

**NOTES** of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on Budgetary Issues held on Thursday 10 July 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 and Mr P Sass, Head of Democratic Services and Local Leadership

**1. Notes of Previous Meeting held on 11 June 2008**

*(Item 1)*

Insurance Claims related to Highways

Ms McMullan agreed to circulate details of the cost to the Council of insurance claims in relation to highways and the trend of such costs in recent years. It was noted that, with regard to self insured risks, the cost was in excess of £1m per annum. It was also noted that, whilst the Council's costs in this area had grown steadily, they were not as high as other comparative Councils.

Kent Top Temps

In response to a number of comments from Mrs Dean, Ms McMullan undertook to investigate when KCC officers were advised that Kent Top Temps (KTT) had been awarded Master Vendor status and what advice had been given to officers about the utilisation of KTT before such status was awarded.

The notes of the last meeting were approved.

**2. Revenue and Capital Budget Monitoring Exception Report and Roll Forward of 2007/08 Revenue Underspend**

*(Item 2)*

- (1) Mr Chard commented that this was the first exception report for 2008/09, and as such, an overspend situation was forecasted, which was quite normal at this stage of the year, prior to any management action being implemented. He added that an announcement on asylum costs was expected shortly. He also stated that the Council was in a good position with regard to the current economic climate because of sound financial management in previous years and was one of the first authorities to be taking decisive action in this regard.
- (2) In response to a question from Mrs Dean, Ms McMullan confirmed that, in paragraph 2.1.3, the projected underspend on grants to voluntary organisations of £1.863m was being dealt with as a virement in 2008/09 and a base adjustment in the 2009-12 MTP.
- (3) In response to a question from Mr Smyth, Mr Chard confirmed that the dedicated schools grant had now been settled and the Council had received approximately £1m more than expected. Ms McMullan agreed to send a note round to Members with the relevant details.

- (4) In response to a question from Mr Law on domiciliary care costs (paragraph 2.2.1.3 on page 4), Mr Chard stated that the projected overspend was attributable to an increase in the projected number of clients, not because the budget decision to increase charges in the current year hadn't been implemented.
- (5) With regard to the renewal of the electricity costs (paragraph 2.3 on page 5), Mr Wood stated that he would include details of how the LASER electricity supply contract worked in the Cabinet report on 4 August.
- (6) With regard to paragraph 2.1 on page 2, Ms McMullan undertook to provide a briefing note to Members on the costs of home to college transport, as Mrs Dean's assertion was that there was a relatively large overspend compared to the client base.
- (7) Members agreed to consider the current situation with regard to school reserves at a future meeting and were keen to be assured that there were clear plans in place by schools to address the matter. It was accepted that it would be unfair to penalise schools for good financial management, but nevertheless, the presence of such high levels of reserves could not be supported indefinitely and Members were keen to be assured that the situation was being addressed.
- (8) Mrs Dean asked for and was given further details about the contingency under the control of the Managing Director of Adult Social Services, which was included within Other Services for Older People, as shown on page 36 of the Budget Book.
- (9) Members asked whether the current economic situation and, in particular, the downturn in the construction industry could benefit the Council's capital programme in relation to cheaper labour costs. Ms McMullan stated that she was asking for further information on this but any savings were likely to be marginal.
- (10) In response to a question from Mr Smyth, Mr Chard stated that options were currently being considered to smooth the costs of the Corporate Property Unit (paragraph 2.5.1 on page 6), which were previously capitalised.
- (11) Mr Law stated that the KCC site at Aylesford, which previously housed Baptie and Ringway could be used as a permanent site for a depot by improving the access, which could have advantages to KCC of low cost and little time delay for implementation. Mr Chard stated that Mr Ferrin was examining a number of options for the location of the highways depot, now that Wrotham was no longer an option.
- (12) Members agreed to note the report.

### **3. Budget Book Classification of Strategic Management** *(Item 3)*

- (1) The report from Mr Wood showed how strategic management costs would look using option 2 from the report on 7 May.
- (2) Members commended Mr Wood on the report and agreed to recommend to the Cabinet Scrutiny Committee that this presentation of strategic management costs be endorsed.

**4. 2008/09 Reporting Timetable, proposals for activity monitoring and proposed revisions to the format of detailed monitoring reports**  
*(Item 4)*

- (1) Members noted that each Policy Overview Committee was now receiving a regular financial monitoring report. On this basis, Members stated that they would not continue to receive Directorate-specific reports but would reserve the right to request information on specific areas of performance. It was also suggested that the relevant Policy Overview Committee Chairman and the relevant Finance Head be invited to this IMG in respect of any future consideration of a specific area of performance.
- (2) With reference to an earlier discussion, Members agreed to consider the issue of school reserves at the October meeting of the IMG. Ms McMullan stated that a paper would be prepared in good time prior to the meeting by Keith Abbot and it was suggested that Members of the IMG should e-mail their questions in advance of the meeting to Keith, to enable a focused discussion to take place at the meeting.
- (3) With regard to the proposed Activity report, Mr Wood confirmed that the text highlighted in green were proposed deletions from the proposed activities. Mrs Dean stated that information on Delayed Transfer of Care should continue to be reported to the Policy Overview Committee, if it was removed from the quarterly exception report to Cabinet.
- (4) In response to a question from Mrs Dean, it was suggested that the IMG could look at Looked After Children as a specific report in the autumn, say November. The report would include out of County children and the indirect costs of supporting Looked After Children.
- (5) In view of the number of changes to the timetable and specific issues for further reports, Members agreed to look at this report again on 11 September.

**5. Dates of future meetings**

31 July 2008 – 2.00pm (additional meeting)

11 September – 9.00am

9 October – 9.00am

27 November – 9.00am