

Notes of a meeting of the Cabinet Scrutiny Committee Informal Member Group on Budgetary Issues held on Friday, 11 September 2009.

Present: Mr R F Manning (Chairman), Mr M Vye (substitute for Mrs Dean)

Officers: 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.

Also Present: Mr J D Simmonds, Cabinet Member for Finance, Ms S J Carey, Deputy Cabinet Member for Finance.

Apologies: Mrs T Dean and Mr L Christie

1. Notes of Previous Meeting held on 9 July 2009.

(Item 1)

- (1) The notes of the meeting held on 9 July 2009 were approved.

2. Revenue & Capital Budgets, Key Activity and Risk Monitoring Report

(Item 2)

- (1) The forecast revenue position (excluding schools and asylum) was a pressure of £2.564million. Management action was expected to reduce this to a small underspend of £0.097million.
- (2) Asylum costs are resulting in a pressure of £3.6million. Members of the Budget IMG were referred to paragraph 3.4.1.2 of the report which explained that the Home Office grant did not fund 18+ clients once they had exhausted all rights of appeal for residency but the Council had a duty of care under the Leaving Care Act to support those clients until they were deported or reached age 21. It is still assumed that the Council will recover all asylum costs from the Government.
- (3) There was a significant overspend within the fostering service and the Leaving Care/16+ Service in the Children's Families and Education Directorate. This was due to the increased demand for fostering including the service to over 16 year olds.
- (4) Table 2 in paragraph 3.3 highlighted the proposed overspend of £2.1million within Kent Highway Services, which is possible due to the underspend of £2.170million resulting from reduced waste tonnage.

- (5) Kent Adult Social Services (KASS) had a number of significant variances, this was mainly due to the difficulties in predicting the take up of care services and fluctuating demands. The Budget IMG praised KASS for their budget management in dealing with the demands placed on the service.
- (6) There was a pressure of £470k on Special Educational Needs (SEN) transport, work was being undertaken on more effective transport arrangements but it is an ongoing process.
- (7) Mr Manning queried the use of the word 'underspend' in the summary variances table; it was considered that if the underspend resulted from increased efficiency this should be made clear. In response Mr Wood confirmed that the variances were explained in more detail later on in the report and that the annexes of the report were also sent to the relevant POCs for further scrutiny.
- (8) Mr Vye asked where the effect of the underspends, particularly in relation to vacancy savings was examined, i.e. whether they were adversely affecting the service. Mr Simmonds explained that great care was taken not to economise on front line services to make savings. Mr Wood commented that if the vacancies were not adversely affecting the services thought would naturally be given to future resourcing requirements.
- (9) In response to a question from Mr Vye, Mr Wood confirmed that the Governance and Audit Committee were presented with a risk register containing budgetary, operational and reputational risks, which also appeared on the Cabinet agenda.
- (10) Within the capital programme the East Kent Access road project was behind schedule resulting in a re-phasing of £10million. Work was in hand to identify other capital schemes that could be undertaken during the current financial year in order to utilise this projected re-phasing.
- (11) In response to a question from Mr Manning about the money deposited in Icelandic banks Mr Wood confirmed that the Council have not budgeted for any loss, the Council hope to recover the full amount of money deposited and there has been no effect on the provision of front line services.
- (12) In response to a question about Kent History Centre and how the funding gap was to be resolved Mr Wood confirmed that there was an identified gap of £2.6m and over the coming weeks options would be considered for resolving the gap. Any proposal would be detailed in the monitoring reports and the budget process.

- (13) The Budget IMG endorsed the recommendations contained within the report to Cabinet.

3. Policy Overview Committee's Involvement in the Budget Setting Process

(Item 3)

- (1) The Budget IMG discussed the previous involvement of the POCs in the budget process and it was agreed that the quality of the involvement varied across the POCs.
- (2) Mr Wood explained the SIMALTO methodology which was an online consultation tool that allowed users to consider and prioritise the options available to them. It was suggested that the SIMALTO model be used by the POCs prior to the November POC budget meetings.
- (3) Mr Vye welcomed the idea of the SIMALTO model to increase involvement in the budget setting process.
- (4) Ms Carey raised concerns about the SIMALTO model forcing users to 'choose' between services, however the results would be discussed by each POC in November so any anomalies should be drawn out through that discussion.
- (5) The Budget IMG supported the use of the SIMALTO model but had concerns about the timeframe available before the November POC cycle.

Recommendation:

- (6) The Cabinet Scrutiny Committee recommends that the POCC adopt the SIMALTO methodology for each of the POCs to enhance Member involvement in the budget setting process and also encourages the POCC to ask each POC to set up an IMG to consider the budget proposals in greater detail.