

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held at Room 15 Priory House, Monks Walk, Shefford on Thursday, 10 December 2009

PRESENT

Cllr J G Jamieson (Chairman)
Cllr J A E Clarke (Vice-Chairman)

Cllrs I Dalgarno
P A Duckett
D J Hopkin

Cllrs D Jones
Mrs J G Lawrence
J Street

Apologies for Absence: Cllrs R W Johnstone

Substitutes: Cllrs D Bowater (In place of R W Johnstone)

Members in Attendance: Cllrs M R Jones
D J Lawrence

Officers in Attendance: Mr M Bowmer Assistant Director Financial Services
Mr C Heaphy Director of Corporate Resources
Ms M Peaston Senior Democratic Services Officer
Miss C Powell Overview and Scrutiny Officer

CR/09/01 **Apologies for Absence**

Apologies for absence were received from Councillor Johnstone and Councillor Bowater was present as his substitute.

CR/09/02 **Minutes**

The minutes of the meeting held on 2 November 2009 were approved as a correct record and signed by the Chairman.

CR/09/03 **Declarations of Interest**

There were no declaration of interest.

CR/09/04 **Chairman's Announcements and Matters of Communication**

The Chairman advised the Committee that a date was being sought for a meeting in mid-January 2010 to replace the scheduled meeting at the beginning of January. He asked Members to complete the canvass sheet being passed round the meeting.

The Chairman altered the order in which items would be taken so that item 13, Review of Corporate Budget Proposals, would be considered before items 11 Quarter 2 Performance Report and 12 Quarter 2 Budget Management Report.

CR/09/05 **Petitions**

There were no petitions.

CR/09/06 **Public Questions, Statements and Deputations**

There were no public questions, statements or deputations.

CR/09/07 **Disclosure of Exempt Information**

No matters containing exempt information were anticipated.

CR/09/08 **Call-In**

There had been no matters of call-in.

CR/09/09 **Requested Items**

There were no requested items.

CR/09/010 **Departmental Update: ICT, Property and Assets**

The Committee agreed to defer this item to the next meeting in view of the relevant officer's absence from the meeting due to sickness.

CR/09/011 **Review of 2010/11 Corporate Budget Proposals**

Councillor Bowater declared a personal interest in matters in this item through being the Assistant Portfolio Holder for Social Care Health and Housing and therefore being involved in discussions for growth proposals in that area.

The Committee noted that all Members except Councillor Bowater had seen a presentation on the medium term financial plan 2010/11 – 2014/15 which provided background and an aid to understanding the budget. Councillor Bowater indicated that he was satisfied with having seen the slides for the presentation. The slides are attached to these minutes at **Appendix A**.

Members then considered the draft budget papers which had been considered by the Executive on 8 December 2009. The Chairman stated their intention as being to understand the budget at this stage rather than to challenge decisions as to spending.

The Director provided details of the context within which the budget should be considered. A comment was made about the level of local authority determination of the budget and it was noted that in principle a large proportion of the budget spend was governed by Government requirements and so services must be delivered in cost effective ways. All local authorities were being required to save 20%-30% over the next three years and as time went

on, the traditional approach to making savings would be replaced by an approach seeking more cross-cutting themes.

The Chairman commented that it was important to maximise grant income and indicated that this was a matter for the Committee's consideration at a future meeting.

Members asked a number of question and were provided with clarifying explanations. In several cases, questions were identified which could be answered at the other Overview and Scrutiny Committees when other Directors were present.

It was noted that all Overview and Scrutiny Committees could take the opportunity in the budget process to challenge on whether negative costs which had been identified had resulted in savings.

Members noted that guidance from this Committee to the other Overview and Scrutiny Committees for scrutinising the budget could be helpful. This could include:-

- Asking what a reduction in or loss of service would really mean to customers
- Asking how the service would be affected by a loss or reduction
- Looking at the growth proposals and considering whether they were reasonable.

