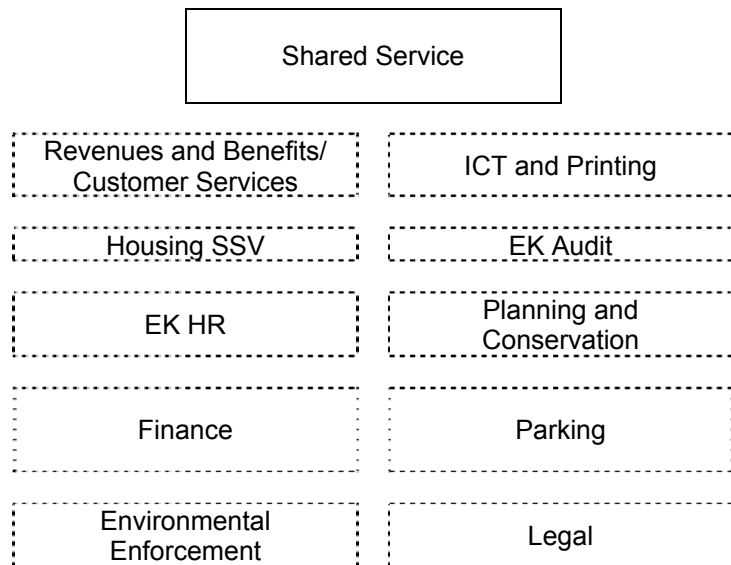
Year 1 – 2011/12 Organisational Structure



Year 3 – 2013/14 Indicative Organisational Structure



Year 5 – 2015/16 Indicative Organisational Structure



Proposed Budget Implications/Savings:

The headline figure for local government is an average reduction in formula grant funding of 7.1% per annum over the four years of the Spending Review. However, it is important to note that apart from Fire and Rescue authorities, whose cuts fall mainly in 2013-14 and 2014-15, most authorities' cuts are significantly front-loaded to 2011-12. Analysis received⁴ suggests the distribution of reductions could be weighted as detailed below:

	2010/11	2011/12	2012/13	2013/14	2014/15
	£m	£m	£m	£m	£m
Formula Grant	28,063	25,056	23,453	23,252	21,949
Less:					
Roll in of Specific Grants	3,441	3,931	4,300	4,469	4,483
Police Authorities	3,491	3,391	3,292	3,192	3,092
Fire Authorities	1,057	1,014	972	887	792
Local Authority Funding	20,074	16,720	14,889	14,704	13,582
Year on year change		(16.7%)	(11.0%)	(1.2%)	(7.6%)
Overall change		(16.7%)	(25.8%)	(26.8%)	(32.3%)
Cumulative inflation assumed		2.5%	5.0%	7.5%	10.0%
"Real" reduction in resources		(19.2%)	(30.8%)	(34.3%)	(42.3%)

Current budget projections, based on the figures above are:

	2011/12	2012/13	2013/14	2014/15
Formula Grant Reduction	16.7%	11.0%	1.2%	7.6%
	£000	£000	£000	£000
Projected Annual Deficit (Status Quo)	1,069	1,384	1,668	2,047
Formula Grant Pressure	1,706	2,829	2,952	3,728
Other Budget Pressures	550	550	550	550
Planned Service Savings	(1,755)	(1,755)	(1,550)	(1,550)
Total Annual Deficit / Savings Required	1,570	3,008	3,620	4,775

⁴ Information received by Local Government Futures who are retained by Kent authorities to provide financial analysis on formula grant.

Efficiency Projects and Savings

Project	Description	Potential Resource Saving
Current year projects for completion by 31 March 2011		
Review of Grants to Outside Bodies	<p>Urgent review of the annual funding that is given to various bodies via grants.</p> <p>Examine effectiveness of local grant arrangements to ensure clear outputs from the grants we provide.</p> <p>Examine the opportunity to consolidate separate funding pots into an effective community funding allocation process.</p>	Subject to review, but anticipate better use of existing resources
Disabled Facility Grants - DDC contribution	Review DDC topping up contribution of Central Government Grant	Capital saving
Civic Car/Chauffer and Caretaking Arrangements	<ol style="list-style-type: none"> 1. Extend the current lease on the civic car 2. Deliver an alternative Civic Warden approach to driving, caretaking, cleaning and grounds maintenance at the Whitfield Offices to achieve significant efficiencies. 	<ol style="list-style-type: none"> 1. £5k pa estimated. 2. £50k
Corporate Assets Priority Lists	<ol style="list-style-type: none"> 1. Review schedule and determine non-priority assets and potential for savings and/or capital income. 2. Closure of toilets at Buckland and Seafont. 3. Review potential energy savings 	£100k pa
Committee Reports	<p>Review technology to enable remote but controlled access to confidential reports for members via the web email site</p> <p>Re-design committee report template to enable increased use of electronic format to save printing, paper and postage costs</p>	<p>£40k 2011/12</p> <p>£10k pa thereafter</p>
Out of Hours Call Handling SLA	<p>Explore alternative cost effective approaches:</p> <ol style="list-style-type: none"> 1. KCC SLA 2. Shepway arrangement 3. Shared Service proposal 	Subject to review, but minimal budget impact anticipated
Word Processing Unit	<p>Review the need for a centralised WP unit and find ways to incorporate this work into each departments workloads</p> <p>Consider further constitutional changes to increase delegations to the Director 2 and Development Control Manager and</p>	<p>Staff savings included in the overall savings identified.</p> <p>Other savings from reduced committee meetings to be</p>

Project	Description	Potential Resource Saving
	potentially reduce the number of planning committees Proposed staff changes to be incorporated into new structure	determined. Estimated at £5k - £10k pa
Emergency Planning & BCP	Review alternative service delivery models, including: 1. KCC assistance and support 2. EK solution with other EK authorities 3. Hybrid of both	£25k
National Benefits Leaflets	Investigate increased income opportunities Consider further technological input to achieve a web based solution, which would help to increase profitability of the product. Consider this as a separate entity or a DDC owned company	Maximise income stream £20k
Print Room	Combine with Mail Room and include with corporate communication function	£50k to £60k via effective management and decreased use of outsourcing
Design	Incorporate the design service into a corporate communications function	
PR	Incorporate into a communication function	
Web Design and Enablement	Consider amalgamating into a communication function	
Corporate Communication Group and Budget	Consider amalgamating into a communication function	
Sports & Leisure Services	Investigate economies of scale through operating via a larger Trust than Vista	Ongoing work that may impact on future grant funding
The Projects below have been scheduled for 2011/12 to be delivered by the new Corporate Management Team		
Community Delivery	Investigate opportunities for increasing opportunities for local community involvement in DDC activities	Initiative to be led by the new CMT with savings subject to the review outcomes
Sports Development and Delivery and Events	Review cost v benefits and statutory requirements	Savings subject to the outcome of the review
Museum	Explore options for trust arrangements	Savings subject to the outcome of the review
White Cliffs Countryside Partnership	1. Reduce DDC contribution to the current salary costs by £25k 2. Working with partners consider the feasibility of other delivery vehicle models	1. £25k 2. Savings subject to the outcome of the review

