

Item No. 5	Classification: Open	Date: 21 April 2011	Meeting Name: Democracy Commission
Report title:		Democracy Commission - Stage 2 Community Council Budget Meeting	
Ward(s) or groups affected:		All	
From:		Strategic Director of Communities, Law & Governance	

RECOMMENDATION(S)

1. That the Democracy Commission considers and agrees the amended Terms of Reference for Phase 2 at Appendix 1.
2. That the Democracy Commission notes the contents of the information pack at Appendix 2 which contains detailed information on Community Council budgets, as well as a selection of relevant information for future meetings.
3. That the Democracy Commission consider the potential options for savings as set out in paragraph 11 of the report and identify options to be investigated in more detail.

BACKGROUND INFORMATION

4. On 25 January 2011, cabinet resolved that the Democracy Commission be tasked with phase 2 of their work, focusing on the role and powers of community councils in the context of budgetary savings. The Democracy Commission will report their progress to council assembly in April 2011 and make their final recommendations in December 2011. The terms of reference for the Democracy Commission in relation to phase two can be found at Appendix 1.
5. At the first meeting of the second phase of the Democracy Commission on Friday 11 March, members agreed a workplan (see section 1, Appendix 2 - information pack) and suggested a slight amendment to the terms of reference (Appendix 1).
6. The purpose of this meeting is to set the budgetary context of the review of community councils. Members are asked to consider the high level options for making savings for officers to bring more detailed saving estimates to future meetings. While one of the tasks of the review is to consider how reductions can be made it is also timely after eight years of operation of the Community Councils for the review to consider proposals as to how we can improve their working. Further background information will be provided to members in advance of the relevant meetings in the workplan.

KEY ISSUES FOR CONSIDERATION

Community Council budget savings

7. The review of community councils is to be undertaken within the context of the recently agreed council budget and the reductions in public expenditure. The

task of the Commission will be to make recommendations to cabinet and council which can deliver a reduction of £344,000 in the total costs of community councils to take effect from 1 April 2012. All other aspects of the review into the role, function and effectiveness of community councils are framed within the aforementioned constraints.

8. The purpose of this report is to provide the commission with relevant information concerning the running costs of community councils in relation to their various functions. This forms the initial task within the workplan of the Democracy Commission.
9. The following table contains a top-level breakdown of the budget allocated to the running of Community Councils in the current financial year (2011-12). This includes staff costs for the Constitutional team and Neighbourhoods team who manage and administer the eight Community Councils, publicity and running costs for the actual meetings, as well as the Community Council Fund.

Table 1: Total Cost of Community Councils 2011/12

Total Budget for Community Councils 2011/12	
Neighbourhoods team	759,403
Constitutional team	528,100
SLA Charges	88,500
Total	1,376,003

10. A detailed breakdown of each of the budget lines above is included in the information pack (Appendix 2).

Savings Options

11. Officers have identified that the following options are available to the Democracy Commission in order to make recommendations for the required budgetary savings:
 - Reduce the number of meetings
 - Reduce the number of community council areas
 - Consider the role and functions – e.g. it is likely that significant savings could be made by taking the planning functions for community councils
 - Cut down on printing and marketing costs
 - Cut down on community engagement around meetings
 - To stop holding Community Council meetings

Members are asked to make suggestions for any other areas which could be examined to deliver the required budgetary savings and to indicate which options should be worked up in more detail.

12. All of the options are likely to have an impact on staffing numbers. Issues relating to staff numbers are reserved to the chief executive and officers appointed by her. This does not prevent the Commission making recommendations that impact on staffing numbers but if this is the case then these need to be made to the Strategic Director of Communities, Law & Governance who will consider whether they are implementable.

Information Pack – Appendix 2

13. As previously mentioned, an information pack has been included at Appendix 2 of this report which provides members with some background information to relevant to the whole of the second phase of its work. This includes:
- detailed breakdowns of Community Council budgets
 - information about the role and function of Community Councils
 - information about Community Council area boundaries
 - quantitative data on Community Council attendance
14. Further information (including qualitative data collected from relevant stakeholders) on the theme of each Democracy Commission meeting will be presented to members in advance.

Policy implications

15. The terms of reference for the Democracy Commission phase two have been drawn up within the specific context of current council policies, plans and strategies. The information gathered during the second phase of the commission's work will provide opportunities for the council to engage in debate with residents and will potentially provide decision makers with new information when developing council policy.

Community impact statement

16. The aim of the Democracy Commission is to bring the Council closer to its residents, making it more accountable to them and more connected with their concerns. The work of the Commission will be led by the Community Engagement team that has significant experience in leading work of this nature, aimed at improving the voices of local people in decision-making. The engagement activity will be underpinned by principles of equality and human rights (including the new public sector equality duty which comes into force in April 2011) and will reflect the diverse residents of the borough.

Resource implications

17. No additional budget is required for the setting up of the commission and stage two of its work. Any costs will be covered within existing resources. The commission will be required to bear in mind the need to keep under review the officer and other resources required to support its work and the implementation of its recommendations within the context of increasing resource constraints on the council.
18. The task of the Commission will be to deliver a reduction of £344,000 in the total costs of community councils to take effect from 1 April 2012 as agreed in the council's Policy and Resources Strategy 2011-2014.

Consultation

19. The work of the commission as part of phase 1 included public consultation and involvement: public meetings and conferences, questionnaires, focus group and recording vox pops. This work will be developed and improved upon during phase two.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Democracy Commission Phase 2 reports and agenda	Tooley Street, London, SE1 2TZ	Tim Murtagh 020 7525 7187

APPENDICES

No.	Title
Appendix 1	Terms of Reference of the Democracy Commission
Appendix 2	Community Council information pack (circulated separately to members)

AUDIT TRAIL

Lead Officer	Deborah Collins, Strategic Director of Communities, Law & Governance	
Report Author	Stephen Douglass, Head of Community Engagement	
Version	Final	
Dated	13 April 2011	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	No
Finance Director	No	No
Cabinet Member	Yes	No
Date final report sent to Constitutional Team	15 April 2011	