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To The Chairman and Members of the Overview &
Scrutiny Commission

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AGENDA SUPPLEMENT

Dear Sir/Madam,

OVERVIEW AND SCRUTINY COMMISSION - THURSDAY 5 JANUARY 2012

I refer to the agenda for the above-mentioned meeting and enclose the following **REVISED** report:

Item No	Report Title	Page Nos
8.	<u>Discretionary and Non-Discretionary Services</u>	11 - 15

Members are asked to note that this report replaces the one already sent out and published with the main agenda.

Yours faithfully

Helen McAleer

Senior Committee Officer

Report of: Terry Huggins, Chief Executive

To: Overview and Scrutiny Commission

Author: Ben Wood, Business Development Manager

Subject: Discretionary Spending at Breckland Council

Purpose: To indicate what functions delivered by The Council are discretionary, and the approximate cost of doing so.

Recommendation(s):

- **Members note the report and comment on whether the statutory mandatory/ statutory power/ discretionary distinction the right starting point for considering council spending**

1. INTRODUCTION

1.1 Overview and Scrutiny Commission Members have asked what services The Council provides which can be deemed “discretionary”. The purpose is to prompt discussion at Member level regarding overall priorities and resource allocation.

1.2 In summer 2011 the Business Improvement Team undertook a review of all functions across The Council to establish what services can be described as:

- Statutory mandatory: we have to undertake the function by law and we have to do so in prescribed way
- Statutory power: we have to undertake the function by law but have some flexibility and freedom regarding how it is undertaken
- Discretionary: no obligation to undertake the function, and no prescription about how to do so

1.3 Appendix A outlines the results of that review, attributing proportionate costs to each service area according to the categories above, based on the 2010/11 budget.

1.4 Appendix B goes into more detail within each service area, outlining the proportion of employee time spent on different activities which can be deemed to be statutory mandatory, statutory power and discretionary. It should be noted the definitions are aligned to budget headings, and may not necessarily describe the activities which sit underneath them.

2. BACKGROUND

2.1 Although an obvious line of enquiry the distinction between statutory and discretionary services is not typically used to drive spending decisions in local government. Like many other councils, Breckland does not use this as a basis to align its budget. Moreover, there is a risk that using a legal framework to define local government’s priorities may reduce the institution to simply an administrative function on behalf of central government. Ensuring investment follows local priorities is fundamental strength of the local democratic mandate. With that in mind Members may wish to consider Breckland Council’s recently adopted Corporate Plan as a more appropriate starting point for spending decisions.

2.2 Given the above, there is sparse information regarding the details of what constitutes statutory and discretionary, how they are interrelated and the legal implications of not

undertaking the latter. An example of this is some of the functions carried out by Human Resources. They may not be statutory activities, but their removal could have significant legal implications for the authority.

2.3 Similarly, whilst there may be a statutory requirement for the Council to provide a function, such as the Scrutiny function, the Council often has discretion over what level of service it provides. For that reason, three categories were identified (set out in 1.2 above) which attempt to describe roughly where a service or function may 'fit'. These are somewhat simplistic but are presented here as a starting point for discussion.

2.4 The information at both appendices was constructed via one to one conversations with service managers, alongside collection and analysis of financial data. It should be noted this information is indicative only and does not constitute a precise description of cost for each activity.

2.5 The purpose of this data is to present an overall picture of Breckland Council spending, helping prompt discussion at senior manager and Member level regarding overall priorities and resource allocation. This should help inform debate – but not drive detailed budget decisions.

2.6 A number of additional points need to be made concerning the data at both appendices:

- It is based on 2010/11 budget information (ie. pre shared management arrangements) and therefore may be out of date and equally exclude some more recent additional discretionary functions (including Business Development)
- The categories listed under section (1) above were arrived at via discussion with service managers in early 2011. Given the complexity of legislation around some key areas the interpretation can be subjective – no legal advice was commissioned in producing this work
- Appendix B is designed to give an indication of the cost of delivering discretionary functions. This is based on the number of full time equivalents working on that particular function. Thus it can only be considered a proxy for cost as it doesn't include additional spending beyond salaries. Moreover it also doesn't distinguish between salary scales and grades – this approach is less accurate but enables a degree of comparison
- Equally where a small number of individuals may be undertaking a range of functions within a service it is difficult to precisely identify the proportion of their time which is specifically spent on discretionary activity. As above then, this is a subjective interpretation
- The Customer and Contact Centre are not included in the analysis. Given the function may deal with a range of front facing issues across all areas of the council it proved hard to define what proportion of time may be spent on statutory or discretionary functions.
- Asset Management is also not included in the analysis, as it is the only service area to be a net contributor.

