

## INFORMAL MEMBER GROUP ON BUDGETARY ISSUES

NOTES of a meeting of the Informal Member Group on Budgetary Issues held in the Bewl Room, Sessions House, County Hall Maidstone on Wednesday, 14 April 2010.

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

ALSO PRESENT: Miss S J Carey and Mr J D Simmonds

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

### UNRESTRICTED ITEMS

#### **8. Notes of Previous Meeting on 25 March 2010** *(Item 1)*

In relation to requests of the Budget Informal Member Group at their last meeting Mr Shipton circulated a breakdown, by directorate, of spend on agency staff during 2008/09. A total of £13,723,682 was spent on temporary staff during 2008/09. Of the £3,378,004 spent within the Chief Executive's Directorate approximately £1.5million was spent with the Information Services Group (ISG) mainly responding to demand, such as increase service desk demand and office moves – ISG had a staff budget of £13million.

In response to queries from Members Mr Wood confirmed that he was satisfied that the current situation was an economic way of employing temporary staff, but the Council would continue to find the optimum solution that achieved best value for money and continued flexibility in responding to service needs.

£6,127,357 was spent within the Children, Families and Education Directorate in 2008/09. Approximately £1.5million of this was on children's centres, usually covering staff absences, daycare etc. The centres were grant funded and therefore limited by the grant available, and there was a need to ensure that best value was being achieved rather than spending the grant because it was available. Officers would report back to the budget IMG on how agency staff were being used between centres. Approximately £900k was being spent on children's social services, usually covering staff absences. £1.3million - £1.4million was being spent on the asylum service which again was grant funded and the same need to ensure best value applied, much of this spend was on interpreters etc.

During 2009/10 there might be different patterns and fluctuations in spend on children's social workers as a result of the repercussions of the baby P case. There were also difficulties in recruiting children's social workers.

The Chairman asked in relation to the Ringway Contract, what would happen in 2011 when it was understood that the contract would be up for renewal. The Cabinet Member for Finance stated his views that the questions on the Ringway contract

were not appropriate questions to be asked of the finance officers within the Budget IMG forum. This information should be requested from Kent Highways Service. Mrs Dean stated that there had always been an acceptance that the Members of the Budget IMG could ask questions on any matter and the finance officers were always willing to help however they could.

During 2008/09 £13.7million was spent on temporary staff, this was between 3% and 4% of the Council's total staffing budget of between £365 and £366million.

In response to questions from Members Mr Shipton agreed to report back on numbers of temporary staff assuming it was not too onerous a task.

In response to a query about how much of the spend was with Kent Top Temps Mr Wood confirmed that about £8million was spent with Kent Top Temps in 2008/09. The 2009/10 figures for temporary staff were broadly similar, but officers would continue to look at ways to reduce the cost of temporary staff. It would not be economic to employ full time staff for most of the cases mentioned above.

The Deputy Cabinet Member for Finance stated that it was often difficult to benchmark such information except where it was possible to compare previous spend, it was considered useful to look at benchmark information on a regular basis.

Mr Wood explained that the percentage spend on temporary staffing during 2008/09 was 3.4%. If the spend was higher during 2009/10 and directorates were overspending it would be a cause for concern. Spend had to be reviewed in line with permanent staff costs and the budget available. There is no projected overspend on staffing in 2009/10, which is a very good sign that the overall staffing budget has well managed through the year.

Members had concerns about cutting full time equivalent posts and backfilling with temporary agency staff. Mr Wood explained that as the posts were removed, so was the cash, so there was little scope for backfilling. Officers confirmed that they believed the use of temporary agency staff for these purposes was bona fide.

Mr Shipton explained that information on redundancies was still being collated and would be brought back to Members at their next meeting.

The previous issues Members had raised regarding Kent TV had been resolved.

Mr Christie asked about the pressure on legal services, was there a breakdown of types of cases, i.e. money spent on employment tribunals. Members asked for a comparison of the previous two years distinguishing between KCC internal and external clients.

Regarding the fluctuations within the learning difficulties budget Officers were investigating the increased demand and would report back to the Budget IMG in June/July 2010.

Regarding the Policy Units across the Council it was clear from the Business Plans that Policy positions within the Council were not all contained within Policy Units. Within the Children, Families and Education Directorate £40million was spent on

Management Information which included payments to early years providers. It was not considered sensible to group this with policy units, as it would distort the spend.