It was noted that the status reporting (red, amber and green flagging) on the papers indicated implications for the customer at red, but not for amber or green. A significant proportion of efficiencies identified for Children's Services were marked as red, indicating service delivery implications.

In response to a number of suggestions from Members as to how the papers could be made more transparent when considering the budget next time round, the Assistant Director indicated that discussions would be held internally and with Members to improve the clarity of the reports. The Chairman also asked that it be made clear in the base budget if a matter was a clear saving or if there were ongoing costs associated with it.

A comment was made by the Chairman that managers should be enabled to manage the costs of employees within their remit and a suggestion was made that this matter be referred to the Constitution Working Group for consideration.

RESOLVED:-

1. to request the other Overview and Scrutiny Committees to consult and seek assurances from Officers that:-
 - a. items flagged as green had no service implications and could be delivered
 - b. items flagged as amber could be implemented with minimal impact on services and could be delivered
 - c. Officers clearly identify items flagged as red and their deliverability
 - d. Officers clearly identify all growth and pressure items that:-

1. relate to a loss of grant
 2. were previously funded by the transition budget in 2009/2010
 3. are discretionary in nature
 4. have an ongoing impact in future years
- e. to identify the ongoing impact of pressure/growth/savings on future years;
2. to ask the other Overview and Scrutiny Committees to identify where growth items could be optional, particularly where they were linked to a loss of funding, and to comment on the impact of their growth proposals on the other parts of the organisation;
 3. to ask the Social Care Health and Housing Overview and Scrutiny Committee to validate the figures in respect of the ageing population and transition and to review the costs of funding Adult Social Care on a sustainable basis;
 4. to ask the Social Care Health and Housing Overview and Scrutiny Committee to seek clarity in relation to the BUPA contract provision needs;
 5. to ask the Sustainable Communities Overview and Scrutiny Committee to clarify the projections in relation to transitional funds.

RECOMMENDED TO THE CONSTITUTION WORKING GROUP:-

1. **That consideration be given to the means by which managers managing employee budgets within the existing limits could still provide transparency on spending to Councillors.**

RECOMMENDED TO EXECUTIVE:-

1. **that consideration be given to the establishment of a central programme management resource to provide support across the whole council and reduce corporate risk, the resource to be funded through core savings to be identified by the Directors.**

CR/09/012 Quarter 2 Performance Report

The Committee considered the Quarter 2 Performance and the Quarter 2 Budget Management Report together.

Members noted that the budget overspend was coming down although there were still pressures in some areas. These included the difficulties in recruiting to posts for specialist lawyers in Adult Social Care.

RESOLVED to consider and note the detailed information.

CR/09/013 Quarter 2 Budget Management Report

This report was considered together with the previous item – see minute CR/09/012 above.

CR/09/014 Executive Forward Plan

The Committee noted the Executive's Forward Plan of Key Decision for the period 1 December 2009 to 30 November 2010 which was included with the agenda papers, and also the Forward Plan for the period 1 January 2010 to 31 December 31, which was included with the agenda papers for the Executive's meeting on 8 December 2009.

CR/09/015 Work Programme

The Committee considered its Work Programme and took into consideration items which had been included on the Executive's Forward Plan of Key Decisions, considered under the previous item.

A number of matters were identified which would be included in the amended Work Programme. These included:-

- Moving the People Strategy to an appropriate meeting
- The Capital Programme to be considered at the appropriate time
- Anything arising from the budget setting process which the Committee should consider
- The Asset Strategy and Guiding Principles, followed at a later meeting by a detailed Asset Management Plan
- Reviewing the arrangements for the budget process at the appropriate time, in advance of it starting for next year.

Members discussed the arrangements for looking at the budget during the current round of consideration. They were of the view that it would be appropriate for this Committee to comment on behalf of itself and the other Overview and Scrutiny Committees on the Executive report.

RESOLVED to take the appropriate action to enable the Corporate Resources Overview and Scrutiny Committee to comment on the Executive budget report.

