

SELF REGULATION SELECT COMMISSION
20th February, 2014

Present:- Councillor Currie (in the Chair); Councillors Ahmed, Atkin, Beck, Ellis, Godfrey, J. Hamilton, Vines and Watson.

Apologies for absence:- Apologies were received from Councillors Beaumont and Tweed.

53. DECLARATIONS OF INTEREST

There were no Declarations of Interest to report.

54. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS

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

55. COMMUNICATIONS

Caroline Webb, Senior Adviser, Scrutiny and Member Development, provided an update following the recent sub-group, chaired by Councillor Atkin, looking at the Corporate Plan outcomes and the way that performance was reported. Two sessions had taken place with staff from the Performance and Quality Team. The first performance report using the format would be submitted in September, 2014. This would also be included in the Self Regulation Select Commission's Work Programme going forward.

56. MINUTES OF THE PREVIOUS MEETING HELD ON 9TH JANUARY, 2014

Resolved:- That the minutes of the meeting held on 9th January, 2014 be approved as a correct record for signature by the Chairman.

57. BUDGET 2014/15

Further to Minute No. 49 of the meeting of the Self Regulation Select Commission held on 9th January, 2014, Stuart Booth, Director of Financial Services, gave a presentation on the financial challenge facing the Council in setting its 2014/15 budget.

The presentation provided information on:-

- The financial challenge update on the 2014/15 budget position.
- Budget summary position 2014/15.
- Additional proposals supported by Cabinet to close the funding gap.
- Increasing Council Tax – impact.
- Impact on households with a Council Tax increase.

- A summary of the key area of savings.
- Next steps.

Discussion ensued on the Council Tax figures and if precepts had already been accounted for which had been included in the Council spend, the verification and robustness of risks and assurances that equality impact assessments had been undertaken for the delivery of services going forward, maximisation of income, impact of the budget savings and the delivery of savings in collaboration of key partners and the continuation of safeguarding children and the most vulnerable.

Resolved:- (1) That Stuart Booth, Director of Financial Services, be thanked for his informative presentation.

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

58. REVENUE BUDGET MONITORING FOR THE PERIOD ENDING 31ST DECEMBER 2013

Further to Minute No. 175 of the meeting of the Cabinet held on 5th February, 2014, consideration was given to a report presented by Stuart Booth, Director of Financial Services, which provided details of progress on the delivery of the Revenue Budget for 2013/14 based on performance for the first nine months of the financial year. It was currently forecast that the Council would overspend against its Budget by £2.217M (+1.0%). This represented an improvement in the forecast outturn of -£0.882M since the November monitoring report. The main reasons for the forecast overspend continued to be:-

- The continuing service demand and cost pressures for safeguarding vulnerable children across the Borough.
- Income pressures within Environment and Development and ICT Services.
- Continuing Health Care income pressures within Adult and Children's Services, with concern that this pressure was increasing further.
- Additional, one-off property costs relating to the continued rationalisation of the Council's asset portfolio as part of the efficiency drive to reduce operational costs.
- Some savings targets were currently pending delivery in full in 2013/14.

The moratorium on all except 'essential' spend had been in place since 16th October, 2013 and was contributing to the reduced forecast overspend. Services were continuing to explore opportunities to maximise the flexible use of grant funding, whilst ensuring grant conditions were complied with. Further, the recent opening of the offer for staff to apply for Voluntary Early Retirement/Voluntary Severance (VER/VS) was also generating savings which would contribute to both reducing the in-year pressure and potentially contribute to closing the 2014/15 Budget Gap.

These savings would become more evident in the next monitoring reports as applications were approved and reflected in the revised forecast outturn.

Meetings were taking place with the Clinical Commissioning Group (CCG) about concerns over access to, and timely payment of, Continuing Health Care income for clients with Continuing Health Care needs. An Action Plan was being developed and updates presented to a series of future meetings between early December and the end of the financial year. As the financial impact of these meetings became clearer, this would be reported through to Cabinet.

The Select Commission considered each of the key areas of forecasted spend, whether this was an over or an underspend, in turn and asked a number of questions.

Children and Young People's Services:-

- Current numbers of looked after children and whether an increase would skew the budget causing an in-year pressure.
- Vulnerability of young people with mental health issues and their inclusion on adult wards.
- Complexity of the higher care needs of some children and the impact of this on the budget.
- Recruitment of foster carers and if they had relevant experience/specialism to work with children with more complex care needs;
- Raising of specific questions about looked after children at the meeting of the improving Lives Select Commission on 12th March, 2014 which was being convened to look at this issues and to which an invitation would be extended to all Scrutiny Members of the Council.

Environment and Development Services:-

- Underspend in Streetpride Services and whether this could be used to mitigate some of the risk with grounds maintenance.
- Shortfall in income recovery where income targets were inflated for Parking Services.

Neighbourhoods and Adult Services:-

- Overspend in Adult Services of over £1 million and the plans to resolve this.

Resources:-

- Under recovery of income for ICT Services and the reduced spend on I.T.

Central Services:-

- Forecasted reduction in the transfer of reserves for the HRA statutory ring fenced account.
- Comparisons of agency and consultancy spend across the Directorates and the attempts being made to reduce this expenditure.
- The budget and the scrutiny of this process.

The Select Commission welcomed the questions raised, but suggested that for the latter matters of discussion that consideration be given to revisiting the recommendations of the two Scrutiny Reviews that were undertaken into consultancy and agency spend and the budget process. It was noted that a review into the matters for agency and consultancy spend was currently taking place and it may be timely for this to be included as an agenda item for the next meeting.

The Select Commission requested that for all future budget monitoring reports submitted consideration be given to specific questions requiring Cabinet Member/Strategic Director attendance and for this to be identified in advance of the meeting.

Resolved:- (1) That the current forecast outturn and significant financial challenge presented for the Council to deliver a balanced revenue budget for 2013/14 and the actions implemented to address the forecast overspend be noted.

(2) That the Director of Human Resources and relevant officers be invited to attend the next meeting to outline in detail the actions taken to reduce agency spend.

(3) That consideration be given to revisiting the recommendations of the two Scrutiny Reviews that were undertaken into consultancy and agency spend and the budget process.

(4) That for all future budget monitoring reports submitted consideration be given to specific questions requiring Cabinet Member/Strategic Director attendance and for this to be identified in advance of the meeting.

59. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of the Self Regulation Select Commission take place on Thursday, 27th March, 2014 at 3.30 p.m.