

VALUE FOR MONEY SCRUTINY GROUP
FEEDBACK ON THE CABINET'S REVISED BUDGET
PROPOSALS FOR 2009/10 – 2011/12.

The Value for Money Scrutiny Group (VfMSG) held an additional meeting on 12th February 2009 where the Leader outlined some revised Budget proposals for the period 2009/10 – 2011/12.

Key changes that had not been considered by the VfMSG before this date included:-

- An increase in the general savings package of £800k for 2009/10 funded from a restructuring exercise with the savings target increased to £1m ongoing from 2010/11.
- A reduction in the proposed council tax increase from just below 4% to 2.5%
- The funding of “credit crunch initiatives” totalling £700k during 2008/09-2009/10 from £200k contingencies in 2008/09 and £500k additional use of balances in 2009/10 This includes piloting the extension of the concessionary travel scheme to a 9.00 a.m. start.

Although the VfMSG had not seen the detail behind these proposals, members were generally supportive of the proposed amendments to the budget strategy provided that capacity within the organisation is not reduced to the extent that the delivery of key projects and organisational priorities is jeopardised.

Members did, however, wish to raise two issues as potential concerns:-

1. Whilst the pilot scheme extending the hours of operation of the concessionary travel scheme is welcomed, the costs will only become clear as the pilot progresses and will need to be closely monitored. However, Members considered that once the public had become used to the scheme it would be very difficult to return to the current hours of operation if the pilot did prove more expensive than anticipated.
2. Available balances are projected to total £6.1m (plus a further contingency of £1m funded from treasury management initiatives) at the end of 2008/09. The potential call on balances during 2009/10 now totals ££0.95m for ongoing revenue budget support plus a further £0.80m for one off spending .The 2008/09 strategy also earmarked £1m of the £6.1m available for use as an Invest to Save pot .VFM Scrutiny considered this to be a potentially significant reduction of balances. The revised strategy also now assumes further calls from balances of £0.64m and £0.95m will be made during 2010/11 and 2011/12 leaving only £1.76m projected as available at the end of the

APPENDIX 6B (continued)

three year period on top of the pool of specific balances. Members therefore raised some concerns about the Council's ability to respond to unexpected additional costs, e.g. relating to the implementation of the single status agreement and the continued projected use of balances during 2011/12.