Note: After the meeting Officers checked the procedures to enable this and established that the Committee could send a recommendation for the Overview and Scrutiny Co-ordination Panel to consider. This would propose that the Corporate Resources Overview and Scrutiny Committee be commissioned to carry out the budget report scrutiny referred to above on behalf of the other Committees, with the Chairmen of the other Committees present and enabled to take part in the discussion.

CR/09/016 Date of Next Meeting

The Committee noted that the scheduled meeting in January was not particularly timely and that it would be better to hold it later in the month. The February 1 meeting should also be held to consider budget matters only.

RESOLVED that the next meetings of the Committee would be held on 18 January 2010 and 1 February 2010 (budgetary matters only).

(Note: The meeting commenced at 9.00 a.m. and concluded at 1.30 p.m.)

Chairman:

Date:



Medium Term Financial Plan 2010/11 to 2014/15

Matt Bowmer

3 December 2009

MTFP 2011/11 to 2014/15



- Timetable
- Issues/Priorities
- Economy – Global/National/Local
- Impact from legacy authorities
- Budget Objectives
- MTFP
- Capital Programme
- Consultation

Key Dates



July	<ul style="list-style-type: none"> • Draft Budget Strategy
August/ September	<ul style="list-style-type: none"> • Directors to identify revenue efficiencies • Capital Bids submitted
October	<ul style="list-style-type: none"> • Fees and Charges policy agreed • Individual Directorate challenge days and Corporate Challenge day to consider revenue options
November	<ul style="list-style-type: none"> • 2009/10 Capital Programme Reviewed • Fees and Charges agreed

Key Dates (2)



December	<ul style="list-style-type: none"> Local Government Finance Settlement Draft Revenue Budget to Executive
December/ January	<ul style="list-style-type: none"> Draft Revenue Budget to Scrutiny Public Consultation
January	<ul style="list-style-type: none"> Draft Capital Programme Asset Management Strategy agreed Treasury Management Policy agreed
February	<ul style="list-style-type: none"> Council approves Budget

Issues

Need to address:

- Priorities of Council
- Changes to the Medium Term Financial Plan
- The revenue budget for 2010/11, including reserves
- The Capital Programme for 2010/11
- The consultation process



Council Priorities



- Supporting and caring for an ageing population;
- Educating, protecting and providing opportunities for children and young people;
- Managing growth effectively;
- Creating safer communities; and
- Promoting healthier lifestyles