Project	Description	Potential Resource Saving
Deal Pier	Review delivery models and operating procedures, including charging mechanisms to increase economic viability of the pier	Savings subject to the outcome of the review
CCTV	Review external funding arrangements to secure more financial support from Kent Police or other third party users i.e. local radio	2 posts to be externally funded
Review Income generation opportunities	As part of the 2011/12 fee and charging review to ensure we are maximising opportunity	Subject to the outcome of a review
Waste Management Initiatives	Joint contract to be let in late 2010, explore further delivery options.	Subject to the outcome of a review
Whitfield Reception	Downsize to a HQ type reception, service on demand by the call centre	£20k
Review Vista Parking Refunds	Determine equitable refunds to Vista for customer parking charges	£100k pa
Web Conferences	Increase use of web conference facilities to reduce meeting arrangement and travel times	10% reduction in travel & sub budget -£10k pa
L&D Corporate Budget	Retain budget for change management and technical re-training following restructuring and remove non essential developmental spend	£40K

Consultation Feedback and Research Findings

	Feedback	Response	Action/ Recommendation:
Internal Feedback:			
1	Concerns that 'although the Government has placed a huge emphasis on climate change' and 'a number of reports that highlight doing nothing is not an option', climate change has been classified as bronze in the report. It is suggested that 'reducing emphasis on climate change will reduce the amount of grant money obtained and increase the cost through lack of pre-planning.	<p>The classification of bronze has caused some confusion. The report is not saying that the Climate Change agenda is not important, but that it may not need dedicated Council resource to undertake it, or if Council resources are used it could be delivered in a different way to achieve the Council's objectives, but not at the level it is currently provided.</p> <p>Figures have been requested for the income received from grants directly to DDC and estimate of future income streams. Appreciate and recognise the work and investment, however there is a need to consider whether investment and service level could still be attained if the service were delivered elsewhere or in a different way.</p>	<p>Recommend there is further communication on the classification system – to reaffirm that it is the services themselves and not the officers delivering the services that have been rated. Also to ensure that the comparative nature of the ratings is understood and the need for the Council to prioritise its resources.</p> <p>Recommend that further work on the delivery of climate change actions with regards asset management, maintenance and fuel economy is undertaken – as reflected in Annex 6, as part of the Corporate Assets project.</p>
2	Concerns have been raised regarding the removing of the word processing function and that this will be inefficient, because staff on a higher grade will be spending time typing. For normal correspondence this is accepted, however for more specific work it could mean more cost to the authority not less, plus slower turnaround times in getting work done.	There is a general acceptance that 'straightforward' correspondence can be dealt with through standard letters etc, but that complex work, such as tender documents and planning reports need a competent typist – however, most documents have an element of standardisation and it should be straightforward to develop a menu of	<p>Even complex documents will have significant elements of standard paragraphs and it is believed even specific work can be subsumed within electronic service provision.</p> <p>The recommendation remains in that we are moving towards an electronically enabled future, hence the proposal to</p>

	Feedback	Response	Action/ Recommendation:
		<p>paragraphs and templates</p> <p>Future changes may be required to the Constitution to reduce the number of formal reports to meetings and/or increase some officer delegations</p>	remove the centrally pooled word processing services.
2a	A number of additional concerns have been raised regarding the removing of the word processing function, identifying transcripts and non-standard reports as issues where in-efficiencies may arise.	There will be requirements to move to more standardised formats and training may be required.	All responses have been considered and the recommendation above remains.
3	Question: why can't we consider lobbying for charging for freedom of information requests where the person requesting it receives a financial benefit or is trying to get information for a firm?	<p>There is a capacity to charge for some complex FOI enquiries although this is clearly limited by existing regulations.</p> <p>We have fed back to the Coalition's own consultation that it may be appropriate to charge newspapers and marketing organisations for nationwide "FOI fishing" expeditions or research exercises and to charge the public for frivolous complaints.</p>	<p>The Government has plans to speed up responses to Freedom of Information requests, which we have to respond to by law and this may further increase the resources required rather than reduce.</p> <p>Recommend that management explore further the legality of a charging system for FOI, once the new regulations are in place.</p>
4	Concerns that a reduction to the corporate asset management budget will lead to severe problems in the future.	It is acknowledged that relevant officers and members are already reviewing whether it is possible to achieve the potential savings identified by the Director of Property, Leisure and Waste through a comprehensive review of our assets.	Recommend that the review of corporate assets is progressed, as detailed in Annex 6.
5	Comment that most of the statutory functions have been given Gold status, however, Private Sector Housing and	Gold rating has not been set for all statutory functions. The scoring of all services has resulted in some receiving a	In early 2011, once the RSG settlement is known, a further report will be prepared which link the Budget and Medium Term

	Feedback	Response	Action/ Recommendation:
	Disabled Facilities Grants are statutory functions with legal obligations on the Council. It is felt inconsistent that these services are given silver ratings rather than gold.	higher comparative priority or to be delivered at a higher level than others.	Financial Plan with the service priorities, and proposed performance targets and standards.
6	Noted the Strategic Housing function has been split between 3 sections in Directorate 2 – concerns that this is due to consideration that the Private Sector Housing function is not concerned with regeneration – view that this is not correct as the section has provided more than £6m in the last 5 years in regeneration of the private housing stock, as well as making homes safe the enforcement action also improves run down areas and derelict properties.	The new structure aims to group key regeneration activities together to maximise service delivery, especially for the District's key developments at, Whitfield, Aylesham and DTIZ. Private Sector Housing is within that directorate, however it is recognised that the structures may be subject to some fine-tuning once the new Directors are appointed and some adjustments may be made.	Recommend this is an area for consideration by the new Director 2 once appointed, in consultation with the Chief Executive, Leader and relevant Portfolio Holder.
7	Concern with the proposals to place Disabled Facilities Grants (DFGs) away from the Private Sector Housing section. Cannot see any sense in placing in the community delivery section	From a customer service perspective, it makes sense for a customer to only receive one visit or contact from the Council, hence the decision to place with Community Delivery.	Recommend this is an area for further consideration by the new Director 2 once appointed, in consultation with the Chief Executive, Leader and relevant Portfolio Holder.
8	Concerns raised over the downgrading of Democratic Support functions from gold rated to silver rated. The function is based on statutory duties prescribed by law and is integral to the functions of the Council delivered by all other sections, which require decisions	The Cabinet at its meeting on 6 September 2010 recommended to reduce the rating of this service from a comparative Gold to Silver rating. The importance of the service to the effective functioning of the Council is recognised, support to meetings and	In light of the information provided and the unknown impact on workloads of the Governments proposals for referendums, individual voter registration and alternative voting it is recommended that Cabinet consider whether they wish to review the priority rating.

