

INFORMAL MEMBER GROUP ON BUDGETARY ISSUES

MINUTES of a meeting of the Informal Member Group on Budgetary Issues held in the Wantsum Room, Sessions House, County Hall, Maidstone on Friday, 15 July 2011.

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

ALSO PRESENT: Mr J D Simmonds and Mr R J Lees

IN ATTENDANCE: Mr A Wood (Acting Corporate Director of Finance and Procurement) and Mr A Webb (Research Officer to the Cabinet Scrutiny Committee)

UNRESTRICTED ITEMS

43. Notes of Previous Meeting on 16 June 2011 (attached for approval) *(Item 1)*

(1) Regarding Item 41 paragraph 4, Mr Wood clarified the final sentence as follows: *Mr Wood was sufficiently confident about the progress to date in delivery of the £95m in savings and felt the focus should now be on the wider financial risks to the Council.*

(2) RESOLVED: that, subject to the amendment of Item 41 paragraph 4, the notes of the Informal Member Group on Budgetary Issues held on 16 June 2011 were approved as a correct record.

44. Revenue & Capital Budgets Monitoring Exception Report (Cabinet report attached) *(Item 2)*

(1) This was the first Exception Report of the year, the £4.909m pressure (para 1.4) was relatively low for this time of year but there was an underlying pressure on Children's Services of £10m (although £2m of the previous year's underspend had been used to offset some of that).

(2) Of the £7.909 shown as pressure in FSC, only £100k related to adults, the remainder was in Children's Social Services. This overspend related to a mixture of fully recruiting to all social worker posts and increased demand. Regarding the quarterly cost of agency staff in FSC, which had previously been reported the IMG, Mr Wood undertook to speak to Ms Beer about this.

(3) On the question of whether there would be a fall in demand within FSC, Mr Simmonds explained that Finance were cautious about this. On the availability of comparative information, it was explained that Kent had a small percentage of high-cost placements, but had gone from having 20% less than the national average of Looked After Children (LAC) to having 20% more.

(4) A discussion at Governance and Audit Committee about monitoring the £95m savings has led to an informal meeting of some G&A Committee Members about the

Project Initiation Document (PID) process. The savings are large and some had come late because of the front loading of the Spending Review. This in part has led to the £5m being added to the risk reserve. The PID process had served its purpose in identifying that some of the savings were not going to be delivered. Mr Wood felt there was more risk in the other £900m in the budget than the £95m savings and the savings would now be part of the 'day job'

(5) Regarding related foster carers (para 2.4.3.2), legal advice was being sought due to the ambiguity of the Manchester City Council judgement, but Finance were assuming there would be a cost.

(6) Mr Wood drew Members' attention to Forecast Risks (2.4.4). He explained that he would be more confident with the data once the half-way point of the financial year had been reached. On 2.4.4.4 a view was expressed that appointed managers should already have relevant financial knowledge and be able to 'hit the ground running'. Mr Wood explained that it was about explaining to them how the budget had been constructed, and that there should always be a handover to every new manager.

45. 2011/12 Revenue Budget Savings

(Item 3)

(1) This was covered during the discussions on the previous item.