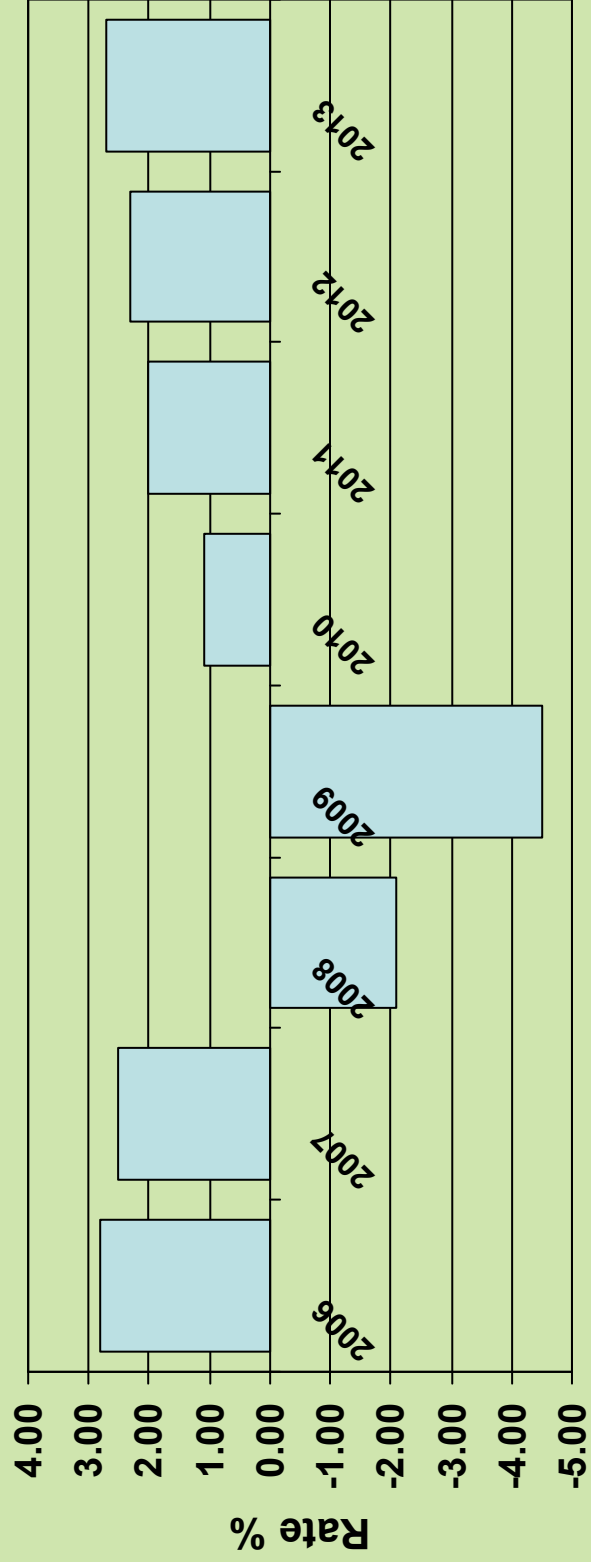
Economy

- GDP
- Inflation
- Interest rates
- Economic activity



Economy

GDP

