

Executive Councillor Records of Decision and Strategy and Resources Scrutiny Committee Minutes

17:00- 19.10

PRESENT:

Executive Councillors:

The Leader: Councillor Ian Nimmo-Smith

Executive Councillor for Customer Services and Resources: Rod Cantrill

Scrutiny Committee:

Councillors Bick, Blackhurst, Blair, Ellis-Miller, Herbert, Howell, Newbold,
Taylor (Chair) and Ward

Also Present:

Councillors Hipkin, Pitt, Reid, Rosenstiel, Smith, Stuart and Wright

09/SR/15 Apologies for Absence

Apologies received from Councillor Dryden and Councillor Shah

09/SR/16 Declarations of Interest

None

09/SR/17 Public Questions

None

09/SR/18 The Executive's budget. Draft revenue and capital budgets – revised 2008/09, proposed 2009/10, 2010/11 with further amendment (*Agenda Item 4*)

The Chair ruled that under 100B(4)(b) of the Local Government Act 1972 the late items from the Director of Finance should be considered despite not being available five clear days prior to the meeting. The reason for this was that the information was not available at the time notice of the meeting was given. The Chair's view is that, despite only being available on Tuesday, the report must be considered as it is an essential component of the Executive's budget proposal.

The Scrutiny Committee had the following papers before them:

- (i) Revenue and Capital Budgets 2008/09 (Revised), 2009/10 (Proposed) and 2010/11 (Forecast) UPDATE AND EXECUTIVE AMENDMENT;
- (ii) LABOUR GROUP AMENDMENT TO: Revenue and Capital Budgets 2008/09 (Revised), 2009/10 (Proposed) and 2010/11 (Forecast)
- (iii) Revised page three of LABOUR GROUP AMENDMENT TO: Revenue and Capital Budgets 2008/09 (Revised), 2009/10 (Proposed) and 2010/11 (Forecast)

The Executive agreed at its meeting on 29 January 2009 that there should be an opportunity for scrutiny of its budget prior to the scheduled Council meeting because of the exceptional circumstances encountered during this year's budget process (see minutes of the Executive 29/1/09).

The following questions were put by opposition members on the items in the Executive's budget and answered (A) as listed:

Appendix 1 – (S&R Portfolio) Is the Local Authority Business Growth Incentive grant ring fenced?

A – Director of Finance responded. This is a one off grant and is unconstrained. It can be used for revenue or capital expenditure. It represents recognition of the need to reinvest local business rates to reflect the importance of the sector to the local economy.

Appendix F – (Budget-Setting Report) Efficiency savings do not appear to be apportioned evenly. Financial constraints have been known for some time and areas which have had service reviews, have yielded savings. Some areas have not been required to make similar savings. What reviews are on going and what further savings are expected?

A - Director of Finance responded. When identified by service reviews, savings are made and some may have on going results with full year savings yet to be realised. Other areas, such as car parks, are able to deliver lump sum savings quickly. This creates different pictures across the portfolios. Some surpluses, Local Authority Parking Enforcement, for instance, are not guaranteed and therefore, are not included in future projections. Key Stage reviews will be undertaken shortly and will target areas requiring a long lead in period. Results of planned reviews will be reported to the September committee cycle. In future there will be a rolling programme of reviews. However, some savings realised will be spending cuts rather the efficiency savings.

Cllr Herbert asked why service reviews could not produce savings in April and what further reviews were planned.

The Leader responded that additional financial pressures were reflected in the need for future savings. The Chief Executive will circulate an updated list of planned service reviews shortly. It is difficult to quantify the future level of savings that are achievable.

Director of Finance added that the existing plan for service reviews is not a final list. It is flexible and updated regularly to accommodate changing circumstances. Start and finish dates while not prescribed, feed into key points of the committee cycle.

Carry Forward Policy – Cllr Herbert suggested a clear policy on under-spends was needed.

A – The Leader responded that all such requests are scrutinised with care and are open to challenge. The nature of committee cycles can result in requests being considered several times. A review of the committee cycles may resolve this and give a clearer picture of carry forward requests.

Budget Setting Report – Cllr Howell asked what inflation levels had been factored in, in the report and if a lower Council Tax figure had been considered?

A – Director of Finance responded. This is covered in detail in the report. Assumptions have been built in, however, a degree of uncertainty remains about the future. A Council Tax rise slightly above inflation is needed to meet the shortfall in external support and to keep pace with inflation. Discretionary fares have also impacted on the budget.

Budget Setting Report – Cllr Hipkin asked what political leadership is given to the efficiency savings process?

A – The Chair responded. The Executive Councillors set out objectives and targets for officers to achieve.

