

Notes of a meeting of the Cabinet Scrutiny Committee Informal Member Group on Budgetary Issues held on Wednesday, 7 October 2009.

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

Officers: Ms L McMullan, Director of Finance, Mr A Wood, Head of Financial Management, Mr K Abbott, Director, Financial and Corporate Services, Mr D Shipton, Finance Strategy Manager, Mr P Campion, Development Contribution Manager, Mrs V Thistlewood, Principal Regeneration and Project Officer, Mr P Sass, Head of Democratic Services and Local Leadership and Mrs A Taylor, Research Officer to the Cabinet Scrutiny Committee.

Also Present: Mr J D Simmonds, Cabinet Member for Finance,

1. Notes of Previous Meeting held on 11 September 2009.
(Item 1)

- (1) The notes of the meeting held on 11 September 2009 were approved.

2. Development Contributions – Section 106 Agreements – Aylesham Village Expansion
(Item 2) Mr P Campion and Mrs V Thistlewood were present for this item.

- (1) An email from Mr Manion, the local Member for Dover North, had previously been circulated to Members of the Budget IMG and Officers. The email set out the concerns of the Parish Council regarding the Aylesham village expansion which he wished to be addressed during the discussion at the Budget IMG.
- (2) Dover District Council (DDC) had agreed to grant (subject to satisfactory resolution of all outstanding matters and satisfactory completion of the Section 106 Agreement) outline planning permission for 1210 dwellings and full planning permission for 191 dwellings in the village of Aylesham in Dover. As the planning authority for the development DDC was also the majority landowner.
- (3) Mr Campion explained that the report had come to the Budget IMG to ensure that Members were aware of the situation and to allow Officers to take on board any concerns about the scaling back of the previously agreed contributions from the developer under S.106. It was hoped that an improved offer from DDC and the Developers could be agreed upon before the Section 106 document was signed.

- (4) Members of the Budget IMG raised concerns about the difficult negotiating position KCC was in, Officers were pleased to receive the note from Mr Manion, the issues had been highlighted previously and Officers would continue to discuss the concerns raised.
- (5) Mr Campion confirmed that provided DDC, as the local planning authority, considered all representations made in respect of the planning application and reached a balanced decision, it would be difficult for KCC to challenge the decision.
- (6) Mr Simmonds explained that he would discuss the issues raised by the Budget IMG with Mr Lynes and Mr Carter regarding future situations and the potential to discuss the issue at a regional or national level.
- (7) Members of the Budget IMG:
 - a. welcomed Mr Simmonds' offer to follow up the concerns raised by Members and report back;
 - b. asked that Mr Campion and Mrs Thistlewood report back with their progress on the development at Aylesham village.

3. Update on School Reserves

(Item 3) Mr K Abbott was present for this item

- (1) During 2008 KCC and the Schools' Funding Forum went through a vigorous process to challenge those schools with the largest cash reserves. £1.476million was clawed back from 15 schools in Kent.
- (2) The Balance Control Mechanism was having the desired effect and school cash reserves had reduced but in comparison to other counties schools in Kent still had relatively high levels of reserves.
- (3) There were concerns that in some schools reserves had been reduced but that additional money had been spent on staffing costs which would not be sustainable. However, the schools were working with 3 year plans so efforts were being made to think and plan for the future.
- (4) Members questioned future funding for schools, if there was a 5% cut to the schools' budget many more schools would be in deficit. Reductions in KCC budget might also affect schools in the support from KCC.

- (5) Concerns were raised about the knowledge gap in many schools, as experience Heads retired much of the knowledge was lost and efforts were being put into training aspiring Head Teachers at the earliest opportunity.
- (6) The Budget IMG welcomed Mr Abbott's offer to report back to the November/December 2009 meeting following the mid year analysis.

4. Revenue & Capital Budget Monitoring Exception Report

- (1) There had been no major movement in the revenue position of the Council.
- (2) There had been a slight slippage in the Capital Programme
- (3) The pressure on the Children, Families and Education portfolio had reduced to £1.571m, the pressure was due partly to an increase in the demand for fostering services and services for 16+ young people. Ms McMullan confirmed that there was more information contained within the quarterly report, future exception reports would include an explanation of any significant management action points.

5. Autumn Budget Statement

- (1) The Autumn Budget Statement was being reported to the Budget IMG without all the necessary information due to the following factors, a more detailed report would be produced in November.
 - i. The next three-year CSR (2011-12 to 2013-14) will now occur after the next general election, and will therefore not be available to inform next year's MTP;
 - ii. The Chancellor of the Exchequer has recently begun a review of current departmental spending plans, which could impact on next year's funding for local authorities;
 - iii. The Chancellor's Pre-Budget Report, due in November, may be brought forward to October according to some commentators. Any announcement on this timing will occur sometime after the House of Commons returns on 12 October.
- (2) Members were referred to the paragraph on funding, it was hoped that the Government would honour the third and final year of the Dedicated Schools Grant (DSG) settlement, but there had not been any specific announcement regarding the DSG.

- (3) Future Government Grants could be very volatile and asylum grants were most vulnerable.
- (4) It was hoped that the Policy Overview Committees could play a larger part in the budget process; budget consultation simulation would be undertaken in November which would allow Members to look at their priorities over a three year cycle.
- (5) Members of the Budget IMG noted the Autumn Budget Statement.