	Feedback	Response	Action/ Recommendation:
	<p>made by Councillors. Legislation dictates that meetings must comply with clear criteria and if these are not met there is an obvious risk that decisions taken could be ultra vires, open to a charge of maladministration or a claim for a judicial review.</p> <p>With the demise of the Standards for England it is likely that individual Councils will need to be more proactive in applying and enforcing Code of Conduct – this places a responsibility on officers to equip newly elected members as quickly as possible.</p> <p>Further concerns raised around the workload to support the Constitution, prospective Councillor events, liaison with Town and Parish Councils and Local Democracy Day with local schools.</p>	<p>Councillors will still be required to be delivered to a high standard to avoid the risk of maladministration or judicial challenge, especially as a number of new councillors are likely to be elected in May 2011.</p> <p>The Coalition Government has indicated that the Code of Conduct is likely to be withdrawn and replaced by direct legal action via the courts for councillors failing to (amongst other things) declare interests. It recognised that this may result in more support from the Monitoring Officer and Democratic Services for members.</p> <p>However, efficiencies will be explored in other areas, such as the provision of members ICT.</p>	<p>Considered and not changed by Cabinet on 4th October 2010.</p>
9	<p>Question: Could the move to the Year 5 proposals be progressed earlier and more radical service delivery sought sooner than anticipated in the report?</p>	<p>The pace of change depends in part on the participation of other partners in the shared service agenda. The year 2 –5 models are very much indicative and should quicker progression be viable it would be progressed.</p> <p>However, in any radical change programme, the risks must be properly assessed and managed to ensure the maintenance of the ongoing delivery of existing services.</p>	<p>Review the pace of change and alternative service delivery proposals in light of the Government's Comprehensive Spending Review announcements.</p> <p>Keep year 2 to 5 under constant review to maximise opportunities.</p>

	Feedback	Response	Action/ Recommendation:
		We continue to work with the partners, including the Voluntary and Community sector to seek opportunities for further alternative service delivery and enablement of functions to be undertaken effectively by others wherever possible.	
10	<p>Electoral Services: The Representation of the People Act 1983 places a duty on the Council to appoint an Officer of the Council to be Electoral Registration Officer and an Officer of the Council to be Returning Officer for District and Parish Elections. The Council is then obliged to pay the reasonable costs of carrying out the duties. The functions are the personal responsibility of the post holder and are not Council functions and therefore Council is unable to determine the level of service. The level of Performance for both Electoral Registration and Elections is contained in a statutory framework regulated by the Electoral Commission. There is case law to support the view that the Council is unable to set the level of resources and service in relation to Electoral Registration (Milton Keynes case).</p>	<p>The Cabinet at its meeting on 6 September 2010 recommended to reduce the rating of this service from a comparative Gold to Silver rating.</p> <p>The responsibilities placed on the Returning Officer are recognised.</p>	<p>In view of the information provided it is recommended that Cabinet consider whether they wish to review the priority rating.</p> <p>Considered and not changed by Cabinet on 4th October 2010.</p>
11	<p>Land Charges: The maintenance of the statutory Land Charges register supports the local economy by facilitating property transactions. A reduction in service would result in a longer conveyancing period thus</p>	<p>The importance of the service to the housing market is recognised and reflected in its gold priority ranking.</p>	<p>In view of the responses in the public survey it is recommended that Cabinet consider whether they wish to review the priority rating.</p>

	Feedback	Response	Action/ Recommendation:
	stifling the property market.		
Extneral Feedback:			
1	Concern around a potential lack of imagination in the use of parks and open spaces, more effective use of resources.	Response provided by Leisure Services: 'Dover District Council has refurbished or redeveloped seven play areas since 2008, and Victoria Park play area in Deal is next on the list. To ensure that the new designs and equipment met the needs of all user groups, including children with disabilities, a series of public consultations were undertaken. This programme has been highly successful in introducing challenging and innovative equipment to the District, for example the Connaught Park scheme was awarded Highly Commended by the Local Government News Street Design Awards this year	Recommend further work to be undertaken by the new Director once appointed to explore future use and resources, in consultation with the relevant Portfolio Holder.
2	<p>Sholden Parish Council: Suggestions and ideas on how funds could be saved and services delivered in order to counteract the deficit –</p> <ul style="list-style-type: none"> • Review the role of the CEO, is the role necessary? Salary cuts/freeze for the CEO and higher paid officers. • Revise the variety and frequency of refreshments supplied at meetings. It was agreed unanimously, that, although in special circumstances the provision of refreshments was necessary, for the majority savings could be made. Perhaps the installation of vending machines supplying a wide variety of good quality 	<p>A reply was sent thanking Sholden Parish Council for their response and noting where action has already been taken and is proposed to be undertaken.</p> <p>The role of CEO was also subject to discussion during the Project Team and Board's work and the vision is for a shared CE position in Year 5 (or sooner if practical). However, this must be part of a wider sharing of services.</p> <p>A no cost of living increase has been agreed for all staff in 2010/11.</p> <p>Refreshments supplied at meetings has been reduced and should now only be</p>	<p>A review of the Members' Allowances Scheme is currently ongoing and a report will be brought to a future Council meeting.</p> <p>Recommend that the Corporate Communication Group continue working with all officers and members to minimise the cost of consultations ensuring they are cost effective.</p> <p>Recommend that after the 2011 event, the Council undertakes a review of the Open Golf event to evaluate its success using cost benefit analysis, identify areas for future improvement and areas of best practice that can be used to ensure future</p>

	Fee	Response	Action/ Recommendation:
	<p>snacks could be considered. The councillors felt that meeting delegates should be made aware beforehand of the new policy therefore allowing them the option to make their own arrangements.</p> <ul style="list-style-type: none"> Review the extent of commissioning to outside organisations used for consultation. It was suggested that where possible, the expertise/experience available from other local councils, countywide and nationwide, be utilised and shared at a much reduced cost. Furthermore, should the expertise from an independent organisation be unavoidable, perhaps a system could be implemented countywide/nationwide allowing for other authorities requiring the same similar/service to share the costs. The councillors were unanimous with regards to the funds budgeted for advertisement in relation to the Open Golf Championship. The general consensus was that the large amount spent was unnecessary at a time when cut backs were affecting everyone. 	<p>supplied at evening meetings where attendees come straight from work, a balance needs to be struck between supply of refreshments and legitimate claims for reimbursement of expenditure to purchase meals, as part of the approved Members' Allowances Scheme. Tea/coffee machines are now available in the larger meeting rooms within the DDC offices.</p> <p>The Corporate Communication Group has been reviewing all requests for spend on consultation and are currently advising on how better co-ordinated, or targeted consultation or different approaches to public involvement and participation can be used to keep the costs down and this work shall continue to ensure the expenditure is only incurred when needed and is undertaken in the most cost effective way possible.</p> <p>The Open Golf is known to bring economic benefits into the District and as such is supported by the Council.</p>	<p>events deliver Value for Money.</p>
3	<p>Dover Town Council: In looking at the Town Council's obligations for public consultation, co-operation and collaboration with DDC would be welcome. Would welcome opportunities to include the</p>	<p>A reply was sent thanking the Town Council for their response and suggestion.</p> <p>DDC recognises that this suggestion offers joined up and value for money</p>	<p>Recommend that the Corporate Communication Group look at how the District Council and Town Council could work together with regards to future consultation.</p>