Budget Setting Report – Are all avenues of potential savings across portfolios explored? Is there a risk of duplication of work?

A – Cllr Cantrill responded. The management team ensure that all opportunities for saving are explored. The Customer Access Centre is an example of a saving achieved across portfolios.

09/SR/19 **Draft Revenue and Capital Budgets – amendments
from Opposition Groups (Agenda Item 5)**

Cllr Herbert introduced the report. He suggested that a more aggressive approach to achieving savings should be pursued. He stated that borrowing, when there was money in reserves, was a flawed plan. Cllr

Herbert also recommended removing the planning role of Area Committees and improvements to the Taxi Card scheme which he said had seen its budget cut year on year.

The following questions were put by members on the items in the Labour amendment and answered (A) as listed:

Appendix 1 R1A - (S&R Portfolio) Re-instating S106 interest is not possible. S106 money cannot be spent in this way. Discussion followed on how S106 money could be spent as it was collected for highly specific items.

A – Director of Finance responded. The wording of the proposal is causing confusion and the intention is to use the money for areas permissible under S106 agreements.

Appendix 1 R13 – (S&R Portfolio) members asked the Director of Finance for advice on taking Council reserves below the £1.5 millions.

A – This is a judgement call and it could be argued that there is sound financial reason to go below this figure.

Cllr Cantrill asked what the outcome would be if such a policy was adopted and the projected savings needed to replenish reserves were not achieved.

Discussion followed on how realistic the extra savings targets were.

Section 2, Revenue Budgets – The savings in total amount to around £1 million. How can this be achieved without cut to services?

A – This level of saving is achievable. Further service reviews will be suggested once the existing list is circulated.

Appendix 1 R8 – (E&WS Portfolio) How has the figure of £60,000 been arrived at? Have areas that need a lower level of service been identified?

A – The quality of the service needs to be improved. The suggested figure is an estimate and has been included to raise the issue for discussion.

Appendix 1 R6 and R7 – (A&R Portfolio) How would re-tendering of the Leisure Contract achieve a higher level of service without increased costs?

A – Cllr Herbert stated that an adequate quality of service was clearly not being provided at present and improvements were needed urgently.

The Director for Community Services stated that a new tender process was unlikely to result in a better service. Market analysis has been used to test costs and the SLM contract is seen as favorable. Quality issues are being addressed.

Appendix 1 R2 – (CC&G Portfolio) Cllr Howell questioned the figures but supported the suggestions to remove Planning items from Area Committees and suggested a reduction in the number of meetings. What would be the cost per member of the public attending if planning was removed and was this a good use of resources?

A - Discussion followed on the cost, frequency, levels of public attendance, and outcomes of Area Committees. Area Committees are useful to devolve the decision making process to a local level and attendance is good when key issues are on the agenda. The aim of such meetings is to further public engagement.

Appendix 1 R11- (CC&G Portfolio) How many people would use the double voucher Taxicard scheme proposed?

A – Figures are not available but the proposal would benefit all users who rely on taxis for longer journeys.

09/SR/20 **Folk Festival Ticket Sales 2008** (*Agenda Item 6*)

Cllr Howell had requested an update on progress relating to the 2008 Folk Festival. Group Leaders have been briefed on the latest activity and while a full report may not be possible, an interim report should be available for the March scrutiny cycle. It may be necessary to reschedule some meetings to accommodate this.

Key lessons had been learnt on the tendering process and the security aspect, for Cambridge City Council, when outside bodies hold funds. These lessons have been applied to the 2009 preparations.

Cllr Howell was concerned that there appeared to be no clear picture of what went wrong and why delays occurred in raising the alarm.

The Leader shared these concerns. He confirmed that identifying the problems with the administration of the contract and the recovery of the funds were being addressed as two separate issues.

09/SR/21 **Cambridgeshire Horizons – Councillor appointment to Board** (*Non Key Decision - Agenda Item 7*)

Matter for Decision: Currently the Leader of the Council is the Council's representative on the Cambridgeshire Horizons Board, this has been the case since 2003. Following the conclusion of negotiations and implementation of various partnership arrangements the Leader proposes to make the Executive Councillor for Climate Change and Growth the Council's representative with immediate effect.

Decision of the Leader: Agreed to make the Executive Councillor for Climate Change and Growth the Council's representative on the Cambridgeshire Horizons Board, with immediate effect.

Reason for the Decision: These decisions are part of the Council's Decision Making process.

Any alternative options considered and rejected: N/A

Scrutiny Considerations:

The Scrutiny Committee considered and approved the recommendations by 5 votes to 0

Conflicts of interest declared by the Executive Councillor (and any dispensations granted) None

Chair.