Within Children, Families and Education and the Communities directorate there was some policy work being undertaken, however it was difficult to estimate and was therefore not the totality of the spend. Kent Adult Social Services did not break their budget down into units, it was broken down on themes, e.g. mental health, and then support services separately. Members asked that the spend be disaggregated. The policy work within the Environment, Highways and Waste directorate was embedded in the services, therefore it was only possible to identify the total spend in key areas. Members asked that this be reconsidered at a future meeting of the Budget IMG when further disaggregated information was available.

Further information was requested to explain why the payment of invoices had been lower than in previous years.

In relation to the Chancellor's Budget item contained within the previous minutes, Members asked for a definition of small and medium sized enterprises, was there a government definition? Officers would come back on that point.

RESOLVED that subject to the above information being supplied the notes of the Informal Member Group on Budgetary Issues held on 25 March 2010 were agreed as a correct record.

## **9. Revenue & Capital Budgets Monitoring Exception Report** *(Item 2)*

The net revenue position after proposed management showed an increased in the underspend of just over £400k; the majority of this was within the Finance Portfolio. There was proposed management action of £200k within the Kent Adult Social Services (KASS) portfolio.

There had been small movements across the KASS portfolio, although the directorate was confident that a balanced budget would be achieved by the end of the year. Mr Wood pointed out the issues raised in the report that could prevent KASS being able to balance the budget.

Members asked for a detailed breakdown of the reserves held by each directorate. Mr Wood explained that all directorates had to prove and justify their reasons for wanting to draw down on, or contribute to, their reserves.

Within the KASS portfolio, some of the movement referred to the re-phrasing of the Social Care Reform (SCR) Grant, Members queried this, how it was re-phased, what effect it had on the grant and the budget. Mr Wood explained that the SCR Grant had been available for three years; it was a specific grant for modernising services, recuperation and rehabilitation for example to reduce the demand for acute care later on. The SCR grant has successfully reduced the demand on elderly services, the Council could apply to roll the grant forward to future years. Members asked whether the grant was being used to artificially balance the budget. Mr Wood explained that that was not the case.

Regarding the Learning Disability Domiciliary Care (2.9), approximately £250k related to clients who had been re-categorised by their high level of need as being in supported living type arrangements. Members asked how these clients had been recategorised. Mr Wood referred members to the next bullet point of 2.9, which showed that the £250k had been moved to learning disability supported accommodation following the re-categorisation of domiciliary clients. The cost of the clients had not changed, however a note would be provided from KASS to explain the background to the re-categorisation and the move of the budget.

There had been further slippage within the capital programme; the adverse weather had caused delays. On the annual maintenance programme the major change was on the Schools Access Initiative, mainly due to the Hampton PS project which had to be retendered as only two of the six contractors responded to tender requests.

Members asked what the running total of the capital re-phasing position was. The current forecast capital position was for an additional £4million.

The Children, Families and Education Portfolio would be asked to confirm what a Multi Agency Specialist Hub was.

In response to a question from Members on the Environment, Highways and Waste Portfolio Mr Wood explained that £1.5million had been taken out of the 2009/10 budget (the specific projects were listed in para 3.5 of the report) which wasn't spent in 2009/10 and would be mostly transferred to the 2010/11 budget.

RESOLVED that Members of the Budget IMG note the Revenue and Capital Budgets Monitoring Exception Report.

## **10. Verbal Feedback Evaluation of Budget Process** *(Item 3)*

The Policy Overview and Scrutiny Committees (POSCs) met in November/December to discuss the budget. The Committees had had good intentions to set out their pressures and priorities, but it was inevitable that political decisions might sway Members. There were concerns about how productive some of the POSC meetings were, Members asked how many changes were made to the budget as a result of the POSC meetings.

Mr Wood explained that the POSC IMGs were piloted at the Corporate POSC which was a productive meeting in terms of budget priorities. An open and honest debate was had around the budget and officers collated Members ideas as a list of things to consider. These were considered during the budget process and reported back indicating whether the suggestions were included or not.

It was felt that the success rate depended on the Chairman of the POSC or IMG structuring the meeting effectively. The guidance to the Chairman should be clarified as it was considered that not all Members fully understood the remit of the group. It was important that the POSCs were encouraged to continue to monitor their own budgets.

Members also raised concerns about increasing the number of meetings, IMGs were held in private and this was thought to be against the open nature of scrutiny, although they did prompt a more open discussion.