

INFORMAL MEMBER GROUP ON BUDGETARY ISSUES

NOTES of a meeting of the Informal Member Group on Budgetary Issues held in the Room 1.47, Sessions House on Friday, 14 October 2011.

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

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

IN ATTENDANCE: Mr A Wood (Acting Corporate Director of Finance and Procurement), Mr D Shipton (Acting Head of Financial Strategy), Mr K Abbott (Finance Business Partner, ELS Directorate), Mr N Vickers (Head of Financial Services), Mrs A Taylor (Research Officer to Cabinet Scrutiny Committee) and Mr A Webb (Research Officer to the Cabinet Scrutiny Committee)

UNRESTRICTED ITEMS

50. Notes of Previous Meeting on 15 September 2011 (attached for approval) *(Item 1)*

RESOLVED: that the notes of the Informal Member Group on Budgetary Issues held on Thursday 15 September 2011 were approved as a correct record.

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

- (1) The net revenue pressure for the Council was currently £1.3 million, officers were confident that the proposed management action of £500,000, shown in table 1 of the Revenue and Capital Budget Monitoring Exception Report would be delivered.
- (2) Officers were still keeping a careful eye on the Specialist Children's Services portfolio, the demand had not levelled off as it perhaps had been expected to although there had been a reduction in the spend on additional agency staff costs. There had been a good response to recruitment of social workers and it was expected that social workers would be appointed in place of agency staff. Mr Wood confirmed that he would ask Ms Beer for a directive on temporary staff.
- (3) The forecast position for the Environment, Highways and Waste portfolio remained at an underspend of £2.186m; officers were confident that this would be delivered.
- (4) Adult Social Care and Public Health – the forecast underspend had increased slightly to £0.560m, discussions were being had over whether it would be appropriate to introduce a moratorium on non-essential, non client related spend. The Council's record on forecasting in the Adult Social Care and Public Health directorate was good.

- (5) Following a query over the increase in the pressure on the Fostering service Mr Wood confirmed that this was as a result of the increase in forecast costs from Legal Services. Around £3.5m is forecast to overspend on the fostering service as a consequence of clearing the backlog of cases. There was a need to prevent children from entering the foster system in the first place. It was anticipated that it would take 2-3years to get back to the position that the Council was in 18months ago.
- (6) In relation to the underspend on Older People Direct Payments the trend remained static, this was down to client choice and the net effect of older people using direct payments was neutral.
- (7) The Environment, Highways and Waste Policy Overview and Scrutiny Committee would receive an options paper on the mid Kent waste project and direction of travel.
- (8) Within the Education, Learning and Skills portfolio there was a £800,000 projected reduction due to re-phasing and delays.
- (9) POST MEETING NOTE: Members discussed the future budget savings and asked that an update be provided at the next meeting of the Budget IMG on future years' savings. Members acknowledged the contributions made by the finance staff to the Budget IMG but reiterated that they expected to be kept apprised of any changes to the Medium Term Plan or to information previously supplied.

RESOLVED that Members of the Budget IMG note the Revenue and Budget Monitoring Exception Report and ask that a report on future years' budget savings be provided at the next meeting of the Budget IMG on 2 December.

52. Update on POSC IMGs (verbal update)

(Item 3)

- (1) Mr Shipton provided Members with an update on the Policy Overview and Scrutiny Committees (POSCs) Budget Informal Member Groups (IMGs) that had been held to date. The Budget IMGs will report back to their own POSCs in November.

RESOLVED that Members note the update on the POSC Budget IMGs.

53. Further Delegation of Funding to Schools (to follow)

(Item 4)

- (1) Keith Abbott presented his report on Further Delegation of Dedicated Schools Grant to Schools.
- (2) 1(a), (b) and (c) set out the reasons for delegation. There had been an encouraging 70% response rate to the consultation held over the summer. Appendix 1 set out the recommendations which Members were asked to agree or endorse.

- (3) There were anxieties over some of the proposals, for example, the delegation of cover for maternity leave. The Schools funding forum would cover any gap in year 1.
- (4) Concerns were raised around the control of expenditure; Members were assured that the majority of schools had a dedicated finance resource.
- (5) There were strong views from the schools around the Family Liaison Officers, and efforts were being focussed around preventative measures.

RESOLVED that Members note the Further Delegation of Funding to Schools

54. Update on Pensions

(Item 5)

- (1) Nick Vickers introduced his report on the Government's draft proposals for achieve savings within the Local Government Pension Scheme.
- (2) In the CSR 2010 the Chancellor of the Exchequer announced that employee contribution rates would increase by 3.2%.
- (3) 2 options had been put forward by the Department for Communities and Local Government. It was unclear why the option of increasing the retirement age had not been put forward, the Council's response from the Superannuation Fund Committee would include support for the increase in retirement age. From 1 April the new contributions would have to be paid, the Trades Unions were opposed to the proposals within the Hutton review and wanted to retain the final salary pension scheme.
- (4) There would be a further detailed report on Pensions to the November Corporate Policy Overview and Scrutiny Committee.

RESOLVED that Members note the update on Pensions.

55. Dates of Budget IMG 2012

(Item 6)

RESOLVED that Members note the dates of the Budget IMG meetings for 2012