	Feedback	Response	Action/ Recommendation:
	DTC survey for any letters being sent to the CT16/CT17 postcode area. Alternatively if there is any other way to provide local synergy DTC would be please to hear.	opportunities as the Council moves more towards electronic communication wherever possible.	
4	<p>Aylesham Parish Council:</p> <p>1. The gold, silver etc. scheme is pointless (as is your priority survey) without any indication as to the OUTCOME and precise IMPACT on current services types and levels which would be experienced by local residents/the community should cutbacks occur in any of these services. For example - cuts in leisure - does this mean, say reduced opening hours? Cuts in community safety - does this mean no CCTV cameras? Until you get down to this level which shows clearly the actual impact of cuts, how can anyone, including DDC, make informed and rational choices as to which bits of which services should be cut and which not.</p> <p>2. A number of other concerns were made, namely the pay and conditions of senior officers, refreshments at meetings, consultation costs and back office functions being reviewed rather than front office, and avoid redundancy wherever possible through offering part time, redeployment and job-share opportunities, also reducing spending on Deal.</p>	<p>A reply was sent thanking the Parish Council for their response and suggestions.</p> <p>Further detail will be reported to Members in early 2011 once the RSG settlement is known, linking the Medium Term Financial Plan with priority service scores and performance targets/standards, This exercise undertaken now ahead of the CSR announcement provides the basis for the next stage in the process.</p> <p>A job evaluation exercise has been undertaken to ensure equitable pay A no cost of living increase has been agreed for all staff for 2010/11.</p> <p>The Council will do all it can to avoid redundancies through this project. Once staff at risk have been identified, the Council will look at a range of alternatives with staff that enable service delivery to be maintained to the required level.</p> <p>Deal is part of the Council's regeneration and growth agenda, along with many other areas in the District.</p>	<p>Recommend further communication to all stakeholders that as the implications of the Comprehensive Spending reviewed are identified via our RSG settlement, the more detailed impact on service levels and performance will be assessed and determined.</p>

	Feedback	Response	Action/ Recommendation:
5	<p>Sandwich Town Council: "While there is good sense in delivering a pre-emptive strike (P.2, para.3) and also in particular that there will be a reduction in corporate management, more detail on future direction and strategy would have been welcome"</p>	<p>A reply was sent thanking the Parish Council for their response and suggestions.</p> <p>As covered above, further information will be made available once the Council has understood the implications of the Government's Comprehensive Spending Review.</p>	<p>As part of the wider communication to the Towns and parish Councils.</p>
6	<p>White Cliffs Country Tourism Association expressed concern that Tourism is listed under the bronze category:</p> <p>We recognise that these aren't statutory services but this doesn't lessen their importance to the district's economy. The last DDC Economic Survey claimed Tourism was worth £80 million to the district's economy and supported 2,600 jobs. Since then with the arrival of the cruise liners, the importance of tourism to the economy has substantially increased.</p> <p>The Executive Committee requests that the tourism category is upgraded from bronze to silver.</p>	<p>A reply was sent thanking the association for their contribution.</p> <p>The prioritisation of services is a relative comparator and it is recognised that not all services can be gold.</p> <p>This doesn't mean that a bronze service isn't highly regarded, just a lesser priority with the potential for less resource, In fact the Council took that decision a number of years ago when it moved to delivering an effective enabler role for tourism, to support the considerable impact that tourism plays in our local economy.</p> <p>We believe that there is the potential for the Council to maintain this effective enabler role within the bronze priority status.</p>	<p>In view of the information provided it is recommended that Cabinet consider whether they wish to review the priority rating for tourism.</p> <p>Considered and not changed by Cabinet on 4th October 2010.</p>
7.	<p>The Dover Society has written on behalf of its 430 members:</p> <p>1. We accept that the Council has no alternative but to make savings</p>	<p>A reply was sent thanking the society for their constructive and detailed contribution.</p> <p>The need for more constructive collaborative working in the future both with</p>	<p>In view of the information provided it is recommended that Cabinet consider whether they wish to review the priority rating for tourism and the museum.</p>

	Fee	Response	Action/ Recommendation:
	<p>depending on the scale of government cuts yet to be announced.</p> <p>2. We see the need for greater co-operation between the District Council and Town and Parish Councils to deliver services and would hope that party political differences are put aside to ensure the available resources are used to best effect to deliver local services.</p> <p>3. We also see an increased use of volunteers to help maintain services, coordinated and overseen perhaps by District officials.</p> <p>4. Having accepted the need to make savings, we are anxious to protect as far as possible those activities that are important for the regeneration of Dover, namely tourism based upon Dover's fantastic heritage. In 1998 tourism was worth 2642 jobs and £80m a year to the District. Whilst DDC may not be able to afford much by way of financial support for tourism, it has an important function as an enabler. This role should be continued and extended. The next few years presents the area with increased opportunities for tourism with the Open Golf in 2011 and both</p>	<p>Town and Parish Councils and volunteers, is fully accepted and acknowledged.</p> <p>We believe that there is the potential for the Council to maintain an effective enabler role for tourism within the bronze priority status.</p> <p>We acknowledge the detailed comments provided in respect of the museum. It is recognised that the museum is of significant importance to the district, the issue is how best to maintain this within finite resources. The offer to work with DDC to explore alternative service delivery options will be pursued.</p> <p>The enforcement issue for conservation, relates to available resources to progress matters rather than expertise and the ability to obtain suitable court time to progress the matters. A silver rating recognises that this balance needs to be struck, however the Council is keen to explore alternative service delivery options in this area.</p> <p>DDC is a major funder to the WCCP. Working with our partners we will actively seek ways of minimising any budget cuts to a service that is recognised as offering good value for money to our residents.</p>	<p>Considered and not changed by Cabinet on 4th October 2010.</p>

	Fee	Response	Action/ Recommendation:
	<p>the Olympics and the Queen's Diamond Jubilee in 2012. For these reasons we feel that tourism merits Silver status rather than Bronze.</p> <p>5. Key to regeneration in our view is maximising the potential of Dover's incredible heritage and the focal point for this should be our museum.</p> <p>6. Why do we need a museum – as depository for local artefacts, memorabilia, photographs, maps and local books; space to display them; space for temporary exhibitions to commemorate/ celebrate local/ national events; a centre for research – both local and national; local centre of expertise; focal point for sharing of information; educational value for casual visitors and organised groups particularly children; focal point for coordinating/realising the potential of Dover's heritage for tourism purposes. In addition we understand that the DDC contract with the Bronze Age Boat Trust requires both a museum and a curator. Whilst we appreciate the substantial net cost of the museum, this should be seen against its valuable contribution to the tourism effort. For these reasons we urge upgrading of the museum (despite</p>		

