

**SCRUTINY PANEL ON THE SOCIETAL IMPACT
OF 2010-2011 IN-YEAR BUDGET REDUCTIONS**

Notes of Informal Scoping Meeting

Tuesday 12 October at 4pm in Kings House Room G7

1) Panel Members are Councillors Janio, Mitchell, Wakefield-Jarrett and Watkins (Chairman)

2) Approach to the scrutiny review

The 2011/2012 budget proposals will be scrutinised from December 2010 as in previous years by the Overview and Scrutiny Committees and the Overview and Scrutiny Commission, whose recommendations will pass to Cabinet.

Therefore this Panel is to focus only on the specific grants affected by the 2010-2011 in-year reductions and the potential impact of these; in the context of future cuts to be announced imminently in the General Spending Review.

Investigate the aims and objectives of these particular grants; and support received from other sources plus the potential impact of in-year reductions.

Outcomes from this review will be a wider understanding of size, aims and objectives of the specific grant funding streams and how to deal with specific grant cuts and the role of partners. Together with views on how different groups receiving these services are affected by a reduction or withdrawal of the service.

Recommendations will help inform future budget process and intelligent commissioning.

Members requested detailed information on all the affected budgets to be sent prior to the next Panel meeting including Equalities Impact Assessments.

Main areas of questioning for officers/ third sector:

What was the preparation process before and after the Cabinet decision of 22nd July?

To what extent can the impact be judged prior to taking a decision? And afterwards? In the short term and longer term.

What are the aims and objective of the budgets that were affected by the in-year grant reductions?

What was the in-year reduction in monetary terms and as % of original grant?

How are funding streams affected by the removal of ring-fencing and how does that affect decisions made?

How to deal with joint programmes with partnership organisations including eg matched funding?

What has been done in implementing the changes so far? What is happening now?

What have been the key issues in making the cuts? (challenges eg contractual; plus opportunities)

To help understand potential impacts - how can the effects of the reductions be mitigated?

How has EqIA work been considered? What groups or categories of groups were, or could be, affected? Views on how these in-year budget cuts could potentially impact on groups? Short-term and longer term.

How to ensure groups in receipt of grants via different Council services and/or partner organisations are not disproportionately affected. i.e. linking cuts decisions within the Council and with partner organisations?

3) Financial context:

This situation was very unusual as the reductions announcements were made mid-year. There will be issues common to all grant reductions and some issues that are specific to particular circumstances of a grant.

There are potentially many at risk grant funding streams that may not be known until near the end of the financial year. The Council is in receipt of around 200 central government grant streams; some of these are not well known. Total assumed grant loss for 2011/2012 is more than £10 million, based on a 20% reduction in Area Based Grant.

A great deal of work was done in the weeks prior to the decision on in-year reductions but it is impossible to assess every single funding combination. The societal outcome from an investment can't be proven. But a good understanding is the bigger part of budget planning.

Officers analyse all the grant funding streams but the decisions on options are political decisions.

The principle is to protect front-line services as a priority. We have the benefit of the CVSF who were able to give their areas of concern and more than 90% of these areas were protected.

Local authorities generally are likely to be struggling with complicated choices; what process do they use when services may be withdrawn at short notice?

What examples of good practice are there, in terms of assessing options and societal impact?

There will always be alternatives and where there are multiple options it can be unnecessarily destructive to consult too early. For the future, analysis of needs and societal impacts will be key in the new commissioning model. But in the interim up to 2012/2013 we have to deal with a degree of lack of synchronisation between funding and allocation and still produce as fair and as robust decisions as possible.

Best financial advice is that if national grant funding is reduced then, unless shown otherwise, the activity or service ends or reduces accordingly.

There has been much focus on Connexions, involving a private sector partner which has been particularly complex and where there have been difficulties in terms of contracts. Removal or reduction of funding produces different strains on different service areas depending on the specific grant.

4) Societal perspective

The Panel can focus on what worked well. Also can consider the potential impact now and look at factors to mitigate against the reduction of grant.

The CVSF would be well-placed in a coordinating role to send information to providers about the Panel and also give information to the Panel on how the reductions have been implemented and views on the impacts.

5) Further information/witnesses required

Finance Officers – written detail of the grants

CVSF

Cabinet Members and lead officers

Other Local authorities

6) Arrangements for future meetings; dates and venues

October 29th 2.30pm HTH CC

Potential dates

4 November 2pm HTH CR3

23 November 2pm HTH CC