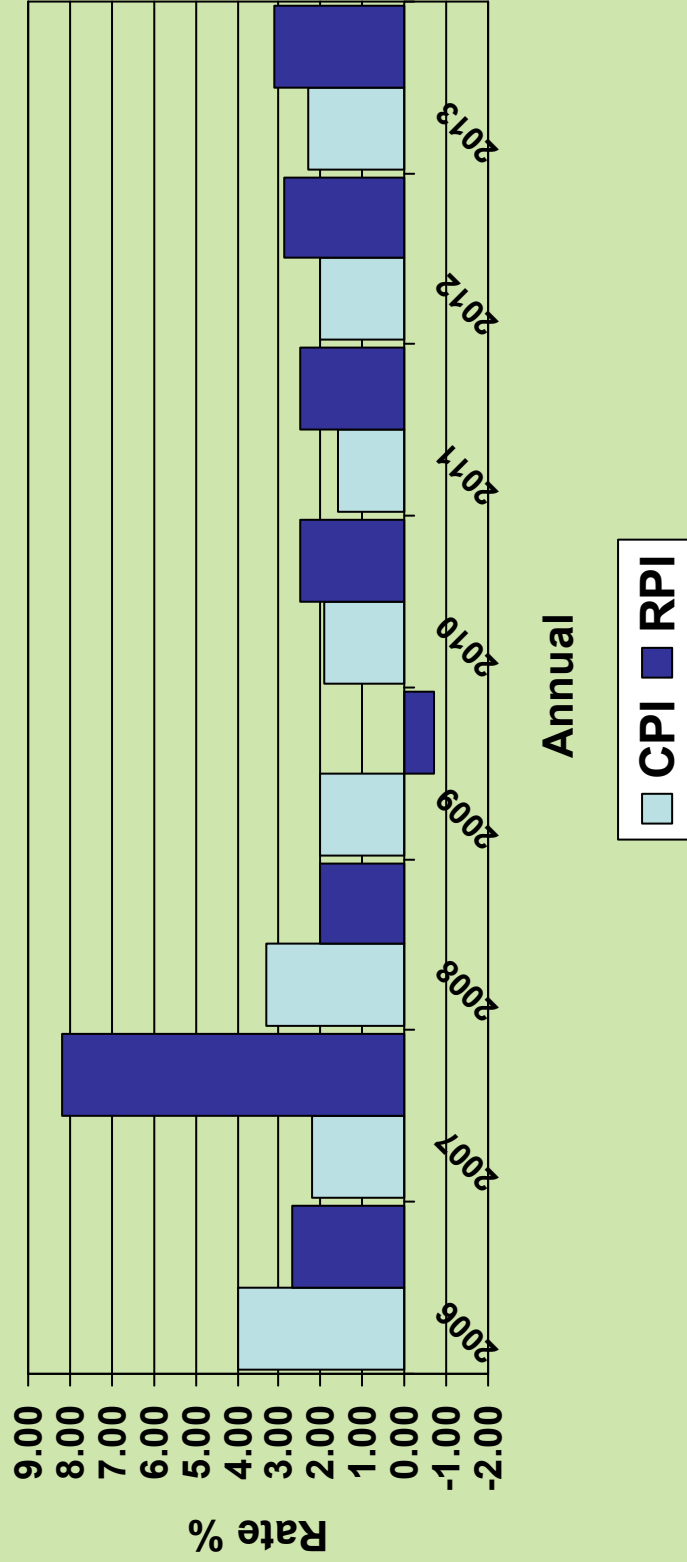


Annual Increase



Economy

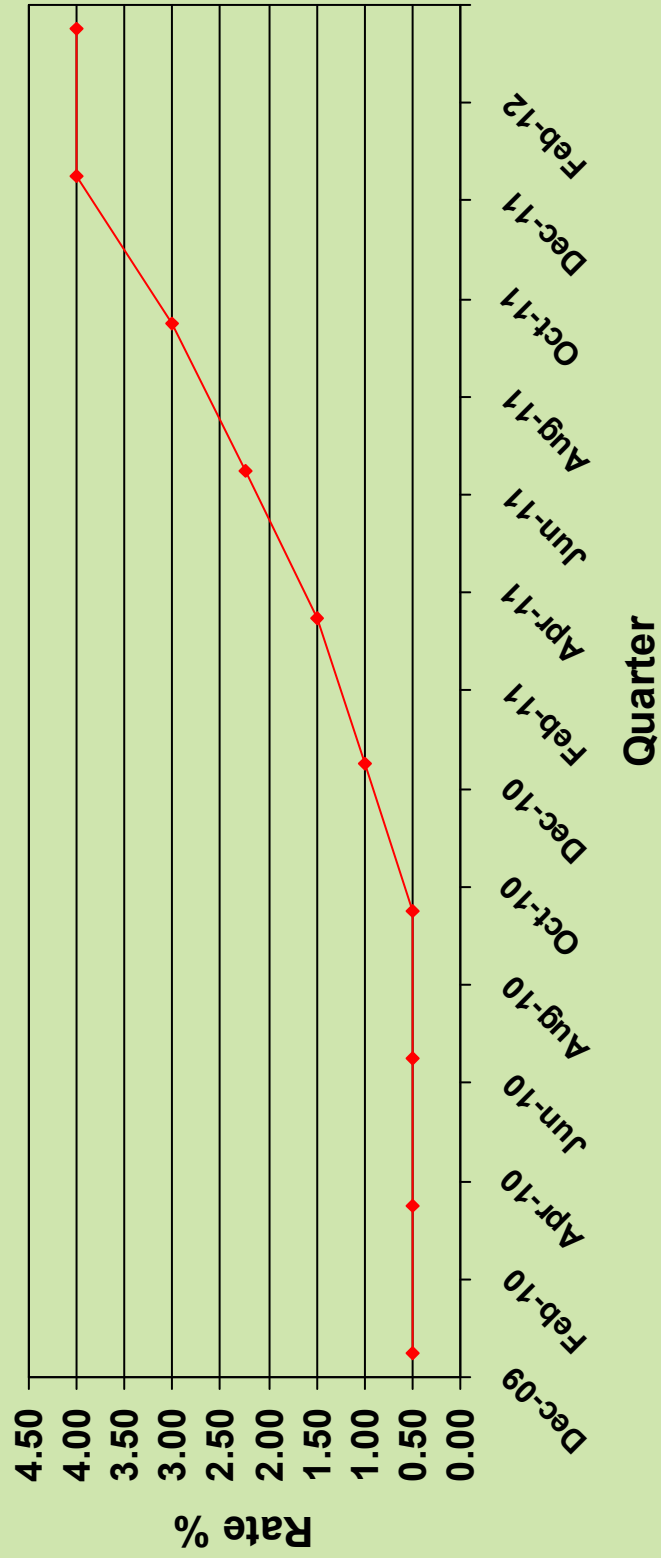
Inflation



Economy

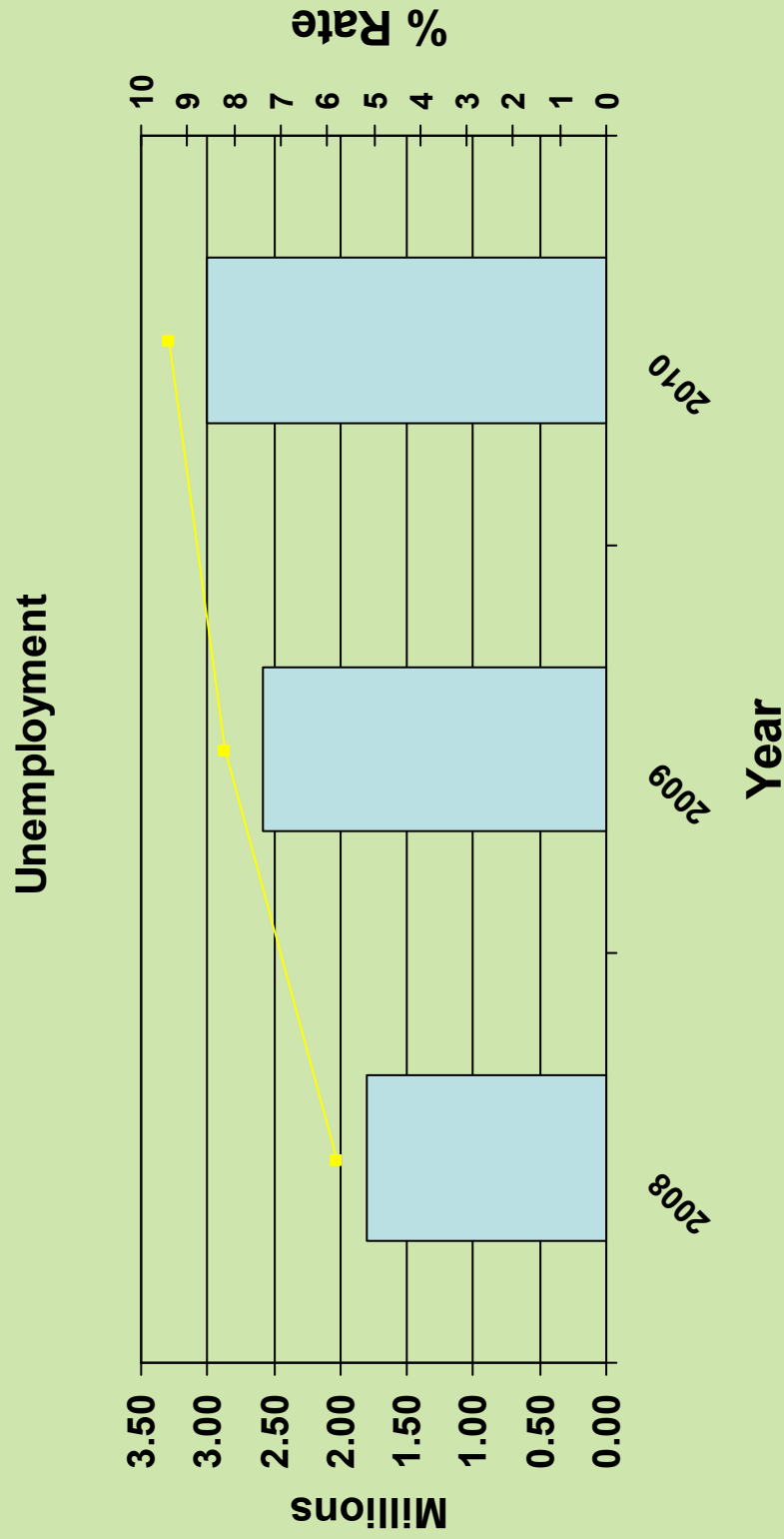


