

VALUE FOR MONEY SCRUTINY GROUP
FEEDBACK ON THE CABINET'S SERVICE AND FINANCIAL
PLANNING PROPOSALS FOR 2010/11 – 2012/13.

The Value for Money Scrutiny Group (VfMSG) is a cross party Group of six elected members and a co-opted member of the public. The Group have met on three occasions to discuss the Cabinet's budget proposals. The Group also issued an invitation to the three opposition Group Leaders to present any alternative budget proposals to them, although were informed that no alternative proposals would be submitted.

Members of the VfMSG would like to extend their thanks to the range of members and officers that assisted them during their consideration of the service and financial planning proposals for 2010/11 – 2012/13.

The Cabinet launched their budget consultation process on 8th December with the release of detailed proposals in respect of the investment package, savings, use of balances and the proposed strategy for council tax increases.

The Chairman of the VfMSG was invited to present the Group's response to Cabinet when it considers the final proposals. The Cabinet's final proposals are due to be discussed at Cabinet on 23rd February with the council tax for 2010/11 being set at Council on 4th March. As part of its consideration of the proposals, the Group met with:-

- Cabinet Member: Resources
- Cabinet Member: Active Lifestyles, Leisure & Culture
- Cabinet Member: Housing, Regeneration, Prosperity
- Corporate Director: Resources
- Head of Finance
- Leader of the Labour Group

Written answers to a range of questions on further areas raised by members were also provided in order to clarify some of the proposals.

There was general support from the Group for the overall service and financial planning strategy put forward by the Cabinet, although the current pressure on budgets was acknowledged to be worse this year than in previous years. However, members have a number of comments that they would like the Cabinet to consider prior to finalising their proposals:-

Children & Young Peoples' Services

1. The Group welcomes the proposed additional investment of £1.9m and the contingency of £0.5m into Children and Young Peoples' Services, but expressed concern that with a projected overspend of £3.2m in the current year, there is a significant risk of overspend in 2010/11.

2. That the Council continues to make representations to government to highlight the iniquity of local authorities having to bear the additional costs of bringing a greater number of children into care when the authority has no control over the additional demand.
3. That the Council considers joint commissioning and procurement of placements for Looked After Children with neighbouring authorities wherever possible to increase bargaining power and drive costs down.
4. That safeguarding of children is uppermost in the Group's minds.

Capital Programme

5. The Group acknowledges the courageous steps the authority is taking to improve the area through the regeneration of the borough towns and schools as part of the BTISLC programme, but recommends that the government funding for the BSF programme is spent as quickly as possible in order to mitigate against any potential risk of reduced government funding created by the economic climate.
6. The Group acknowledges the additional strain that borrowing costs will put on the budget, but has mixed views on the level of comfort with this.

Revenue Budget

7. The Group notes the pressure on the rental income arising from the Property Investment Portfolio and that the shortfall in this year's budget was not fully projected into the following year, but that it would be closely monitored.
8. The Group has some concerns about the risks of increased borrowing costs and likely reductions in Revenue Support Grant from Government on the 2011/12 and 2012/13 revenue budgets, which will result in more significant cuts to services having to be considered.
9. The Group welcomes the proposed Council Tax increase of 1.9%.
10. The Group is disappointed to note the continuing loss of Revenue Support Grant (around £5m for 2010/11) to the Borough due to the dampening mechanism used by the Government to equalise grant allocations.
11. The Group is disappointed that the funds ring-fenced for improvements to the Definitive Map of Rights of Way following its recommendation during the last budget consultation has been used for only rural Parish areas whereas the Group's intention was for the money to be spent across all Parish areas.