

INFORMAL MEMBER GROUP ON BUDGETARY ISSUES

NOTES of a meeting of the Informal Member Group on Budgetary Issues held in the Wantsum Room, Sessions House, County Hall, Maidstone on Thursday, 25 March 2010.

PRESENT: Mrs T Dean (Chairman), Mr L Christie and Mr R F Manning

ALSO PRESENT: Mr J D Simmonds

IN ATTENDANCE: Mr A Wood (Head of Financial Management), Mr D Shipton (Finance Strategy Manager) and Mrs A Taylor (Research Officer to Cabinet Scrutiny Committee)

UNRESTRICTED ITEMS

4. Notes of Previous Meeting on 29 January 2010

(Item 1)

Mr Shipton would provide further information on the number of temporary staff employed by KCC broken down by Directorate.

The Chairman asked that officers clarify the areas in which redundancies were being proposed.

In response to a question on Kent TV, Mr Shipton would confirm whether the issues relating to the notice period for staff had been resolved.

Subject to the above information being supplied the notes of the Informal Member Group on Budgetary Issues held on 29 January 2010 were agreed as a correct record.

5. Revenue & Capital Budgets, Key Activity and Risk Monitoring (Cabinet report attached)

(Item 2)

Mr Wood explained that the latest revenue forecast position before the implementation of management action was an underspend of £6.465m, Management action was expected to increase the underspend to £7.356m; the movement was mainly within the Children, Families and Education Directorate.

Pressures continued on the fostering service, adoption service and residential care, these would be monitored throughout the year.

There was a risk that Kent Adult Social Services (KASS) would not achieve a balanced budget. There was a current forecast overspend of £580k within KASS and there would be a more detailed look at KASS at year-end.

The Communities directorate was forecasting a £395k underspend. The possibility of setting up a renewals reserve from this underspend, for the Adult Education Service, was being investigated. This would fund items such as hand held technology for enrolment etc.

The capital programme showed a variance of -£19.477m and there was the potential for further slippage due to the delays to projects from the weather in early 2010. The revenue budget variances showed a pressure of £1.4m due to adverse weather emergencies, this covered snow ploughs, gritting runs etc.

There was a pressure of £474k due to the traffic management act permit scheme costs, this was queried as it was understood that this was due to be a cost neutral scheme, this pressure related to set up costs and the income would be recovered in next year's budget.

There was a pressure of £314k on legal services due to the increased costs of disbursements – expenses associated with legal cases. The number of legal cases had been higher than budgeted for, and therefore the income and the disbursements were higher.

On the subject of Asylum, Members discussed whether it would be possible to set up a page on the intranet which would show the current position on Asylum that could be updated regularly. Mr Wood confirmed that the Government had agreed to pay back half the money owed in the current year, and that KCC would work to get the unit costs down. Members asked how the pressure of £2.780m was made up, Mr Wood explained that it was the amount KCC had spent above the agreed unit cost and those individuals that the Council couldn't claim for due to 'all rights exhausted' issues, Members asked that a note be provided giving further information on the current situation on Asylum. The level of service provided would also be covered.

On the subject of the shortage of children's social workers, which was reflected nationally, Members asked whether both the shortage and the case work load of the current social workers was being monitored, it was felt that it was vitally important to monitor the workload of existing staff. This was monitored on a day to day basis by the Children, Families and Education Directorate. The Council's corporate risk assessment held the failure to recruit social workers as a red risk, zero tolerance area. Members queried whether the Children's Champion's Board monitored statistics relating to children's social workers casework load, it was agreed that this issue would be pursued through the relevant Policy Overview and Scrutiny Committee.

There was a pressure of £2.1m within Kent Highways Service – revenue contribution to capital in order to reduce backlog of capital maintenance. KHS would be asked for more information on the level of backlog.

Members queried the fluctuations within the learning difficulties budget, Mr Wood confirmed that discussions were being had about difficulties in predicting the figures more accurately, a report back would be provided at the next meeting.

In response to questions from Members Mr Shipton would provide a breakdown of the policy units across all the Council's directorates.

In relation to Healthwatch, there had been an underspend relating to the re-phasing of the publicity and marketing campaign, Members queried the cost of the calls and the cost of advertising, Mr Shipton explained that the spend on publicity was virtually zero but this would be confirmed.

Members discussed the level of outstanding debt owed to KCC; Officers were looking to improve the payment percentages achieved in respect of invoiced received.

6. Verbal Update on the Chancellor's Budget

(Item 3)

Mr Wood circulated to Members of the Budget Informal Member Group a briefing note on the 2010 Budget report. The main points to note were the following:

- £100m announced to fund repairs for local roads damaged by the recent adverse weather; this would be an additional £84m for English local authorities.
- Local authorities would be given discretion over £1.3bn of funding that was currently ring fenced but it was not yet clear which grants would be un-ringfenced.
- The £1bn saving from cap and share provisions implemented for Teachers' Pensions and the Local Government Pension Scheme was a national figure, it could have an impact on the Council's 2011/12 budget.
- Big savings would have to be made following the large reductions in public sector borrowing; there was little detail at present about how this would be achieved.
- There was a Young Persons Guarantee to all under 24s who had been unemployed for longer than six months to be offered work or training, KCC was responsible for funding advice to those looking for work and training.
- Savings in the public sector were due to total £20bn before any Spending Review, there was not yet any further detail on efficiency savings, Mr Shipton would ensure that a further briefing was circulated to Members once the details had been analysed.
- Central Government would increase the proportion of contracts granted to Small to Medium size enterprises by 15%, Members queried how many there were currently, what would it mean to increase by 15%. This information was not known.

7. Verbal Feedback Evaluation of Budget Process

(Item 4)

Members agreed to defer this item until our next meeting on 14 April 2010.