

Notes of a meeting of the Cabinet Scrutiny Committee Informal Member Group on Budgetary Issues held on Wednesday, 25 March 2009.

Present: Mr D Smyth (Chairman), Mrs T Dean, Mr J D Simmonds

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

1. Notes of Previous Meeting held on 30 January 2009.
(Item 1)

- (1) The notes of the meeting held on 30 January 2009 were approved.

2. Development Contributions
(Item 3)

- (1) Mr Campion introduced the report and explained that it was work in progress. The report suggested further flexibility for spending on services and requested that the IMG approved the guiding principles in order to provide a framework within which the Development Investment Team could operate until further recommendations were made.
- (2) Mr Simmonds stated that local needs might not always be met if the spending on services was contained in one pot and that this might lead to the contributions being used for strategic and not local purposes.
- (3) Mr Campion suggested that the Team could look at creating an environment where contributions could be passed on to other needs which might have been identified at the start but the funding couldn't be met at the time. This would have to be discussed and agreed with the Districts/Boroughs.
- (4) Mrs Dean stated that the County Council had to ensure that it wasn't taking money away from the local communities
- (5) Mr Campion explained that there was a danger of attributing monies to specific needs which might not exist by the time the development came forward and the money had been received; the County did not want to be in a position where funding had to be returned to the developer. Local needs were decided by the District/Borough as the Local Planning Authority.
- (6) In response to a question from Mrs Dean, Ms McMullan explained that in the budget that had just been set the S106 expectations had been hauled back to a realistic level in view of the likely impact on development of the current economic situation.
- (7) Members of the Budget IMG agreed to note the report and following the additional scoping work referred to, a further report should be presented to the IMG before it is submitted to Cabinet.

3. Revenue and Capital Budgets, Key Activity and Risk Monitoring

(Item 2)

- (1) The Chairman stated that the Policy Overview Committees had taken on the role of looking at their individual directorate revenue & capital budget monitoring reports in more detail than this IMG always had time to, which was a positive aspect of the overall process of scrutinising the budget.
- (2) Ms McMullan introduced the report stating that overall position (excluding asylum costs but including the additional funding agreed at the recent County Council meeting) was an underspend of £5million.
- (3) The Government had resolved the £100million LABGI funding that was being held back and an additional £750k had been received by the County Council which was being recommended to the regeneration fund.
- (4) The Council was tightening up on ensuring that directorates were planning for year two and three projects, particularly property and highways.
- (5) It was noted that an additional sum of £600k had been allocated to Special Educational Needs transport in 2009/10, as well as fully funding the expected price inflation.
- (6) Members expressed concern about the level of capital funding for Special Schools and SEN Units.
- (7) Ms McMullan offered to share with the IMG Members an analysis of a comparison of current year projected variances with next year's MTP.

4. Role of the Treasury Policy Group

(Item 5)

- (1) Members discussed the Icelandic banking situation; legislation was expected from the Icelandic Government prior to their elections in a couple of months.
- (2) Mrs Dean asked that an options paper be produced for the Budget IMG to enable a further discussion on the role of the Treasury Policy Group.
- (3) Ms McMullan clarified that there had been several quotes containing inaccurate information, the 2008 follow up audit was still in draft form at the end of September 2008 and was still being discussed. It had not been sent to the Senior Manager who had had no opportunity to act on the recommendations within the follow up report. The process had now been tightened up.

5. Sustainable Communities Act: Local Spending Report – A Draft Response to Consultation

- (1) The report on the draft response to the consultation was agreed.

6. Policy Overview Committees' Consideration of the Medium Term Plan

- (1) This report was deferred until the next meeting on 16 April 2009.