

NOTES of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on Budgetary Issues held on Wednesday 11 June 2008.

PRESENT: Mr D Smyth (Chairman), Mr C J Law and Mrs Dean.

ALSO PRESENT: Mr N J C Chard, Cabinet Member for Finance

OFFICERS: Ms L McMullan, Director of Finance; Mr A Wood, Head of Financial Management; Mr R Fitzgerald, Performance Monitoring Officer (for Item 2); Mrs Cath Head, Chief Accountant (for item 4) and Mr P Sass, Head of Democratic Services and Local Leadership

1. Notes of Previous Meeting held on 7 May 2008

(Item 1)

KCC Companies

It was noted that Ms McMullan had circulated the latest version of the draft report to Governance and Audit Committee to IMG Members, for their comments. Members were asked to give any comments they had to Ms McMullan by the end of the week, following which she would circulate the final version early the following week.

Definition of Strategic Management

It was noted that the revised version of the report on the basis of option 2 would be presented to the IMG at its next meeting in July.

Direct Payments

PS was asked to ensure that the update report on direct payments was on the agenda for the next meeting and that Mr Lynes was invited to attend.

The notes of the last meeting were received.

2. Provisional BVPI Outturn Data 2007/08

(Item 2)

(1) Mr Fitzgerald confirmed a small number of changes to existing data/missing data as follows:

- Page 2.2: the percentage of young people leaving care aged 16 or over with at least one GSCE at Grade A* to G or a GNVQ (BV 50) – the target for 2008/09 is **70%**
- Page 2.3: the ratio of the percentage of young people who were once looked after, who were engaged in education, training or employment at the age of 19, to the percentage rate of all young people (BV 161) – the 2007/08 actual figure was **0.69** and the target for 2008/09 is **0.75**.
- Page 2.10: the percentage of pedestrian crossings with facilities for disabled people, as a proportion of all crossings in the local authority area (BV 165) – the actual performance for 2007/08 was confirmed as **25%**. In this regard, it was noted that the Auditor had decided that some of the Council's data in relation to dropped kerbs was unreliable, hence the much lower outturn figure compared to the target.

- (2) It was noted that this was the last BVPI monitoring report, prior to the introduction of the New National Indicator (NNI) set. This IMG would continue to see monitoring reports for the NNI but that, beyond this, Members would appreciate continuing to see some of the corporate health indicators, e.g. absence, which was outside the NNI.
- (3) In relation to the number of Kent Apprenticeships taken on by KCC, Mrs Dean expressed the view that these should be compared to the MOSAIC data for Kent, to ensure that the apprenticeships were being shared proportionately between the main MOSAIC groups. Mr Fitzgerald undertook to forward this request to the relevant officer in the CFE Directorate.
- (4) In response to a question from Mrs Dean in relation to the performance information on youth services (page 2.8), Mr Fitzgerald agreed to circulate the definitions of “recorded” and “accredited” outcomes.
- (5) In relation to the percentage of the total tonnage of household waste arisings that have been used to recover heat, power and other energy sources (BV 82d i), it was noted that the target for 2008/09 had been calculated on the basis of the Allington incinerator working effectively.
- (6) Mrs Dean stated that, with regard to the average time taken to repair a street lighting fault (BV 215b), she intended to add the item to the next agenda for the Cabinet Scrutiny Committee, subject to Dr Eddy’s views. Members noted that the relatively poor performance of EDF in this regard had skewed the Council’s overall performance on this Indicator.
- (7) Members agreed to note the report.

3. Revenue & Capital Budget Outturn 2007/08 *(Item 3)*

- (1) Ms McMullan introduced the report and advised Members that the costs relating to Asylum had been treated as a debtor, rather than as an overspend. She also added that overall position with schools funding was disappointing, given that the schools were saying throughout the year that up to £15m would have to be drawn down from reserves, when in fact, the eventual outturn position was an increase in reserves. It was noted that a review was underway into school reserves and that it was possible to claw back money, as long as it was redistributed to schools.
- (2) Mr Chard stated that he was very pleased that this was the 8th consecutive year that the Council had contained its revenue expenditure within the budgeted level, but was disappointed with the increase in school reserves. He added that the Cabinet would be considering the allocation of the remaining underspend at its July meeting, following an assessment of the impact of the current economic conditions, including fuel prices.
- (2) In response to a question from Mrs Dean on the costs of the independent sector residential care and the fostering service (paragraph 3.2.4.2), Ms McMullan stated that the virement had not yet happened as the overall budgets for these services had proved accurate, despite some of the separate budget lines within these budgets being imbalanced.

- (3) In response to a question from Mrs Dean on the Capital Outturn budget, Ms McMullan confirmed that the Building Care Capacity Project had been aborted because a suitable site could not be found. Mr Chard stated that the project might be examined again in the future.
- (4) In response to a question from Mrs Dean, Mr Chard confirmed that the underspend on emergency building maintenance (paragraph 3.7.5 on page 9) would roll forward to the current year.
- (5) In relation to the monitoring of key activities (appendix 3), Ms McMullan confirmed that work was currently being done to ensure that each key activity was accompanied by an analysis of the specific budget for 2008/09. It was noted that this was particularly important for the effective monitoring of demand-led budgets.
- (6) In relation to the number of Looked After Children (page 23), Mr Law expressed his concern about the hidden costs of Look After Children who were living in Kent but placed there by other Councils. Mr Chard agreed that there were hidden costs to the Council, in relation to social care.
- (7) In response to a question on delayed transfer of care (paragraph 2.1.2 on page 29), Ms McMullan undertook to confirm the basis of calculation of this indicator, e.g. per 1000 population or some other denominator.
- (8) In relation to the number of insurance claims related to highways, (paragraph 3.3 on page 37), Mr Law stated that he intended to raise the matter at the Environment and Regeneration POC.
- (9) The contents of the report were noted and Members congratulated the Finance service for bringing the budget in within the budgeted level.

4. Draft Statements of Accounts 2006/07

(Item 4)

- (1) The Chairman stated that, in view of the time the meeting had already taken, there was no time left to have a proper discussion on the draft Statement of Accounts and suggested that the matter be deferred. Mrs Head stated that the report was due to be the Governance and Audit Committee at the end of June but that pre-scrutiny of the statement was important in terms of effective governance. Accordingly, it was agreed that Members should e-mail any questions they had on the Statement to Mrs Head in advance of the Governance and Audit Committee meeting.
- (2) Members also expressed their congratulations to the Finance service for producing the statement in June for the third year running.

5. Date of next meeting

10 July 2008 – 9.00am.