	Fee	Response	Action/ Recommendation:
	<p>being non-statutory) from Bronze to Silver.</p> <p>7. We note that Trust status for the museum will be explored as an option. The Dover Society would like to be involved in any such consideration and would like to suggest that a variation of this option could also be explored ie the formation of a Dover Heritage Trust that could possibly encompass not only the museum but also the paintings and artefacts of the Dover Harbour Board (if privatised), the Maison Dieu and the existing Roman Painted House Trust. Having said that, we are mindful that any such trust would be dependent upon a substantial grant from DDC and/or other bodies, which may not be guaranteed.</p> <p>8. We welcome the Silver rating for Conservation, but recognise that it is already operating on a shoestring and unable to carry out effectively any monitoring or enforcement role. The Dover Society would be prepared to undertake the monitoring of listed buildings for DDC and to make reports to the Conservation Officer as required, but we would then expect appropriate enforcement action to be</p>		

	Fee	Response	Action/ Recommendation:
	<p>taken. We understand that legal costs are often a barrier to enforcement and would suggest that the outsourcing of specialisms to local solicitors could save money.</p> <p>9. We have recognised the need for the greater use of volunteers following these cuts. Therefore, we strongly oppose the proposed £25k cut in the salary grant for the White Cliffs Countryside Project, which gives tremendous value for money because its small number of paid staff mobilises considerable numbers of volunteers to carry out much of its work (including The Dover Society which maintains Cowgate Cemetery and participates in River Dour clean-ups). This cut would jeopardise these worthwhile efforts.</p> <p>10. Finally, regarding internal reorganisation of DDC, we welcome the grouping of the museum, tourism, regeneration, planning, conservation and leisure activities in one directorate and the 'street scene' etc activities in another.</p>		

Research Findings:

A survey has been available on the Council's website since July asking residents and partners for their views on the prioritisation of services. This survey was announced in the local press and on our website. Hard copies have been available in area offices and the Dover Gateway offices and DDC Officers have been encouraging members of the public visiting to complete the survey.

In July letters were also sent to local businesses, town and parish councils and voluntary and community groups advising of our financial challenges and seeking views and suggestions on our proposals and advising of the online survey. In early September a reminder letter was sent to all the above, plus 2500 members of our Sign Me Up database and Business and Voluntary Group.

To date (21 October 2010) 145 completed surveys have been submitted/received, with the following analysis (it should be noted that some respondents chose more than 3 priorities as most or least important, rather than discount these responses completely they have all been incorporated into the results below):

Cabinet priority rating at 4 October 2010	Function:	Net score
Gold	Waste Collection	77
Gold	Street Cleansing	52
Gold	Recycling	45
Gold/Silver	Environmental Health	34
Gold	Coastal Protection	27
Silver	Housing – Private	21
Gold/Silver	Regeneration	19
Silver	Leisure	19
Not scored as proposed Shared Service Vehicle	Housing – Council	18
Silver	Maintaining Council Property	17
Gold	Community Safety	16
Gold/Silver	Planning	7
Gold	Housing - Homelessness Services	6

Cabinet priority rating at 4 October 2010	Function:	Net score
Gold	Parking	3
Silver	Building Control	2
Silver	Working with our Communities	1
Not scored as proposed Shared Service	Benefits Administration	-3
Bronze	Tourism	-9
Bronze	Museums and Heritage	-11
Bronze	CCTV	-16
Bronze	Climate Change	-25
Bronze	Licensing and permits	-25
Bronze	Land Charges	-36
Bronze	Events	-85

The majority of responses reflect the proposed priority ratings agreed at the Cabinet meeting on 4 October 2010.

The key issues to be noted in the responses are:

- Comments from some that the Council should only deliver essential services and other organisations/voluntary and community groups should carry out others. Alternative service delivery, including commissioning others to deliver services more cost effectively and residents being able to do more for themselves, reflects the Big Society agenda. Facilitating and enabling voluntary groups to have the resilience to deliver themselves is part of the Council's longer term agenda.
- Waste within the Council offices and local organisations should be curbed: There are ongoing reviews to ensure that all possible efficiencies across the Council can be identified and achieved.

Councillor expenses and senior officer salaries should be reviewed and kept to a minimum in the current climate: Members have frozen their allowance for the last two years. Job evaluation has market tested officer salaries and grades. A no cost of living increase has been agreed for all officers for 2010/11.

The detailed results of the on line research for each function are as follows:

Priority Service Survey

Listed below are the key services provided by Dover District Council with a short description of what's included in each one.

Thinking generally, which of the services would you say are most important ? Please tick up to three boxes only in the left hand column.

Which of the services below, if any, do you think are least important in the level of service provided? Please tick up to three boxes only in the right hand column.

To help us understand priorities across the district can you please let us have your postcode - we guarantee to keep this anonymous and we will not identify you as an individual.

Benefits Administration

	Most Important	Least Important
Paying housing and council tax benefits, providing advice to tenants and landlords	41	44

Building Control

	Most Important	Least Important
Implementing building regulations and dealing with dangerous structures	28	26

CCTV

	Most Important	Least Important
Management and operation of CCTV systems across the district	25	41

Climate Change

	Most Important	Least Important
Carbon emission management and other green issues across the district	30	55

Coastal Protection

	Most Important	Least Important
Erosion, flood defences and beach maintenance	44	17

Community Safety

	Most Important	Least Important
Helping address anti-social behaviour, advising communities on crime reduction, liaising with police	54	38

Environmental Health

	Most Important	Least Important
Food safety, port health, air and water quality, noise and nuisance control, stray dogs and fouling, contaminated land, pest control	46	12

Events

	Most Important	Least Important
Manage events such as big screen tv, Rolls Royce, open air cinema	7	92

Housing - Council

	Most Important	Least Important
Providing council houses and landlord services. (Currently under review for shared East Kent services)	48	30

Housing - Homelessness Services

	Most Important	Least Important
Homelessness prevention, managing housing register	32	26

Housing - Private

	Most Important	Least Important
Improving condition of private homes, bringing empty properties back into use, ensuring people are able to live in safe and decent homes, enable building of affordable homes	43	22

Land Charges

	Most Important	Least Important
Providing land charge searches and maintaining local land charges register	11	47

Leisure

	Most Important	Least Important
Play and games areas, skateparks, encouraging healthy living through sports	42	23

Licensing and permits

	Most Important	Least Important
Sports, taxis, pubs, gambling	17	42

Maintaining Council Property

	Most Important	Least Important
Buildings (Dover Town Hall, Deal Pier), leisure centres, parks and open spaces, public toilets, cemeteries	36	19

Museums and Heritage

Provide museum service, advice and information on heritage issues and sites and heritage related regeneration opportunities

Most Important

26

Least Important

37

Parking

Providing car parks and on street parking

Most Important

28

Least Important

25

Planning

Deciding on planning applications, planning enforcement, planning advice, conservation (listed buildings, tree preservation orders, protect natural and historic environment)

Most Important

33

Least Important

26

Recycling

Paper, glass, plastic and green waste collections, public drop-off points, promotion and education

Most Important

57

Least Important

12

Regeneration

Regeneration of town centre sites, housing development and growth and provision of transport links.

