



Committee and date

Council
22 July 2010

Item No

19

LEADER'S STATEMENT ON COUNCIL PRIORITIES

1. My Cabinet and I are now hard at work in reviewing all options for cutting Council spending, both those required in the current financial year and those to be set out in our Medium Term Financial Plan, over the next three years. At our most recent meeting, we received reports setting out the scale of spending reductions required – close to £10 million this year and an additional £47 million over the next three years.
2. Dealing with these financial pressures is an unprecedented challenge for the Council and for all of us in Shropshire. It is already clear that difficult decisions will need to be made by us as a Council about which services we provide in future, how these are run, and at what standard they need to be. We want the thoughts and ideas of local residents and businesses to help us put together our future plans, and this is already happening through feedback from the current round of LJC meetings.
3. Our first priority has been to look at ways to quickly take out waste, duplication and unnecessary administration. Millions of pounds worth of initial savings have been proposed on this basis, and we intend to make early decisions on these over the Summer period, and ask our managers to implement them as quickly as possible. These efficiencies will not affect service delivery.
4. By the time this statement is considered by Council, the Cabinet will also have taken decisions on changes to current staff terms and conditions for payment of business travel, and to the future level of fees and charges levied for some of our services. Along with the vacancy freeze we have already put in place, these will make an important contribution to easing the financial pressures on the Council by, respectively, cutting costs and raising additional income.
5. But, we know that we will need to go further than this. So, I have asked my Cabinet Members and the Council's senior management team to look in greater depth at how we run our services in future. The basis of this will be a reliable, good quality, no frills approach. I want nothing to be ruled out at this stage, and a bold, creative approach to new ways of doing things will be encouraged.
6. In response to this need to re-think what we do, our Transformation Programme is now well under way, including an extensive process to involve our staff in re-shaping services and sharing their good ideas on this. Already a new "Target Operating Model" for the Council is being designed, and I expect clear decisions on this to be made in the Autumn.

7. As a result, the Council will be reshaped and, because most of our spending is on staff wages and salaries, the overall size of the Council's workforce will need to reduce. Our staff will need to be trained and be better equipped to become even more productive, and this essential investment will be a high priority, to enable wider changes and savings to be made as quickly as possible.
8. As part of "creating the conditions for success", our staff will be offered a "new deal". This will give them secure, skilled and satisfying jobs, in return for a flexible and adaptable approach to new ways of working in multi-tasking teams. But, further changes in some staff terms and conditions of employment will also need to be looked at, in preference to having to resort to compulsory redundancies to reduce our staffing costs. We want local people to be confident that they will receive value-for-money services from skilled and experienced staff.
9. The Chief Executive, at my request, has started a major review of management roles and responsibilities, to reflect the Council's new "Target Operating Model" and ways of working. The objectives of this are to produce a range of benefits in a more streamlined and integrated organisation, including an overall 20% reduction in management overheads over the next 12 months. We will need to take care in this not to undermine our capacity to plan and manage the major changes which will need to be made over the next few years.
10. These changes will include exploring whether we can share services with neighbouring councils, to reduce costs and overheads. We will look also at whether others, in the voluntary and community sector or in the business sector, are better placed to deliver services locally, as well as finding ways to help our local communities to do more for themselves or to run community facilities directly.
11. Consultation and negotiation with the trade unions on how these proposed changes are likely to affect our staff have now started. The Cabinet will meet each month to consider fresh proposals for cutting costs, and to make early decisions on these, well in advance of the start of the new financial year next April.
12. I will ensure that all elected Members and the Council staff are kept fully informed of these developments, at each stage. Further public meetings will be held in the Autumn to share the Cabinet's thinking more widely, before final Budget decisions are taken.