Base Rate





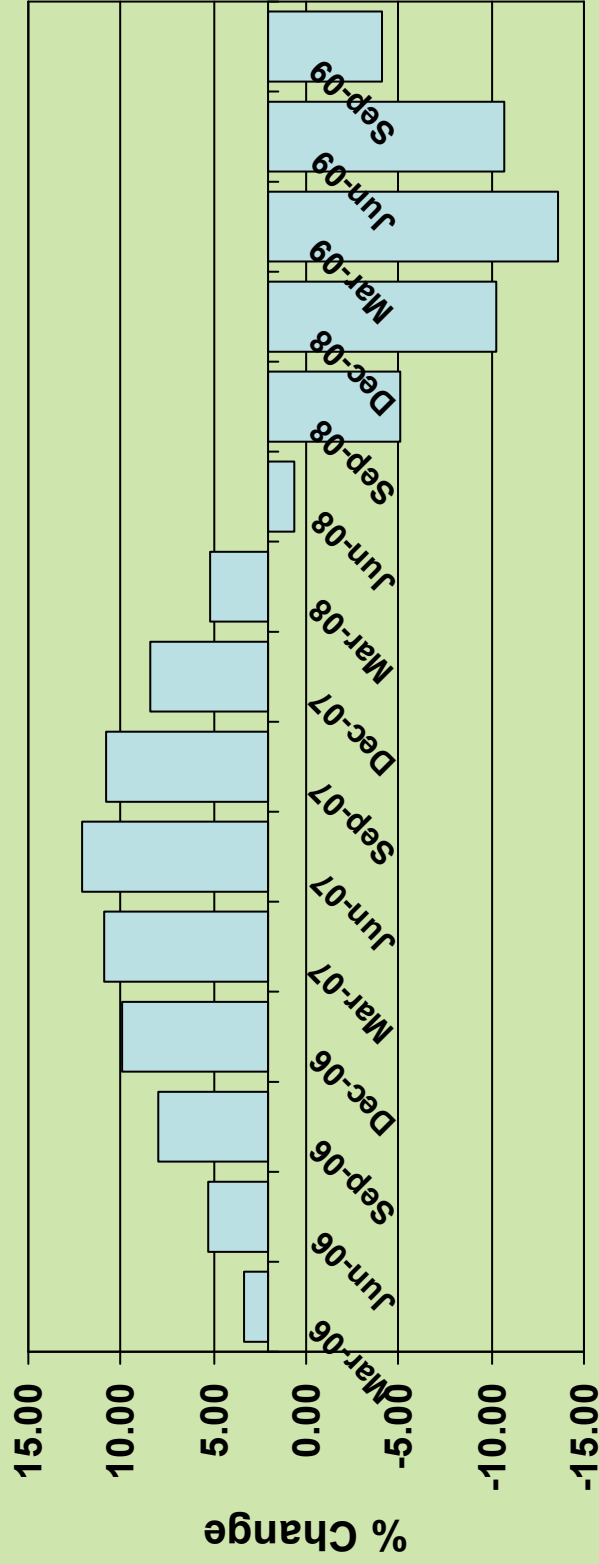
Economy





Economy

House Prices



Legacy Authority Impact

The logo for Central Bedfordshire, consisting of a green circle with the text "Central Bedfordshire" inside, rotated 90 degrees counter-clockwise.