Most Important

48

Least Important

29

Street Cleansing

Street cleaning, fly tipping, fly posting, graffiti

Most Important

60

Least Important

8

Tourism

Co-ordination and professional advice for local tourism industry, marketing of the White Cliffs Country brand and operation of Dover visitor information centre

Most Important

29

Least Important

38

Waste Collection

	Most Important	Least Important
Collection of refuse, clinical waste, bulky waste and abandoned vehicles	83	6

Working with our Communities

	Most Important	Least Important
Neighbourhood forums, providing support to community groups, identifying potential grant funding, travel vouchers	51	50

Are there any other comments or ideas you would like to tell us about.

As part of our plans to reduce costs we are also looking at the Council's internal administration procedures to see where efficiencies can be made.

Thank you for taking the time to complete this survey



Mr N Aziz
Chief Executive
Dover District Council

Dover Branch
White Cliffs Business Park
Dover, Kent, CT16 3PJ

27 October 2010

Dear Mr Aziz

UNISON Dover branch response to “DELIVERING EFFECTIVE SERVICES – SHAPING THE FUTURE OF THE DISTRICT”

Unison Dover Branch would like to thank you for the opportunity to respond to the report submitted to Cabinet on 6 September 2010. However we have had little time to read and discuss the report. However we have had some feedback from our members. We understand the Council’s wish to address the predicted outcome of the spending review but feel that this may be a little premature until more definite information is available

Our current views on the proposals are as follows.

- The report does not address the further 35+ staff reduction from 400 employees, 150 of which are employed by Dover District Council, who will be transferred to Thanet District Council under the first tranche of the shared service agenda. This means that the 30+ reduction in posts in Dover equates to at least 10% of the remaining 300
- We note the report refers to savings but no reference is made to generation of income other than the £200,000 identified in annex 3. There must be further ways to generate income.
- Many staff have referred to the “gold, silver, bronze and tin” categorisation of the services provided. However whilst it is recognised that these represent the service, some staff are feeling undervalued, as this gives an impression that these employees are surplus to requirement, many of which have long years of service.
- We believe that further reductions to staff resources would jeopardise the Council’s ability to effectively deliver services and meet statutory obligations. We trust that revised targets will be set accordingly as the public’s level of expectation will no doubt continue to exceed what is possible. We do however welcome the lowering of service delivery to realistically reflect the staff resources available.
- We would also query why regeneration is still so high on the list of priorities given that there is little or no funding for such projects to commence.
- Our members are concerned that any directors made redundant under these proposals will receive a more advantageous redundancy package calculated in accordance with the current multiplier. We asked for confirmation that this is not the case. All staff will be treated equally.
- Please confirm what level the Head of Inward Investment would be? ie director level
- Please confirm whether requests from individual staff to reduce their hours are being considered to make further savings which could reduce job losses.
- We understand that savings have to be made but Why do savings always have to come from staff salaries and benefits? What about income generation?

We would concur with the GMB (MPO)’s views that the Council should reconsider these proposals, and make strong representations to Central Government about the economic impact on service delivery for the public and staff of job losses at Dover District Council.

Yours sincerely

Michelle Atkins
Branch Secretary (Dover Unison)

**Chief Executive
White Cliffs Business Park
Dover
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Michelle Atkins
Branch Secretary (Dover Unison)

Contact: Nadeem Aziz
Direct line: 01304 872400
e-mail: nadeemaziz@dover.gov.uk
Our ref: NA/AFW
Your ref:
Date: 27 September 2010

Dear Michelle

Delivering Effective Services – Shaping the Future of the District

Thank you for your response to my report to Cabinet on 6 September 2010.

I have responded to each of the points you have raised. Your letter and my response will both be included in the report to Cabinet on 4 October 2010.

1. This report and exercise undertaken ahead of the Comprehensive Spending Review provides a sound basis for the next stage of the process, determining performance standards and targets for each service. Further detail will be reported to Members in early 2011 once the RSG settlement is known, linking the Medium Term Financial Plan with priority service scores and performance targets/standards. I am currently working with you to establish a consistent and fair selection criteria for all posts, to establish which posts will flow through (slot) and which posts will be at risk of redundancy. All Directors are currently at risk. In early 2011, we will start the formal consultation process with all other staff, with the intention that staff who are identified as at risk are dealt with in a fair, quick and efficient process. My intention remains to keep redundancies to a minimum and if possible offer suitable alternative employment for some posts at risk.
2. Through the fees and charges review, income streams will be explored. However, this is a challenging financial climate for both ourselves and the public we serve, so a careful balance has to be struck.
3. I understand your concern regarding the categorisation and how this relates in the mind of some staff into lack of recognition. I propose to write again to all staff to reaffirm that it is the services that are being comparatively scored and not the officers delivering the services. I will explain that the comparative nature of the ratings means that all services can't be gold, there is a need for the Council to prioritise its resources, but that doesn't mean that staff delivering a bronze service aren't equally valued by myself and the Council.
4. As I have outlined at 1 above, the budget, scoring prioritisation and performance targets will be clearly related, ensuring that performance standards match available resources.

/...

5. Regeneration remains a clear corporate priority for this Council. We have seen a number of positive projects reach fruition over the last few years and are on the cusp of delivering a number of significant regeneration projects, which have the ability to benefit all sectors in our district.
6. I can confirm that all staff will be treated equally. Any staff that are made redundant will be treated in accordance with the multiplier in place when the redundancy occurs.
7. The Head of Inward Investment will not be at Director level.
8. All requests for reduction in hours will be seriously considered. It is the service that is being scored not the individual posts. However, I do accept that there is a relationship between the two, in terms of determining the performance level for service delivery, but a reduction in hours may offer a redeployment opportunity for another post at risk. Once those posts at risk of redundancy have been identified, options will be explored with the staff impacted, providing that service delivery is maintained to the required standard.

Yours sincerely



Nadeem Aziz
Chief Executive

GMB

WORKING TOGETHER

Mr. N. Aziz
Chief Executive
Dover District Council

Our Ref: AJW/DES/001
Your Ref:

Date: 24 September 2010

Dear Mr. Aziz

GMB Response to:
“DELIVERING EFFECTIVE SERVICES – SHAPING THE FUTURE OF THE DISTRICT”

Thank you for providing GMB (MPO) with the opportunity to respond to this paper.

