

NOTES of a meeting of the Cabinet Scrutiny Committee's Informal Member Group on Budgetary Issues held on Thursday, 8 March 2007

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

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

OFFICERS: Mr A Wood, Head of Audit and Risk; Mrs C Head, Chief Accountant; Mr J Wale, Assistant to the Chief Executive; and Mr S C Ballard, Head of Democratic Services

1. Notes of Previous Meeting
(Item 1)

Noted.

2. Revenue and Capital Budget Monitoring Exception Report
(Item 2 – Report to Cabinet)

(1) Mr Chard gave a brief summary of the current position. Members' questions then covered the following issues:-

Clusters (para 2.1.2)

(2) In answer to a question from Mr Smyth, Mr Wood said that there was no headroom on the Dedicated Schools Grant (DSG) because it had all been committed. There was an underspend on services funded from DSG in the cluster budget and because DSG was ring fenced this underspend would need to be rolled forward for spending within the DSG rules.

School Reserves

(3) In answer to a question from Mr Capon, Mr Chard said it had been thought that Government would bring in rules allowing school reserves to be clawed back. However, the Government had eventually decided to take a much softer line and, provided schools could show that they were planning to use their reserves, they would be allowed to keep them.

(4) Mr Chard added that it was difficult to say why some schools managed to accrue large reserves while others did not. The size of reserves did not appear to relate to type of school, geographical location, or any other obvious factors. He was concerned that, in the coming years, there would be a real financial squeeze on schools and those with low reserves, especially if combined with falling schools rolls, would suffer most.

(5) **RESOLVED that Cabinet Scrutiny Committee be recommended to request the Cabinet Member for Finance to commission work to identify the reasons why some schools were much more financially successful than others, so that the lessons could be disseminated more widely within Kent schools.**

Waste Management (para 2.3.1)

(6) The IMG asked for an explanation of the issues relating to the waste management budget, with particular reference to how much waste was going to the Allington Waste to Energy Plant; how much to landfill; how much to recyclates, and what impact the opening of Blaise Farm was expected to have on this. **(Action: SCB)**

Adult Services (para 2.2)

(7) Mrs Dean asked for a more detailed description of the further management action to achieve savings of £1.112M. **(Action: CH)**

Physical Disability (para 2.2.3)

(8) Mrs Dean asked for an assurance that the reduction in the pressure was genuinely due to over-forecasting and that there was not any element of suppression of demand. **(Action: CH)**

KHS Emergency Reserve (para 2.3.2)

(9) In answer to questions from Mr Smyth and Mrs Dean, Mrs Head confirmed that the Emergency Reserve included what was formerly known as the 'Winter Reserve'. Mr Chard said that the amount of the Emergency Reserve was believed to be a sufficient reserve for the risk, based on experience in previous years. Mr Wood added that the level of reserves was considered carefully by the external auditors each year and thus was subject to independent scrutiny.

Kent Works (para 2.5.2)

(10) Mr Smyth asked whether the full funding for Kent Works would transfer to the CFE Directorate with the service in 2007/08 or whether CFE would be expected to meet the shortfall. **(Action: CH)**