Central
Bedfordshire

- General Fund Balances
- Earmarked reserves
- Capital
- Contingent liabilities

Budget Objectives

The logo for Central Bedfordshire, consisting of a green circle with the text "Central Bedfordshire" inside, rotated 90 degrees counter-clockwise.

Central
Bedfordshire

1. Sustainable plan which allow Council objectives to be met
2. Realistic spending year on year not dependent on reserves
3. Reserves maintained at agreed level
4. Council Tax increases constrained
5. Investing for transformation
6. Commitment to efficiency

MTFP 2010/11 to 2014/15



Central
Bedfordshire

Funding

- Formula Grant
- Area Based Grant
- Council Tax

Spending

- Base Budget
- Inflation
- Corporate Measures
- Unavoidable Service Pressures
- Growth
- Efficiencies

Funding



Central
Bedfordshire

- Formula Grant
 - CSR2007
 - Local Government Finance Settlement
 - ‘New’ Government
- ABG
 - £12.8m in current year
 - Future prospects?
- Council Tax
 - Level of increase
 - Harmonisation

Council Tax



Central
Bedfordshire

	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Increase%</u>					
North	3.0	3.0			
South	2.0	0.1			
	2.5	1.6	1.0	1.0	1.0
<u>Rate £</u>					
North	1,302	1,341			
South	1,340	1,341			
	1,319	1,341	1,354	1,368	1,382

Base Budget



- Address the base budget
- Primarily Adult Social Care
- Focus away from Transition costs to appropriate level of reserves

Inflation



Central
Bedfordshire

	2010/11	2011/12
	%	%
Prices	1.8	2.0
Contracts	1.8	2.0
Pay	0.5	1.0
Income	1.8	2.0

Corporate Measures



- Reinstatement of reserves
- Invest to Save
- Capital Financing

Unavoidable Service Pressures



- Increased benefits caseload
- Harmonisation
- Looked after Children
- Adult Social Care residential places contract
- Landfill Tax

Growth

- Demographic
- New statutory provision
- Choice



Efficiencies



£m

Red 5.812

Amber 6.474

Green 3.204

Medium Financial Term Plan



Central
Bedfordshire

	10/11	11/12	12/13	13/14	14/15
	£m	£m	£m	£m	£m
Funding	175.4	178.3	180.4	182.5	184.7
Spending					
Base	171.6	175.4	178.3	180.4	182.5
Inflation	2.4	2.4	2.4	2.5	2.5
Growth	6.7	1.8	1.7	1.3	2.0
Pressures	11.0	2.0	1.9	1.4	1.3
	191.7	181.6	184.3	185.6	188.3
Efficiencies	-16.3	-3.3	-3.9	-3.1	-3.6
Net Expenditure	175.4	178.3	180.4	182.5	184.7

Beyond 2010/11



- Continued demographic pressure
- Pensions
- Area Based Grant
- Specific Grants

Capital Programme



- Limited resources in the short term
- Borrowing/unapplied capital receipts
- Funding £22m in 2010/11
- Prospects good for the longer term

HRA



- Strong business model in place

MTFP 2011/11 to 2014/15

The logo for Central Bedfordshire, featuring the text "Central Bedfordshire" in white, stacked vertically, inside a green circle.

Central
Bedfordshire

- Timetable
- Issues/Priorities
- Economy – Global/National/Local
- Impact from legacy authorities
- Budget Objectives
- MTFP
- Capital Programme
- Consultation

Conclusions/Issues



- Level of Council Tax
- 'Red' Efficiencies v Growth
- Realistic funding assumptions over medium term



Questions?