2.7 Given the caveats above, it should be noted the information is indicative only and should not be considered a sophisticated tool to make decisions.

3. ANALYSIS

3.1 The discretionary activities (following service budget headings) identified in Appendix B are listed below, and presented for further Member consideration.

Discretionary Function	Service Area	
Central stationery, flex	Central Admin	
Rail cards, concessionary fares, other duties		
Maintaining and Developing Modern.Gov (Committee Services IT system)	Committee	
Officer support to the Chairman of the Council		
Provide Administrative support to the elected members		
Management of Democratic Services Team		
Arts development	Communities	
Sports development		
Community Development and Match Funding		
Youth engagement		
Pride in Breckland (funded by LSP)		
Environmental Awareness		
Community transport		
Voluntary sector grants		
Business & Market Intelligence: Economic Profile/ED Bulletin/ Market Research – Data Base Management		Economic Development
Inward investment/site development		
Business Forums		
Small Grant Schemes		
Job Fairs/Events		
Project & Bid Development: Concept & Idea Generation/ Project & Bid Development: Business Planning		
REV-Active: Project delivery		
REV-Active: Rollout to generate income		
ERDF Project Compliance Claims and monitoring – RAG Reports		
MTF Programme Management –SUE – Anchor Site Development – Attleborough		
REV Programme – Snetterton Utilities		
Animals - dog fouling	Environmental Protection	
Animals - pests - control (contract management)		
Environmental services - private water supply analysis		
Pollution control - asbestos		
Pollution control - septic tank and cesspit emptying - information		
Roads - flooding - drains and gullies		
Licensing consultations - consultee		
Radon / air quality advice		
Contract Management - Grass Cutting & Horticultural Operations	Environmental Services	
Procurement and Payments - Sustainable Communities		
Grounds Maintenance Strategy/Service Development		
Corporate initiatives, training, finance, HR issues	Finance	
Finance General Management (team)		
Safety - health and safety - training courses (food)	Food, Health and Safety	
Project Management	General Health	
Contract Management - Dog Warden		
Contract Management - Pest Control		
Marketing		
Empty Homes	Housing	
Private Rented Sector renewal		
Home Improvement Agency		
Member Training	HR	
Staff Training		
Reward and Recognition		
Hardware and software support	ICT	
Contract Management		
Tenders and Procurement		

Project Management and Support		
Web services (application support)		
Telephone and Network support		
ICT Training		
Press releases	Marketing	
Media enquiries, arranging interviews/ photo/ calls		
Admin - newspaper cuttings, FOI, monitoring logs etc.		
Creation of publications both internal and external		
Brand maintenance		
Website / social media		
Events		
Internal communications - emails, blog and biz		
Consultation		
Print Room		
Graphic Design		
Risk Management		Performance
Performance Management (Framework)		

4. REASONS FOR RECOMMENDATIONS

4.1 Given the nature of the limitations around the analysis presented here, it is suggested that the statutory mandatory/ statutory power/ discretionary distinction should not be used exclusively to drive decision making. A more appropriate starting point would be to consider Breckland Council's strategic priorities (as articulated through the Corporate Plan) followed by a pragmatic consideration of the resources needed to achieve the vision and objectives it sets out.

5. IMPLICATIONS

5.1 Risk

No recommendations made and therefore no risks directly associated with this paper. Any subsequent decisions regarding the ceasing of discretionary activity will need to be fully risk assessed.

5.2 Financial

At this stage there is no financial commitment. Any subsequent decisions regarding the ceasing of discretionary activity will need a full assessment of potential savings.

5.3 Legal

No recommendations made and therefore no legal issues directly associated with this paper. Any subsequent decisions regarding the ceasing of discretionary activity may have legal implications and this relevant advice would need to be obtained.

5.4 Equality and Diversity

As above. Any decisions to cease discretionary activity may have affect individuals or groups within our communities and this would need to assessed.

6 Alignment to Council Priorities

- Entrepreneurial Council

7. Wards/Communities Affected

None - Internal

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Appendices attached to this report:

Appendix A – summary of spend by service area
Appendix B – cost of discretionary services in each service area