While we recognise the financial pressures on the Council, and the anticipated reductions in Central Government support, it is disappointing that restructuring and a reduction in staffing levels seems to be the only option under consideration.

It is also concerning that the report does not make it clear that the proposed reduction of 30 posts applies to the workforce after approximately 100 members of staff have been transferred to East Kent Shared Services.

This equates to a 10% reduction in staffing (30 posts lost from a remaining workforce of 300) in the financial year 2011-2012, with the prospect that there will be similar reductions proposed in future years.

We recognise that the paper has attempted to determine priorities to service areas and functions, but the scale of job losses must affect the Council's ability to meet its statutory obligations and deliver services to the community.

GMB (MPO) urges the Council to reconsider these proposals, and to make strong representations to Central Government about the impact on our services, and the economic consequences of job losses in Dover District.

Yours sincerely

Andrew Watson
pp GMB (MPO), Dover

GMB - BRITAIN'S GENERAL UNION

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Andrew Watson
Branch Secretary (GMB (MPO))

Contact: Nadeem Aziz
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e-mail: nadeemaziz@dover.gov.uk
Our ref: NA/AFW
Your ref:
Date: 27 September 2010

Dear Andrew

Delivering Effective Services – Shaping the Future of the District

Thank you for your response to my report to Cabinet on 6 September 2010.

I have responded to each of the points you have raised. Your letter and my response will both be included in the report to Cabinet on 4 October 2010.

1. The report identifies a number of projects that aim to make efficiency savings that are not pure staff savings. As with every year, using the fees and charges review, all income streams will also be explored. However, this is a challenging financial climate for both ourselves and the public we serve, so a careful balance has to be struck between raising charges and reducing service standards.
2. I understand your concern regarding the potentially higher impact on residual staff, after staff have moved across to shared services. As I have said on many occasions, my intention remains to keep redundancies to a minimum and if possible use natural wastage to allow me to offer suitable alternative employment for some of the posts that will be at risk. I am currently working with you to establish transparent, consistent and fair selection criteria for all posts, to establish which posts will flow through (slot) and which posts will be at risk of redundancy.

Yours sincerely



Nadeem Aziz
Chief Executive



The Rt Hon Eric Pickles MP
 Secretary of State for Communities and Local
 Government

**Department for Communities and Local
 Government**
 Eland House
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 London SW1E 5DU

Leaders of Local Authorities in England

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20 OCT 2010

Dear colleagues,

LOCAL GOVERNMENT AND THE SPENDING REVIEW

The Coalition Government's Spending Review set out today provides a fair though challenging settlement for local government. It reflects the clear priorities for the Spending Review as a whole: to bring down the massive budget deficit and drive economic growth, while protecting the interests of hardworking families and the most vulnerable in society.

The review also provides significant new powers for local government. Councils have long argued that with more freedom and flexibility, they would be much better equipped to become more efficient and effective in delivering local public services. This settlement delivers that freedom and flexibility, as part of the new Government's decentralisation agenda.

Councils will face an average loss of grant of 7.25%, in real terms, in each of the next four years. However, this will be accompanied by new financial freedoms and flexibility.

Local flexibility on local spending

Today's settlement:

- tackles the principal pressure on social services by providing an additional £2 billion to support adult social care by 2014-15;
- commits £6.5 billion to affordable housing and Decent Homes over four years;
- offers help to the vulnerable with £6.5 billion to Supporting People over the Spending Review period;
- offers more flexibility to councils by ending ring-fencing of all revenue grants from next year, except for simplified school grants and the new public health grant which will be introduced in 2013. In total, local authorities will have greater control over more than £7 billion of funding from 2011-12 which is moving into formula grant, being unringfenced or is new funding for the SR10 period;
- protects council tax payers by offering, in partnership with local authorities, a council tax freeze;

- shifts many other budgets – including budgets for GPs and Police and Crime Commissioners – to the local level, so that you can pool and prioritise this money more effectively;
- sets out plans to implement the first phase of Community Budgets in 16 areas from April 2011, by pooling departmental budgets at source for 16 places, to tackle families with complex needs, with the intention that all areas will be able to take this approach from 2013; and,
- radically reforms the Housing Revenue Account, so that you will have much greater ability to run your own affairs, provides over £2 billion on Decent Homes in total over four years and enables councils who own housing to improve the decency of tenants' homes with enough money to more than halve the backlog by 2015.

Savings on local red tape

These new powers come on the back of radical reductions in the bureaucratic reporting and inspection requirements which hold councils back.

We are already abolishing the Audit Commission, have ended Comprehensive Area Assessment, scrapped 4,700 Whitehall (LAA) targets, are dismantling the National Indicator Set and are ready to scale back significantly the plethora of data reporting requirements which cost you time and money - the LGA estimate that complying with government data demands and inspection costs local authorities nearly £300 million.

Local growth

We are replacing the Regional Development Agencies with local enterprise partnerships, which put councils and civic leaders in the driving seat. We are also introducing a Regional Growth Fund (worth £1.4 billion) to create jobs and growth in places currently heavily dependent on the public sector - this could include support for activities such as housing growth and market renewal.

The New Homes Bonus will reward communities that build houses - planning permissions granted now will count against the Bonus.

We have already confirmed that councils will be able to borrow against future growth in Business Rates to fund infrastructure projects. And the Localism Bill will go even further in giving councils control over the issues which matter to local people, including providing councils with the general power of competence they have long called for.

Local savings

This unprecedented shift in power means that you will be well placed to tackle the inevitable challenges ahead. Overall, revenue funding from Government will reduce by 26% in real terms between 2010-11 and 2014-15 – excluding schools, fire and police. That means, on average, a reduction of 7.25% a year.

The reduction in formula grant funding for fire and rescue authorities will be 25% over the period. Reductions for fire and rescue services are weighted to the second half of the spending review period, so that fire and rescue authorities have time to prepare.

But since councils (including fire and rescue authorities) also raise revenue from other sources, the actual reduction in overall council spending will be much lower. There is a clear expectation that councils will use this new autonomy to protect key frontline services.

Local finance reform which protects the vulnerable

To help you do this, we are:

- funding the council tax freeze: if you choose to freeze council tax in 2011-12, we will fund the equivalent of a 2.5% increase in council tax that year for the Spending Review period;
- providing £1 billion of additional funding through the NHS budget to break down the barriers between health and social care, and rolling over £2.4 billion of adult social care grants - including an additional £1 billion by 2014-15 - into formula grant;
- investing £4.5 billion in affordable housing over the next four years. As part of this, we intend to provide £200 million over four years to the Mortgage Rescue Scheme and £100 million for Empty Homes. We will also provide an extra £2 billion for the Decent Homes programme;
- protecting investment in Homelessness Grant, which will remain at current levels;
- protecting the Disabled Facilities Grant, while removing the ring fence to ensure councils can make their own choices about making the most of this money;
- guaranteeing a £200 million capitalisation fund in 2011-12 to support those of you that wish to deliver efficiency savings early through internal restructuring; and
- committing £6.5 billion to Supporting People over the next four years, and giving councils more flexibility to deploy it in line with local needs.

