

EXTRACT FROM THE DRAFT MINUTES OF OVERVIEW & SCRUTINY COMMISSION 2.00PM 1 FEBRUARY 2011

Present: Councillors Mitchell (Chairman); Pidgeon (Deputy Chairman), Cobb, Elgood, Kennedy, Morgan, Peltzer Dunn, Wakefield-Jarrett and Janio

PART ONE

60 SCRUTINY OF BUDGET PROPOSALS

60.1 The Director of Finance introduced the report which had previously been presented to 14 December OSC, prior to the Local Government Finance Settlement announcement. A budget gap of approximately £30million was now identified and work is in hand to address this.

60.2 The 17 February 2011 Cabinet report is being prepared and it is recognised that the timing would affect the scope for scrutiny of the proposals. Feedback from Members on this report would be welcomed.

60.3 Budget setting was particularly complex this year and arrangements for certain specific grants were still awaited. Some would be rolled into the general formula grant, or moved to the dedicated schools grant, while others would remain separate funding streams or be discontinued. Budget-setting was anticipated to be less complex for 2012/13 and 2013/14

60.4 Asked about decisions on the Council's reserves, the Director outlined the principles concerning the use of reserves. For example reserves could not be used as a 'one-off' measure without clear plans for future savings. The Council had a responsibility to meet legal requirements and to set a balanced budget. The table report paragraph 3.14 showed the reserves that were completely unallocated and the detailed position would be set out line by line in the final proposals.

60.5 Members expressed considerable disappointment that the Cabinet Member for Finance was not present to answer questions, in particular about the use of reserves (report paragraph 3.17); also that this report gave little opportunity for meaningful scrutiny.

60.6. Other local authorities had produced their budget books. Notwithstanding late information on grant funding streams, it was preferable for Members to work together as far as possible and delaying scrutiny was not helpful.

60.7 The meeting noted that, for the first time, more satisfactory budget scrutiny had been possible of the current year's budget proposals. The settlement for 2010/2011 had been known earlier and more details were present to scrutiny in December 2009. The timescales for 2011/12 budget were tighter.

60.8. It was agreed to reconvene OSC at a suitable time.

60.9 Answering a question on the extent of budget changes that could be made following the local election, the Director said that with the exception of Council Tax, changes could be made by the appropriate decision-making body. A new Cabinet would be able to make changes

within the Council's Budget and Policy Framework. More significant changes could be made with the approval of full council.

60.10 The Director of Finance answered questions on the flexibilities and legal requirements concerning the use of Council reserves, giving examples of the approach to decision-making within different scenarios.

60.11 Asked if the high-level screening of Equalities impacts (EIAs) of the proposals could be provided, including cross-cutting impacts of reductions in different service areas, the Director told that meeting that clarification of the process and summary information was planned to be published alongside the budget report.

60.12 Members asked questions about individual specific grants such as the aids support grant and short breaks for children with disabilities.

60.13 Chris Todd, Community and Voluntary Sector Forum co-optee welcomed the commitment to sharing the EIAs. However equalities implications needed thorough consideration. Those that were available were of little help in guiding decision-making he said. In the case of personalisation, the EIA did not consider the impact on individual service users, but rather on the Council's budget.

60.14 As regards front-loading of the budget reductions to 2011/2012, the Director of Finance replied that a more even spread over the 4-year period of the Comprehensive Spending Review had been expected. The Local Government Association had made representations about the challenge to local authorities in implementing the changes within the timescale. Nationally the overall reductions amounted to approximately 25% in all departments, with the exception of Health and Department for International Development.

60.15 Councillor Warren Morgan, Chairman of ECSOSC referred to the draft minutes at Appendix C and pointed out the concern at the low level of scrutiny that was possible on this year's proposals, expressed by the Committee (minute 37.7). The £2.27 million Environment savings required was not an up-to-date figure.

60.16 ECSOSC was concerned that there should not be a reduction in the number of parking enforcement officers and had asked for more information on the funding of council-owned car parks. Car Club parking bay charges had been discussed in the context of increasing the take-up of sustainable transport. ECSOSC had asked that Car Clubs be added to the work plan.

60.17 The Commissioner Community Safety had outlined the savings in this report and the prioritisation of early intervention however there were unanswered questions on the further savings that would be needed.

60.18 Councillor Tony Janio Deputy Chair ECSOSC had congratulated officers in identifying savings thus far and giving reassurances as far as possible about the protection of frontline services. He told OSC that as a substitute member on budget CYPOSC he had called for an officer report on closer working with the third sector on services for children and young people.

60.19 Councillor Amy Kennedy, Chair of CTEOSC said the main budget impacts within the remit of the Committee appeared at this stage to relate only to Renaissance funding which had been prepared for, and supported employment. The Committee had asked for more detail of

the future of supported employment services used by some 200 people, and the best use of the Castleham building, which was owned by the Council.

60.20 Chris Todd referred to Appendix F and said that CVSF was pleased to be co-opted to the Committee for discussions on the budget as it gave the Council an opportunity to hear from key stakeholders about some potential impacts of budget reductions. He said it would be helpful to know the scale of the impact of the additional savings which will be required and asked to what extent these were already known.

60.21 He stressed the importance of avoiding cuts to preventive services which would be a false economy in the longer term; and looked forward to closer working on decision-making, stating that discussions with CVSF had become 'quieter' around budget-setting time, when they should be getting 'louder.' Co-production should be right at the heart of the process, he said.

60.22 Contractual roll-overs carried significant risks in the view of CVSF, putting re-commissioning or de-commissioning in a difficult position later on.

60.23 CVSF welcomed avoiding cuts to the voluntary sector. Contracting to the voluntary sector produced opportunities not always immediately apparent such as achieving better value for money by drawing in additional funding and contracts from various trusts and other bodies. These would otherwise would be lost to the City.

60.24 Chris Todd commented that it would be helpful to receive an update on the Prevention and Wellbeing Strategy referred to at ASCHOSC (appendix B minute 47.20).

60.25 The Director of Finance replied to queries on the proportion of savings proposed in the areas of Equalities and Communities which appeared to be relatively high compared with Human Resources (Appendix F 3a Environment and Community Safety.)

60.26 Equalities and Communities had been reliant on short-term grant funding, assuming £450,000 of which was being lost. The proposals showed £250,000 being replaced from core funding which would represent a net gain in resources from the Council's budget (though not total resources) for Equalities and Communities.

60.27 Savings being generated under proposals for Human Resources took into account the prudential borrowing arrangements for implementing the new HR and Payroll system.

60.28 Clarification on issues raised about investment in car parks would be circulated to Members.

60.29 The Head of Scrutiny clarified that the CVSF report, Appendix F, was published here for the first time.

60.30 RESOLVED: That the Commission

- (i) Notes the draft minutes from the Overview and Scrutiny Committee Meetings and agrees to send these to Cabinet
- (ii) Notes the CVSF response and agrees to forward it to Cabinet
- (iii) Agrees on specific issues it wishes to raise with Cabinet based on O&S Committee minutes and the CVSF response, as minuted above.
- (iv) Instructs officers to review the budget setting process for 2012/2013 with a view to improving the scrutiny process.

