

Notes of a meeting of the Cabinet Scrutiny Committee Informal Member Group on Budgetary Issues held on Thursday, 9 October 2008.

Present: Mr D Smyth (Chairman) and Mr J Simmonds.

Officers: Ms L McMullan, Director of Finance, Mr A Wood, Head of Financial Management, Mr P Sass, Head of Democratic Services and Local Leadership and Mrs A Taylor, Research Officer to the Cabinet Scrutiny Committee.

Apologies: Mr N J D Chard and Mrs T Dean

The Chairman stated that, in view of the need for Group Leaders to be briefed about the situation with regard to KCC investments in Icelandic banks, item 3 (School Reserves) would be deferred to the next meeting of the IMG on 26 November.

1. Notes of Previous Meeting held on 11 September 2008.
(Item 1)

The notes of the meeting held on 11 September 2008 were approved.

2. Revenue and Capital Budgets Monitoring Exception Report
(Item 2)

(1) Members agreed to note the report and that revised information on capital budgets would be circulated in due course.

3. School Reserves
(Item 3)

(1) This report was deferred to the IMG's next meeting on 26 November.

4. Proposed comments to the Department for Communities and Local Government on "Inclusion of efficiency information with Council Tax Demand Notices: Consultation"
(Item 4)

(1) Mr Simmonds stated that he was supportive of the Officers' proposed response to the Consultation paper, adding that the inclusion of efficiency information in Council Tax Demands could be confusing and he questioned whether the information would be read.

(2) Mr Smyth stated that there was merit in including some sort of information in Council Tax demands about the Council's achievement of efficiencies, but he was concerned that an over-performance on efficiencies in one year would leave the authority looking worse comparatively in subsequent years.

(3) Ms McMullan stated that the inclusion of such information would duplicate the work that local authorities were already required to do in relation to the completion of Annual Efficiency Statements and the Use of Resources Assessment. She added that the proposals did not represent an appropriate method of communicating with residents.

(4) Mr Smyth stated that he was content to endorse the Officers' proposed response, although reiterated that it was important to find a simple, meaningful way of defining efficiency and communicating this to residents.

(5) The proposed consultation response was supported.

5. Taking Forward the KCC Budget and Medium Term Planning Process

(Item 5)

(1) Ms McMullan presented a paper that sought to implement the Leader's stated commitment to strengthen the role of the Policy Overview Committees throughout the budget and medium term plan process. The report contained a proposed template report for directorates to use for the November cycle of POC meetings. The intention was to ensure consistency of reporting in terms of both style and the level of detail whilst allowing directorates sufficient flexibility to encompass their own themes and local issues. In introducing the report, Ms McMullan stated that it was important to achieve consistent and meaningful debates across all of the POC's.

(2) Mr Smyth suggested that, due to the size of the POC's and the demands on their time caused by other agenda items, that the Committees might be better advised to set up Informal Member Groups to discuss budget issues, policy priorities and the medium term plan.

(3) Mr Sass advised that there would be a fairly short period within which the IMG's could take place given the demands of the budget process and it was noted that Mr Wood would confirm what the relevant timescale would be. Mr Wood added that Ms Fitch was in the process of arranging a meeting of the Policy Overview Coordinating Committee to take place before the November cycle of POC meetings. The purpose of the POCC meeting would be to discuss the consideration of the budget and medium term plan by the POC's.

(3) Members agreed the following:-

(a) that the proposed template report on the budget and medium term plan process for the November cycle of the Policy Overview Committees be endorsed; and;

(b) that the Cabinet Scrutiny Committee should agree to encourage the Policy Overview Committees to consider setting up cross-party Informal Member Groups to consider the budget proposals, policy priorities and the medium term plan, subject to those meetings taking place within an appropriate timescale given the overall budget process.

6. Response to Consultation on Local Authority Business Growth Incentives (LABGI)

(Item 6)

(1) Ms McMullan stated that the deadline for responses to this consultation was 20 November and that, accordingly, she would ensure that Members of the IMG were asked to submit their views to her directly, once the consultation paper had been circulated.

7. Commercial Operations recharging

(1) Ms McMullan referred to the proposed audit of KCC's commercial operations, adding that the proposed terms of reference were in need of being amended. She asked for any comments from Members of the IMG by Wednesday 15 October.

8. Date of the November meeting

(1) Mr Sass advised that, following consultation with the Members of the IMG, the date for the November meeting had been rearranged to 26 November at 3.30pm in the Medway Room, to enable Members to attend the memorial service for Lord Bruce-Lockhart on 27 November.

At the conclusion of the meeting, those present were joined by the Leader of the Council, the Chief Executive, the Leader of the Labour Group, Mr D Daley (representing Mrs Dean) and Mr N Vickers, whereupon a briefing was given to Members on the extent of the Council's financial exposure in Icelandic banks and the action being proposed by KCC.