As part of our broader reforms to the welfare system, together we will secure savings in Council Tax Benefit spending and provide a localised approach to the benefit from 2013-14. This will let councils gain from reductions in the cost of Council Tax Benefit in the future, with more detail set out later in the year. The Government wants Welfare Reform to help people who can work get back into work. It is not the Government's intention to interfere with pensioners' entitlements, rather to give councils greater freedom and flexibility.

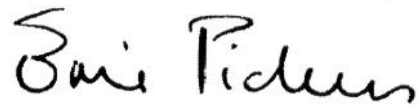
Local innovation

But at the same time, the onus is very much on councils themselves to make the most of this unprecedented freedom and flexibility to focus all efforts and resources on protecting hardworking families, vulnerable people, and frontline services. That must mean:

- fundamentally re-examining every aspect of the way that councils work;
- eliminating all traces of waste by becoming more transparent and improving procurement practice;
- maximising efficiency and productivity, drawing on the lessons of the LGA-led productivity programme;
- sharing departments, officers and back office services between different local authorities; and
- bringing excessive senior pay under control.

The emphasis must be on creativity and innovation. Councils must really put every aspect of service delivery under the microscope, focusing on early intervention and drawing on the significant expertise, reach and resources in the voluntary and community sector.

I have every confidence that, with these new powers, councils who tackle the issues head on will be able to meet the expectations of local residents by protecting frontline services, hardworking families and the most vulnerable.

A handwritten signature in black ink that reads "Eric Pickles". The signature is written in a cursive, slightly slanted style.

THE RT HON ERIC PICKLES MP

GRANTS ROLLING INTO FORMULA GRANT

£ million	Baseline	2011-12	2012-13	2013-14	2014-15
<u>Communities and Local Government</u>					
Supporting People	1,636.00	1,625.00	1,620.00	1,620.00	1,590.21
Housing Strategy for Older People	20.00	15.50	13.50	11.50	10.50
Race Equality	0.17	0.03	0.03	0.03	0.03
Economic Assessment Duty	11.03	1.50	1.50	3.00	3.00
Open Source Planning	-	-	-	15.00	20.00
Fire	-	-	-	49.82	50.28
<u>Department for Transport</u>					
Concessionary Travel	223.00	224.00	204.00	208.00	212.00
Other Transport Revenue	112.00	79.00	72.00	80.00	83.00
<u>Department for Environment, Food and Rural Affairs</u>					
Animal Health Enforcement	8.50	4.80	4.00	3.20	2.40
<u>Department for Education</u>					
Total	114.05	109.34	83.17	70.51	66.34
Previously formed from:					
<i>LSC Staff Transfer</i>	<i>51.47</i>	<i>47.44</i>	<i>43.17</i>	<i>38.91</i>	<i>34.64</i>
<i>Services for Children in Care</i>	<i>54.88</i>	<i>58.40</i>	<i>36.50</i>	<i>28.10</i>	<i>28.20</i>
<i>Child Death Review Processes</i>	<i>7.70</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>	<i>3.50</i>
<u>Department of Health</u>					
AIDS Support	25.50	27.70	30.30	33.10	36.20
Preserved Rights	235.40	228.84	221.68	215.11	209.80
On-going Personal Social Services	752.34	767.02	784.43	804.98	826.31
Previously formed from:					
<i>Mental Health</i>	-	-	-	-	-
<i>Child and Adolescent Mental Health Services</i>	-	-	-	-	-
<i>Learning Disability Development Fund</i>	-	-	-	-	-
<i>Mental Capacity Act and Independent Mental Capacity Advocate Service</i>	-	-	-	-	-
<i>Carers</i>	-	-	-	-	-
<i>Adult Social Care Workforce</i>	-	-	-	-	-
<i>LINKs</i>	-	-	-	-	-

£ million	Baseline	2011-12	2012-13	2013-14	2014-15
Re-cycled Personal Social Services (inc. safeguarding and autism)	303.00	318.15	335.75	354.91	373.11
Previously formed from:					
<i>Social Care Reform</i>	-	-	-	-	-
<i>Learning Disability Campus Closure Programme</i>	-	-	-	-	-
<i>Stroke Strategy</i>	-	-	-	-	-
New Personal Social Services Funding	New	530.00	930.00	1,000.00	1,000.00
TOTAL	3,440.99	3,930.87	4,300.36	4,469.16	4,483.18

OTHER CORE REVENUE GRANTS

- Early Intervention Grant
- Public Health Grant (from 2013-14)
- Learning Disabilities
- New Homes Bonus
- Council Tax Freeze Grant
- Housing Benefit and Council Tax Benefit Administration Grant
- PFI Grant
- Dedicated Schools Grant
- Preventing Homelessness

Local authorities will also be able to bid for the £1.4 billion Regional Growth Fund which will provide a mix of revenue and capital funding over 2011-12, 2012-13 and 2013-14. Further information will be published shortly. Arrangements for Pupil Premium Grant are to be determined.

FULL DETAILS OF CLG'S GRANTS TO LOCAL GOVERNMENT

Revenue Grants to Local Government	Baseline £m	2011-12 £m	2012-13 £m	2013-14 £m	2014-15 £m
Open Source Planning	4.35	5.00	10.00	0.00	0.00
Fire	36.00	71.58	59.57	0.00	0.00

Preventing Homelessness	70.97	90.00	90.00	89.30	88.00
New Homes Bonus	0.00	196.00	250.00	250.00	250.00
Total	111.32	362.58	409.57	339.30	338.00

Note: The fire funding grant will replace 4 previous fire grants from 2011-12; and the Preventing Homelessness line includes funding for Housing Management.

Capital Grants to Local Government	Baseline	2011-12	2012-13	2013-14	2014-15
	£m	£m	£m	£m	£m
Local Authority Social Housing Grant	212.10	65.00	0.00	0.00	0.00
Disabled Facilities Grant	168.80	180.00	180.00	180.00	185.00
Decent Homes ALMOs	625.41	260.00	352.00	389.00	594.00
Fire Capital Grant	70.82	70.00	70.00	70.00	70.00
Total	1077.14	575.00	602.00	639.00	849.00

EXCLUSION OF THE PRESS AND PUBLIC**Recommendation**

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the remainder of the business on the grounds that the items to be considered involve the likely disclosure of exempt information as defined in the paragraph of Part I of Schedule 12A of the Act set out below:

<u>Item Report</u>	<u>Paragraph Exempt</u>	<u>Reason</u>
Dover Town Centre Investment Zone	3	Information relating to the financial or business affairs of any particular person
Appointment of Directors	1	Information relating to any individual