



# MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 9 FEBRUARY 2006 2.30 PM

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## PANEL MEMBERS PRESENT

Councillor Brailsford  
Councillor Conboy  
Councillor Mrs Dexter  
Councillor Fines  
Councillor Joynson

Councillor Kirkman (Vice-Chairman)  
Councillor Lovelock M.B.E. (Chairman)  
Councillor G Taylor  
Councillor Wilks

## OFFICERS

Scrutiny Officer  
Director of Finance and Strategic Resources  
Scrutiny Support Officer  
Finance Assistant (x2)  
Revenues Manager (note 73 only)

## OTHER MEMBERS PRESENT

Councillor Bryant  
Councillor Mrs Cartwright  
Councillor Kerr

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## 68. DECLARATIONS OF INTEREST

There were none declared.

## 69. ACTION NOTES

The notes of the meeting held on 19<sup>th</sup> January 2006 were noted.

## 70. FEEDBACK FROM THE EXECUTIVE

The Scrutiny Officer highlighted the Panel's previous request that its recommendation concerning appeals under the new Discretionary Rate Relief Scheme, which was not accepted by Cabinet, be raised at Cabinet by the Portfolio Holder. The Portfolio Holder, who had been invited to attend the Panel meeting, explained that the Panel's recommendation had not deliberately been disregarded by Cabinet, just overlooked. However, the decision of the Cabinet had been made but this will be looked at again in the future.

## 71. REVENUE AND CAPITAL BUDGETS 2006/07 ONWARDS

Members were given report CAB5 to Cabinet by the Finance Portfolio Holder. This gave details on:

- Budget development
- Local Government Settlement
- Capping
- Interest rates
- Consultation
- Budget requirement and use of reserves
- Housing revenue account
- Capital programme
- Use of Resources assessment
- Recommendations to Cabinet

Appended to the report were the statement by the Responsible Financial Officer, General Fund and Revenue Estimates, Housing Revenue Account, Capital Programme and details on reserves. Staff employment statistics and a summary of service delivery and support services were circulated as requested by the Panel.

The Portfolio Holder presented his report. He emphasised the improved member involvement in the budget preparation; all members had had the opportunity for unobstructed involvement throughout the process. In light of the Government's Value for Money initiative, service plans had been used to form the base of the forthcoming budget, and a Windows ledger system installed to provide a better reporting mechanism and access to information for members.

He added that the gateway reviews had been good meetings and that these would be started earlier in the next financial year. The service plans would also provide a framework within which money could be spent; councillors and managers would be responsible for any variances. The Budget estimates had incorporated the prioritisation and large increases in priority services (revenue and capital) reflected this. General fund working balances would be maintained at the current level but the Portfolio Holder did reiterate the need to monitor the level of reserves given the ambitious capital programme for 2006/07.

With regard to the Use of Resources inspection, the Portfolio Holder explained that the Council was striving to achieve the Level 3 standard. Because financial management was now underpinning every service, the Portfolio Holder explained that the financial staff needed further support to have the resources to assist other non-financial senior managers.

The Portfolio Holder was then questioned on his report. He was asked about various details throughout the report but mainly, his recommendation number 6 on maximum subsidy per Council Taxpayer for the operation of the Arts Centres. The Director of Finance and Strategic Resources also provided clarification on a number of points raised by members.

***Conclusion:***

- (1) To invite the Portfolio Holder to a future meeting of the Resources DSP to explain further his recommendation on a maximum subsidy per Council Taxpayer for the operation of the Arts Centres.***

The Panel, with the other budget working group members, had also recognised the need to look at the level of reserves, given the level of activity in the Capital Programme. It had been recommended by the budget working group that this be scrutinised. The Portfolio Holder did advise that it may be better to wait until the outcome of Large Scale Voluntary Transfer before any detailed scrutiny of funding the capital programme.

**Conclusion:**

- (2) That the Resources DSP scrutinises superfluous/miscellaneous assets and the financing of future capital projects, prior to consideration by Cabinet.**
- (3) That the Resources DSP monitors the Capital Programme as it progresses throughout 2006/07.**

The Panel then considered the recommendation from the budget working group that the deficits for Special Expense Areas (SEAs) be reduced. The Portfolio Holder explained that all SEAs had been considered during the gateway review meetings and that in the next financial year, he would oversee a small review of the issue. The Panel, however, explained that SEAs had been a concern for a number of years and because capping would be enforced in the foreseeable future, further savings needed to be made to reduce the deficits.

**Conclusion:**

- (4) That the Resources DSP supports the Budgetary Proposals for Revenue 2006/2007 and Capital for 2006/2007 to 2008/2009 as presented in report CAB5 by the Finance Portfolio Holder. However, the DSP recommends that the deficit for each Special Expense Area for the 2006/07 budget be reduced by 25% per annum.**

The staff employment statistics were then scrutinised. It was commented that the staff statistics in the budget did not match those in the Best Value Performance Indicators. The reason for this would be investigated. Given that the statistics were only draft, the Panel agreed to discount them. A member explained that the new ledger system would be able to provide better reporting information on this. Another member spoke about direct prime costs such as stationery. Although budget information had been changed from direct costs to service costs in response to members' preferences, it was considered that this information was still required. Again, the new ledger system would provide members with access to this information. Councillor Craft added that he was intending to make a presentation to members on the new system.

**Conclusion:**

- (5) That when the new ledger system is fully operational, the Resources DSP to receive quarterly reports on staff employment statistics and reports on direct prime costs when requested.**

The Resources DSP also reaffirmed its conclusions from the last meeting of the Budget Working Group in relation to Gershon efficiency targets and engaging members.

**Conclusion:**

**(6) To include on the agenda for a future Resources DSP meeting: engaging members in scrutiny of financial issues.**

**(7) That the Resources DSP monitors achievement of the Gershon efficiency targets.**

**72. WORK PROGRAMME**

This was presented by the Scrutiny Officer and noted.

**73. BEST VALUE PERFORMANCE INDICATORS**

The Revenues Manager gave a further update on BVPI no. 10 relating to non-domestic rate collection. Collection was current £440,000 short of the amber target, which the Manager was confident the Council would achieve. He explained that currently, increases in rateable value, which the Council could not control, sometimes only provided a few instalments for the debtor to pay. This did not allow sufficient enforcement time for collection if the debtor failed to pay. This was a major factor in sub-target collection rates.

A statement from the Corporate Manager of Human Resources and Organisational Development in relation to BVPI no. 15 was read by the Scrutiny Officer:

*This performance indicator is the percentage of employees retiring on the grounds of ill health as a percentage of total workforce. (Total workforce meaning number of employees by headcount who are also in the Local Government Pension Scheme).*

*To qualify an employee must be certified by a registered medical practitioner qualified in occupational health that he/she is permanently incapable of performing the duties of their employment or a broadly comparable local government employment because of ill-health or infirmity of mind or body.*

*We have had one case this financial year. If we have no further cases before end of March 06 our percentage will be 0.2%. The latest figures available for District Councils (year 03/04) gives 0.34% as median for District Councils in England.*

These updates were noted.

**74. CLOSE OF MEETING**

The meeting closed at 3.35p.m.