

## **Finance & Enterprise Scrutiny Committee**

### **Response to the Alternative Budget Proposals of the Main Opposition Group 2017/18**

The Finance & Enterprise Scrutiny Committee is a politically balanced committee of eight non-Executive elected members and two co-opted members. The Committee is the main mechanism by which Cabinet consults annually with scrutiny on the budget proposals.

Under the Council's Constitution alternative budget proposals should also be presented for scrutiny before being presented to Council. The committee met on 26 January 2017 to consider the alternative budget strategy put forward by the main opposition group. The proposals were presented by group leader Cllr. Andrew Eade and Cllr. Adrian Lawrence. The committee also considered the Chief Financial Officer's statement of robustness on the alternative budget strategy.

Cllr Burrell declared an interest in the adult care budget and did not take part in any discussion on the adult care budget, or the Adult Social Care precept, or the formulation of any comments on the adult care budget or the precept.

The committee would like to make the following comments on the alternative budget proposals:

- It was recognised that the key risk to the Council's budget was funding cuts. It was acknowledged that the administration and main opposition group budget strategies had some common aims but there were differences of approach.
- The committee had different views on the approach of selling off commercial assets to reduce debt.
  - One group of members disagreed with the proposal because of the Solar Farm and NuPlace generate significant on-going income which is used to fund front line services. It was not clear how the loss of income would be made up without cutting services. NuPlace also increased the stock of good quality rented accommodation for local residents. A member commented that the auditor had been asked by the Audit Committee about risk with the current level of existing or proposed debt and no concerns had been raised.
  - One group of members supported the proposal to sell assets as necessary to reduce the level and cost of borrowing and to reduce exposure to the risks associated with high levels of borrowing, such as interest rate rises or dips in the property market where money was invested in commercial property.
- A member welcomed the proposed £100k investment in Rights of Way as free exercise for all and felt that health should be as high a priority as generating income by investing in leisure facilities. Other members, while understanding the sentiment, recognised that the Council could not afford to support all worthwhile causes financially and would take money away from adult care whereas investment in leisure facilities generated income.
- A member welcomed the proposal to make a £5k per year on-going contribution to the work of the Street Pastors from the base budget. The committee unanimously acknowledged the good work done by the Street Pastors. It was recognised again that the Council could not afford to financially support all worthy causes but the committee agreed that a suggestion would be made to Cabinet to consider funding for the Street

Pastors and ensure the Street Pastors are aware of the funding allocated to support volunteer groups.

- The alternative budget supported the administration's additional investment in Early Help and Support for adult care but the committee noted that information about the average cost of a care package had not been available at the meeting on 18 January when the adult care budget was considered. The committee requested that the Health & Adult Care Scrutiny Committee look at the average cost of care packages as part of their on-going monitoring of the adult care budget and delivery of savings.
- There was a concern that the projected cost of bringing forward the introduction of the Living Wage was too low. Not many staff were on the minimum wage but the cost of uplifting other pay rates to maintain the differential between grades would need to be factored in.
- Members noted the Chief Financial Officer's statement that overall the alternative budget for 2017/18 would be likely to balance and could be considered robust. However, a member drew attention to the comments about unfunded commitments and that the reliance on the full amount of currently projected underspend meant that if the financial position changed there was an increased risk that the alternative budget would not be fully deliverable in 2017/18 without remedial action.

Report prepared by Stephanie Jones, Scrutiny Officer 01925 383114.