

Finance & Enterprise Scrutiny Committee

Response to the Alternative Budget Proposals from the Main Opposition Group

The Finance & Enterprise Scrutiny Committee is a politically balanced committee of eight non-Executive elected members and two standing co-opted members. The Committee is the main mechanism by which Cabinet consults annually with scrutiny on the budget proposals. The Committee also considers alternative budget proposals put forward by opposition groups during the consultation period.

The Committee held five meetings between 6 January and 3 February to scrutinise budget proposals including consideration of the Alternative Budget Proposals from the Main Opposition Group on 19 January.

The proposals were presented by the Group Leader Cllr. Andrew Eade and Cllr. Adrian Lawrence. Cllr. Lawrence expressed his thanks to officers for their support in developing the proposals. The Committee was asked to recognise that opposition groups do not have access to information and officer time in the same way as the administration which constrains capacity for more detailed modelling of proposals.

Cllr. David Wright declared a conflict of interest as a co-author of the alternative budget proposals and did not take part in the discussion about the proposals on 19 January or the formulation of the response to the proposals on 3 February.

The Committee noted the Chief Financial Officer's statement of robustness.

Comments of the Finance & Enterprise Scrutiny Committee

The Committee would like to make the following comments on the Main Opposition Group's Alternative Budget Proposals:

1. The Committee welcomed the support for the increase in the adult care budget as proposed in the administration's budget.
2. It was acknowledged that although there are key policy differences, there were substantial areas of similarity between the alternative budget and the administration's budget.
3. The Committee agreed with the recommendation that Single Status should be settled as soon as possible and that in the light of the reduced size of the workforce there was room to reduce the accrual, but not by the £1m proposed in the alternative budget. It was acknowledged that there may be significant residual monies available once Single Status is settled but the Committee accepted advice of officers that the accrual should be reduced by no more than £100k until the full financial implications of the settlement can be modelled.
4. The Committee agreed that no one wanted to see libraries closed and noted that funding for library services was an issue up and down the country. The main opposition group suggested scrutiny should look at alternative models for running library services from around the country, in particular the Public Service Mutual model used by Devon County Council, but in the absence of further information being put forward it was not possible for the Committee to consider the model further.

5. The Committee agreed with the principle that the Council should pursue a strategy of income generation to become more self-reliant but there were differences of opinion about the viability of the proposals in the alternative budget.
 - a) The majority view was that the proposal to sell off the solar farm and Nu Place homes did not make commercial sense because of the impact on the loss of future income for the Council. The projects demonstrate the entrepreneurial approach of the Council to income generation and proper due diligence had been carried on the projects. With regard to the income generation strategy proposed in the alternative budget, it was felt there was no evidence to support the view that there was a viable market for the Council's core services particularly when other local authorities and public sector bodies are facing funding cuts.
 - b) The minority view was that the solar farm and Nu Place should be sold off to reduce the level of debt and exposure to risk. The lack of in-house specialist skills in these sectors and the fact that future income could be affected by market changes or future legislation made these risky investments. There would also be costs associated with decommissioning the solar farm and land reclamation. It was felt that the Council should focus on generating income by developing Centres of Excellence in areas where the Council has a proven level of expertise which could be marketed nationally to other authorities, public bodies or private sector organisations.

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