

## Area Budgets

Council, July 18, 2006, Item 12

**Committee:** Council

**Date:** 18 July 2006

**Title:** Area Budgets

**Author:** Alasdair Bovaird, Chief Executive, 01799 510400, [abovaird@uttlesford.gov.uk](mailto:abovaird@uttlesford.gov.uk)

Agenda Item

# 12

Item for decision

---

### Summary

The report recommends an approach to establishing budgets to support area panels to work more effectively on behalf of their areas.

### Recommendation

1. That each policy committee receives a report on the aspects of their respective budgets that should be delegated to area panels at their next meeting.
2. That consideration of a more deep-rooted transfer of budget to area panels be considered as part of the development of the council budget which will be agreed in February 2007 and that such deliberations be incorporated into the forthcoming medium term financial strategy.
3. That further consideration to developing the role of area panels be pursued once the expected local government white paper is published in the autumn.

### Background Papers

- None

### Impact

Communication/Consultation	Appropriate arrangements will need to be established to ensure that the council's community engagement is improved as a result of these proposals.
Community Safety	None
Equalities	It is likely that devolution of budgets to areas will result in some variation of service priorities between areas: care will need to be taken that these differences do not lead to unintended inequality in service provision.
Finance	Any proposals for devolved budgets will be revenue neutral: a different way of dividing the cake, not a different sized cake.
Human Rights	None

## Area Budgets

### Council, July 18, 2006, Item 12

Legal implications	None
Ward-specific impacts	All wards will be affected.
Workforce/Workplace	Some staff's duties may change as a result of the devolution of budgets to areas: staff affected will need to be fully consulted on the likely implications.

## Area Budgets

### Council, July 18, 2006, Item 12

#### Situation

1. Area Panels have been in operation since December 2005. Initial teething difficulties are being resolved, but members have been clear that they would wish to see the area panels being able to absorb the financial consequences of their decisions rather than being required to seek budgets from the council's policy committees.
2. The government have announced that they will publish a local government white paper in the autumn of 2006. This is likely to encourage councils to further devolve service responsibility to 'neighbourhoods'. Uttlesford will be well placed to pursue this objective by further establishing the role of area panels – in conjunction with town and parish councils and other community groups.
3. However, the council's budgets are complex and not easy to allocate on an area basis: not all services are readily identifiable to specific locations, while those that are location-specific often are required to operate within tight legal or policy frameworks that limit the scope for local variation.
4. If devolution is to be successful, then the responsibility for setting policy framework should be associated with the appropriate responsibility for financial and resource management.
5. The council will be developing a medium term financial strategy over the coming months. It will also be working on community engagement as one of the areas of corporate focus agreed in the corporate plan. Work has already begun on the development of the council budget for 2007-8 and subsequent years.

#### Options

6. It would be possible to leave things as they are until the new budget is agreed in February 2007. However, this would limit the ability of area panels to respond to local issues and as a result the success of area panels is likely to be undermined.
7. It is therefore suggested that a two-pronged approach be taken:
  - Each policy committee should consider at its next meeting a report from officers which will recommend which of the budgets under its control could be devolved to area panels. These reports will also make recommendations as to the best means of ensuring that each of the three areas receives an equitable share of resources and any necessary transitional arrangements to ensure service continuity. The results of these meetings can then be formally endorsed by council at its next meeting.
  - Meanwhile, consideration of a more deep-rooted approach to devolving council resources to areas will be pursued with a view to incorporating

## Area Budgets

### Council, July 18, 2006, Item 12

these proposals into the budget/financial strategy that is to be adopted for the period from 2007 onwards.

8. The existence of area panels offer the opportunity for Uttlesford to be 'ahead of the game' in respect of the forthcoming local government white paper. However, they cannot be taken in isolation from the other aspects of the council's policies and priorities. Members are asked to give a clear view to officers as to the extent to which they wish to pursue these proposals. Officers – in discussion with members – can develop alternative approaches with varying degrees of radicalism.
9. It will be necessary to engage with other community groups and with town and parish councils to ensure that the approach that is taken across the district as a whole, and within area and community boundaries.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
That area panels become a talking shops with no real authority or purpose	Medium	High	A panel with identifiable authority and responsibility for specific services will be able to focus on those areas for which they are responsible.
That resources will not be distributed equitably, and that access to services will be unequal between areas	Medium	High	The council must decide the extent to which it wishes to tolerate local variation and to defend that variation as the result of local political choice. There should be a transparent formula for the distribution of resources between areas.