

**SELF REGULATION SELECT COMMISSION
12th July, 2012**

Present:- Councillor Currie (in the Chair); Councillors Atkin, Beck, Ellis, J. Hamilton, Pickering, Sharman and Tweed.

Also in attendance:-

Councillor Akhtar, Deputy Leader
Councillor Whelbourn, Chairman of the Overview and Scrutiny Management Board.

Apologies for absence:- Apologies were received from Councillors Beaumont, Godfrey and Watson.

9. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

10. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

There were no questions from members of the public or the press.

11. MINUTES OF THE PREVIOUS MEETING HELD ON 31ST MAY, 2012

Resolved:- That the minutes of the meeting of the Self Regulation Select Commission held on 31st May, 2012 be approved as a correct record for signature by the Chairman.

12. PUBLIC SECTOR EQUALITY DUTY

Consideration was given to a report presented by Zafar Saleem, Community Engagement Manager, which explained the requirements of the Public Sector Equality Duty (Section 149 of the Equality Act 2010) and set out the Council's approach to Equality Analysis, which was an important mechanism for complying with the Duty.

In addition to the report Zafar Saleem gave a presentation providing more clarity on:-

- Background to the new duty.
- General and specific duties.
- Case law principles.
- Background to the Equality Act 2010.
- Protected characteristics.
- Types of discrimination.
- General Duty – Aims.
- Specific Duties – Objectives.
- Policy and Decision Making.
- Recording Equality Analysis.
- Consultation and Community Involvement.

A discussion and a question and answer session ensued and the following issues were raised and subsequently clarified:-

- Equality Impact Assessments, where they sat within the Duty and if their successful completion was monitored by Directorates.
- Processes and the responsibility on all Elected Members.
- Encouragement of people to participate in public life courses and whether this was value for money.
- Electoral law and governance.

Resolved:- (1) That Zafar Saleem be thanked for his informative presentation.

(2) That the report be received and the contents noted.

(3) That the progress on undertaking Equality Analysis be noted.

(4) That an annual report on completed Equality Analysis be presented to the Commission in June, 2013.

13. CAPITAL PROGRAMME OUTTURN 2011/12 AND UPDATED ESTIMATES 2012/13 TO 2014/15

Further to Minute No. 31 of the meeting of the Cabinet held on 4th July, 2012, consideration was given to a report presented by Andrew Bedford, Strategic Director of Resources, and Councillor Akhtar, Deputy Leader, which set out the capital outturn position for the 2011/12 financial year and recommended for approval changes to the programme for the financial years 2012/13 to 2014/15 resulting from the 2011/12 outturn and scheme changes since the overall programme was agreed in February, 2012 as part of the budget setting process.

The current economic climate and the ongoing impact of the Government's austerity measures required that the Capital Programme was subject to continual oversight, and if necessary, revision, to ensure that the Council's capital investment plans were aligned with strategic priorities and maximised the value from the limited capital resources available.

The financial implications of the Programme were reflected in the Council's Medium Term Financial Strategy (MTFS) and Treasury Management and Investment Strategy.

For 2011/12 the Council's capital investment into the regeneration and enhanced infrastructure of the Borough was £93.983m. The profile of this investment and the updated future expenditure plans were reflected in the Directorate summary table set out in the report, along with a detailed copy of the programme for each Directorate.

Discussion ensued about the reasons for variances, reasons and reassurances for the slippages and the opportunities/benefits on the schemes being delivered, underspends arising from the LTP IT funding and the detail as to why this had occurred, sharing of information with Elected Members, other investment projects, discussions with local businesses/partners regarding regeneration of the Town Centre and other strategic locations in the Borough, the sum of the Council's contribution to the A57 scheme, impacts of any

restructuring within Directorates and the difficulties in predicting the sums for capital receipts.

Resolved:- (1) That the 2011/12 capital outturn position be noted.

(2) That the updated 2012/13 to 2014/15 capital programme, for approval by Council, be noted.

(3) That further information be provided on the Highways LTP IT funding underspend and on the Council's contribution to the A57 Scheme.

14. REVENUE ACCOUNT OUTTURN 2011/12

Further to Minute No. 32 of the meeting of the Cabinet held on 4th July, 2012, consideration was given to a report presented by Andrew Bedford, Strategic Director of Resources, and Councillor Akhtar, Deputy Leader, which detailed how in 2011/12 the Council budgeted to spend £219.622m on its General Fund Revenue Account. Actual spending for the year was £217.618m, a saving against budget of £2.004m (or -0.91%). Of this, £0.494m was accounted for by surpluses on trading accounts, leaving a net underspend of £1.510m.

In addition, the Delegated Schools' Budget was £178.127m. Actual spend against this was £173.596m, an underspend of £4.531m for the year which had been added to Schools' Reserves which at 31st March, 2012 stood at £7.654m.

