

NOTES of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on Budgetary Issues held on Tuesday, 11 September 2007.

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

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

OFFICERS: Ms L McMullan, Director of Finance; Mrs C Head, Chief Accountant; Mr B Smith, Group Manager, Financial Planning and Budgets; Mr A Wood, Head of Financial Management, Chief Executive's Directorate (for Item 2); Ms J Edwards, Director of Policy and Resources, and Mr D Shipton, Head of Finance and Asset Management, Communities Directorate (for Item 3); Mr J Wale, Assistant to the Chief Executive; and Mr S C Ballard, Head of Democratic Services.

1. Notes of Previous Meeting
(Item 1)

Agreed, but it was noted that two action points were still outstanding. **(Action: CH)**

2. Chief Executive's Directorate Budget Position
(Item 2)

(1) Mr Wood introduced the Chief Executive's Directorate summary (Annex 5) in the latest Quarterly Budget Monitoring Report to Cabinet.

(2) The Group discussed the issue of Capital Receipts (paragraph 2.1). While individual projects were often dependent on funding from related capital receipts, Ms McMullan explained that there were arrangements for internal 'bridging loans', with interest charged to the project, to cover any gap between the start of work and receipt of the capital receipt.

(3) Mr Chard said that getting capital receipts in at the right time was dependent on looking at options for selling the land concerned early enough to allow resolution of any planning or land assembly issues which could affect the land value. Discussions were taking place with the Director of Property about planning land sales further ahead.

(4) Mrs Dean asked for a timeline on a typical project funded by capital receipts to be circulated to the Group. **(Action: CH)**

3. Communities Directorate Budget Position
(Item 3)

(1) Ms Edwards and Mr Shipton introduced the Communities Directorate summary (Annex 4) to the latest Quarterly Budget Monitoring Report to Cabinet.

(2) Members' questions covered the following issues:-

Coroners' Service

(3) In answer to a question from Mr Law, Mr Shipton said that one of the pressures on the Coroners' budget was from a substantial national pay claim which had been submitted by Coroners. The County Council had written to the Government to make that case that, as the County Council simply hosted the Coroners' Service, the Government should meet in full any additional costs arising from this pay claim.

Adult Education – Tuition Fees

(4) In answer to a question from Mr Smyth, Mr Shipton explained that, in the light of the original indication of the level of LSC grant, it had been planned to review the concessions scheme. However, because LSC funding had been more generous than expected, it had not been considered necessary to carry out this review. However, early indications were that enrolments for 2007/08 would be lower than expected and it was this that was causing the budget pressure. Discussions were currently taking place about the management action needed to contain this pressure.

Turner Contemporary

(5) Mr Shipton explained that the County Council had applied to the Arts Council and SEEDA for grants totalling £8.1m towards the capital costs of this project, but the outcome of the grant applications would not be known until spring 2008. The remainder of the £11m external funding was expected to be raised by the Trust being established to seek public donations. The Trust was currently seeking charitable status. Any shortfall in external funding would be met by KCC, which was underwriting the cost of the whole project.

(6) Mr Law asked for a budget plan for the project, showing what funding KCC expected to receive from whom, and when, to be circulated to the Group. **(Action: CH/DS)**

4. Revenue and Capital Budgets, Key Activity and Risk Monitoring *(Item 4)*

(1) Members' questions covered the following issues:-

Children's Centres (Annex 1, paragraph 1.1.3.7)

(2) In answer to a question from Mrs Dean, Ms McMullan said that efforts were being made to identify other items on which Sure Start grant could legitimately be spent in order to make use of the projected underspend. She offered to circulate a briefing note on this to members of the Group. **(Action: LM)**

Direct Payments (Annex 2, paragraph 2.4)

(3) In answer to a question from Mrs Dean, Ms McMullan said that representatives of Kent Adult Social Services would be attending the next meeting of the Group to discuss the KASS budget and to report on the outcome of the research undertaken into whether the introduction of Direct Payments had stimulated additional demand for domiciliary care.

Schools PFI Projects (Annex 1, paragraph 1.2.7(b))

(4) In answer to a question from Mr Smyth, Ms McMullan explained that the equalisation reserve was designed to smooth out over time the impact of PFI projects on the revenue budget.

St James the Great Primary School, East Malling (Annex 1, paragraph 1.2.4.6)

(5) Mrs Dean said that, as local Member, she wished to place on record that she understood that English Heritage had only objected to the scheme (thus delaying its progress) because KCC had failed to consult English Heritage prior to the submission of the planning application as they should have done.

5. Autumn Budget Statement

(Item 5)

The Group agreed that this item should be referred to the full Cabinet Scrutiny Committee meeting to be held on Wednesday 26 September.

6. Government Consultation on Local Government Finance Formula Grant Distribution

(Item 6)

The Group agreed that consideration of this item should be deferred to a special meeting of the IMG to be held on Wednesday 26 September at 2.00 pm.