

Report

Subject : MTFS – District and Parish / City Area costs
Report to : Cabinet
Date : Wednesday 13 December 2006
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Cabinet Member for Resources : Councillor Culver

1 Purpose of Report

- 1.1 To consider progress on the above item in the Medium Term Financial Strategy, and what steps need to be taken to secure cost reductions in future years.

2 Background

- 2.1 Members will be aware that the MTFS contains provision for the transfer of costs from the District Council to Parishes and the City Area Committee.

- 2.2 The assumptions are as follows:

Parish Contributions	£140K
City Area Contributions	£ 96K
Reduction in SWAG	<u>£ 50K</u>
TOTAL	<u>£286K</u>

- 2.3 The savings are spread as follows:

	2007/08	2008/09	2009/10	TOTAL
Parishes	£50K	£50K	£40K	£140K
City Area	£48K	£48K	-	£ 96K
SWAG	£25K	£25K	-	£ 50K
TOTAL				£286K

- 2.4 Members will recall that the proposed transfers are based on a comparison between parish/district precepts in SDC and surrounding areas. This comparison shows SDC as having a higher reliance on the district precept / lower reliance on parish precepts than is the case for other district councils.

- 2.5 Each component of the proposed savings are considered in more detail below.



Awarded in:
Housing Services
Waste and Recycling Services



3 Parish Precepts

- 3.1 A list of services which appear to be purely local, as opposed to a strategic district function, was prepared for the purpose of last year's MTFS. These are:

Parish grants for enhanced street sweeping	£8K
Village sweeping schemes	£60K
Village skips	£14K
Public toilets (Wilton, Amesbury, Tisbury, Mere, Downton)	£51K
Play areas (Wilton, Zeals, Redlynch, Old Sarum)	£8K
CCTV (Wilton, Amesbury)	£30K
TOTAL	£171K

- 3.2 The reality of the position is that the District would need to withdraw funding for these services and offer the opportunity to parishes to take over the running (and the costs). That is to say that choice on the continuation or cessation of these services is voluntary and entirely at the discretion of the parishes affected.

- 3.3 Although some discussions have taken place with the larger parishes over these issues they have not progressed to the point where it would be fair or reasonable to expect the changes to come into effect in 2007/8. Discussions on the minor issues affecting smaller parishes have not begun. It is therefore suggested that the District Council now needs to give formal notice of its intent to withdraw from services at the beginning of 2008/09 and again at 2009/10. This period of notice is needed to give parishes the opportunity to consider the future of these services and arrange funding if they wish to take them over.

- 3.4 It is suggested that notice be given as follows:

2008/09	
Parish Grants for enhanced street sweeping	£ 8K
Village skips	£14K
Toilets	£51K
TOTAL	£73K

2009/10	
CCTV	£30k
Reduction in village sweeping scheme	£40K
TOTAL	£70K

- 3.5 This strategy has the disadvantage of delaying the saving projected for 2007/08 but the period of notice is essential if parishes are to have the opportunity to make an informed choice.

4 City Area Contributions

- 4.1 The 2006/07 MTFS set a target of £150,000 for transfer of costs from the District Council precept to the City Area Special Expenses Levy. Cost transfers of £52,000 have been in 2006/07 and the City Area Committee agreed at its last meeting that it would reluctantly accept that it would identify further savings of £96,000 spread over 2007/08 and 2008/09 if that remained the wish of the Council.

- 4.2 The position with the City Area Committee is slightly different than with the parishes, in that it is part of the District Council and it is therefore possible to transfer costs for services like public toilets. It should be noted, however, that the Area Committee may reserve the right to accept transfer of services and subsequently close them.

5 Reduction in SWAG

- 5.1 The proposed reduction in SWAG is linked to the establishment of an External Funding Officer on a permanent basis, in order to help local communities access grant streams from external bodies. On the basis that members approve this growth bid, it is recommended that the budget proposals set out at para 2.2 be implemented.

6 Recommendations

- 6.1 In order to support the implementation of the MTFs, Cabinet is RECOMMENDED to:
- 6.1.1 Confirm that it wishes to give notice to parishes of its intent to withdraw from the services listed at para 3.4
 - 6.1.2 Invite parishes to enter into a dialogue on whether they wish to fund the ongoing provision of these services
 - 6.1.3 Confirm its commitment to the transfer of £96,000 to the City Area Special Expenses Levy spread over 2007/08 and 2008/09.
 - 6.1.4 Confirm that SWAG funding be reduced as set out at 5.1

7 Implications:

Financial: As set out in the report

Legal: As set out in the report

Personnel: Withdrawing from the provision of services may result in redundancies and negotiation with staff and unions on the impact of these proposals will be required.