The Housing Revenue Account in 2011/12 was budgeted to make a contribution to the HRA General Reserve of £4.613m. Actual contribution to this Reserve was £5.555m - (£0.942m additional contribution).

This was a very positive outturn position, especially given the challenges faced in-year, not least on the Children and Young People's Services Budget. It was a result of the hard work of both Elected Members and staff in managing reducing levels of funding at a time of increasing Service need and also the generally good financial management on the part of budget holders.

Reflecting the above out-turn position, and assuming the recommendations in the report were approved, the Council's Revenue Reserves as at 31st March, 2012 were General Fund Reserves available and uncommitted to support the Budget £7.494m and Earmarked Reserves (including Schools and HRA Reserves) £42.998m.

The Commission welcomed this report, and asked a series of questions relating to capacity and risk and whether the budget could still deliver the spending reductions, concerns about the underspends on the Delegated Schools Budget, confidence in the delivery of the budget and the public's perception, use of resources freed up by accounting opportunities, the holding of reserves to support the General Fund Revenue Budget, details on earmarked reserves – some of which were included in the full Statement of Accounts and the detail on how this was comprised and the 0.91% less than budget spend on the General Fund.

Resolved:- (1) That the Council's General Fund, Schools' and the Housing Revenue Account (HRA) Revenue Outturn Position Statements for 2011/12 be noted.

(2) That the level of the Council's Revenue Reserves as at 31st March, 2012 be noted.

(3) That the carrying forward of underspends on Trading Services (£493,719) and requests for carrying forward of specific items (£482,852) in accordance with the Council's approved policy be noted.

(4) That the waiving of the Council's policy of carrying forward 20% of the underspends from 2011/12 and agree the supplementary allocation of £875,000 to support Children's Services in 2012/13 be noted.

(5) That further information be provided on the Council's earmarked reserves as at 31st March, 2012 and the compositions.

(6) That the budget process continue to be monitored by this Select Commission.

15. CYPS BUDGET 2012/13

Further to Minute No. 33 of the meeting of the Cabinet held on 4th July, 2012, consideration was given to a report presented by Andrew Bedford, Strategic Director of Resources, and Councillor Akhtar, Deputy Leader, which presented a strategy for ensuring that the Children and Young People's Service had a budget which was adequately resourced. Delivery of that Budget would require change in the way Services were configured and work was already well in hand to effect that change, led by staff in the Children and Young People's Services Directorate. Furthermore, Council-wide resource was being marshalled to support Children and Young People's Services staff in the implementation of change. Details of the headline pressures within the Children and Young People's Service budget and the actions implemented, or to be implemented to mitigate the pressures were also set out as part of the report, along with an analysis of the Directorate's further proposed savings and progress against delivery of these savings, with an assessment of risk.

The Directorate's Budget Savings were monitored through an 'Action Plan' which was maintained on an ongoing basis with progress considered at the fortnightly Directorate Leadership Team meetings, with the Chief Executive and Strategic Director of Resources attending the meetings once a month.

The Commission welcomed the opportunity to reduce residual pressures on the budget for Children and Young People's Services, but the underspend being provided was a one year "one-off" provision only.

Reference was made to a previous graphical presentation of benchmark comparisons and whether this could be provided in the future.

Discussion ensued and questions were raised relating to the year-on-year significant pressures being faced, the savings required to be delivered by the Directorate and how significant Council-wide resources were being marshalled to support the Directorate in the implementation of change.

Further information was provided on the transferring of some Services into other areas of the Council, the pressure of some legal costs being centrally funded, use of the Early Intervention Grant to reduce recurrent overspends and the tight monitoring arrangements which were in place to ensure that any slippage in the action plan was highlighted and reported.

Resolved:- (1) That the proposed actions to mitigate Children and Young People's Services Directorate pressures and to ensure that expectations regarding Service delivery could be achieved within the approved budget be noted.

(2) That the progress to date regarding delivery of savings as shown in Appendix 1 be noted.

(3) That the use of Council 2011/12 underspends to finance the one-year-only residual pressures within the Children and Young People's Services 2012/13 Budget be noted.

16. SCRUTINY OF BUDGET SETTING PROCESS

Consideration was given to a verbal report by Caroline Webb, Senior Scrutiny Adviser, which focused on the outcome of the budget setting process overseen by the Select Commission's Sub-Group made up of Councillors Atkin, Beck, Ellis, J. Hamilton and Sharman.

Caroline Webb gave a short presentation which drew specific attention to:-

- The role of Scrutiny in the budget process.
- The process and its two parts.
- Emerging issues.
- Next steps.

To take this forward for 2013/14 it had been suggested that this be considered at the next meeting of the Overview and Scrutiny Management on 20th July, 2012, to which an invitation had been extended to the Self Regulation Select Commission before being considered by the Cabinet during September, 2012.

The Commission welcomed the opportunity to become involved, but suggested that lessons be learnt on the process and that further detail be provided for the delivery of savings.

Resolved:- That the information be noted and taken forward.