

DURHAM COUNTY COUNCIL

At a Joint Meeting of the **Overview and Scrutiny Management Committee** and **Corporate Issues Scrutiny Committee** held at County Hall, Durham on **Friday 16 January 2009 at 10:00 a.m.**

Present:

Councillor B Avery in the Chair

Members of the Overview & Scrutiny Management Committee:

Councillors Alderson, Armstrong, Arthur, Blakey, Boyes, Chaplow, Hopgood, Martin, Murphy, D Myers, Southwell and Stradling.

Co-opted Members:

Ms M Fish

Members of Corporate Issues Scrutiny Committee (who are not Members of the Overview & Scrutiny Management Committee):

Councillors N Harrison, Lee, S Robinson, Rodgers, Wilkes, Williams, R Young and Zair.

Apologies for absence were received from Councillors Brookes, Brunskill, Burnip, Campbell and Lethbridge

A1 Declarations of Interest

There were no declarations of interest.

A2 Response by Overview and Scrutiny to the Budget 2009/2010

The Committee considered a report of the Head of Overview and Scrutiny on the response from Overview and Scrutiny to Cabinet on the 2009/2010 Budget (for copy see file of Minutes).

The Head of Overview and Scrutiny informed the Committee that a series of Budget Issues Working Group meetings had been held over the last 5 weeks to consider the 2009/2010 budgets for each Service area. From these meetings recommendations for each Service had been produced, which were contained within the report, for consideration by the Committee and then Cabinet.

General considerations which had arisen from the Budget process for 2009/2010 were the limited amount of information which was available due to the complex nature of the budget during the LGR process, which had resulted in it being very challenging to make informed suggestions and the timescale

within which the Budget Issues Working Groups had been held was both tight and constraining. However, one general recommendation which had arisen from the Budget Issues Working Group meetings was that there should be no service cuts during 2009/2010, with a standstill budget.

The Head of Overview and Scrutiny then referred to specific recommendations by Service area which had been made by the Budget Issues Working Groups, as follows:

Children and Young People's Services

- A need to determine the contributions of partners in the delivery of the Children and Young People's Plan;
- Support for various youth activities currently provided by District Councils which would transfer to the Service – budget provision for these activities should transfer to CYPS
- Strong opposition to the reduction of grant aid to Community Associations

Adult, Wellbeing and Health Services

- The proposed library savings should be removed from the savings options. There was currently an Overview and Scrutiny review being undertaken in relation to library provision, and it was suggested that the Overview and Scrutiny Library Working Group be tasked with looking at the impact of reduction in library opening hours and library usage by the public as part of the evidence gathering.
- Concern regarding the funding for the Community Development Team from the AAP budget. It was felt that other Services would make similar calls upon the AAP budget and this was not appropriate.
- Opposition to reductions in care funding linked to changing the eligibility criteria. However, clarification on the difference between 'critical' and 'significant' designations and the likely numbers of people that would be impacted upon by any resulting change was needed.

Regeneration and Economic Development

- Removal from proposed savings of any reference to the Modern Apprenticeship scheme – the Authority should be extending and not diminishing the Scheme.
- Opposition to any proposed reduction in contribution by the Authority to the Dales Centre.

Neighbourhood Services

- Removal from the proposed savings of any reference to Highways related savings, as Highways were a priority for the Authority and required ongoing investment to maintain current service levels, including winter maintenance
- In relation to other identified savings proposals, for example disabled access ramps, Member budgets could be used to contribute to the provision of this statutory service.

Corporate Resources

- In relation to members' Revenue Budgets there was a need for very clear criteria for the use of any Member Allowance, for example, was the proposed £50,000 per Member or per electoral division? Also, was the current £6,000 allocation for Highways initiatives included in this figure?
- The need to adequately resource the Area Action Partnerships

The Chairman informed the Committee that he had received two emails regarding the Budget, one from Councillor Bell and one from Councillor Wilkes. Councillor Armstrong then read the contents of both emails to the Committee. The email from Councillor Wilkes identified various areas which could lead to savings, including procurement and energy issues, without the need for any budget cuts. Councillor Armstrong replied that although the level of savings identified represented only 0.0005% of the budget, they were areas which could be taken up by the relevant Committee which considered procurement issues. The Head of Overview and Scrutiny added that the points raised by Councillor Wilkes could be captured as efficiency savings.

The email from Councillor Bell related to both AAP budgets and Highways budgets. Councillor Bell suggested that the £3½m identified for AAP budgets in the coming year be top sliced, to avoid possible cuts in other areas, as the full AAP budget would probably not be needed in the first year. Referring to Highways, Councillor Bell suggested that £½m extra would need to be placed into the budget for 2009/2010 to allow for a standstill in the level of service, adding that a standstill budget would actually lead to a cut in the level of service. Councillor Armstrong replied that if any investment was possible, then it should be put into the Highways area.

The Committee then considered the allocation of Member Revenue Budgets. Councillor Armstrong informed the Committee that clarification on the level of Members Budgets was needed, whether it should be £50,000 per electoral division, or £50,000 per Member. Due to the significant risks which were associated with the budget for 2009/2010, Councillor Armstrong informed the Committee that his preference was for the level of Member Revenue Budgets to be £50,000 per electoral division.

Councillor Martin expressed the need for clarity in Councillor Armstrong's preference, particularly whether the £50,000 per electoral division included the current £6,000 per Member for highways initiatives. Councillor Armstrong replied that if the Committee agreed the level of £50,000 per electoral division, then the current £6,000 per Member for highways initiatives should be over and above this.

Referring to the budget for CYPS, Ms Fish asked why schools did not run with a budget deficit within a three year budget period, as this may help to reduce the number of redundancies schools made from year to year. The Head of Overview and Scrutiny suggested that this matter be taken up with Phil Barclay, Head of Finance Services in CYPS.

Councillor Southwell referred the Committee to last years budget when a 1% rise was included within the Council Tax to go into reserves to outweigh LGR transition costs. This 1% did not need to be sustainable because it went into reserves. Councillor Southwell added that LGR savings should be spread over a 3 year period, and that the County Council should implement a 0% Council Tax increase on a standstill budget.

Councillor Armstrong informed the Committee that it was not meeting to decide the level of County Council reserves, adding that Councillor Southwell had had time to raise such issues prior to the meeting, including at the meetings of the Budget Issues Working Groups, but had not. Councillor Stradling added that the role of the Committee was to make recommendations to Cabinet regarding the Budget, and that the general feeling from Members was that Overview and Scrutiny was against any cuts in service, rather than cost reductions.

Councillor Hopgood informed the Committee that it should recommend the level of Member Revenue Budget be £100,000 per electoral division, which would currently equate to £50,000 per Member. She added that if this was not the level allocated from the outset, then the chances of it ever being raised from the £50,000 per electoral division would be slim. Also, there were staffing costs associated with LGR which the Council would not have next year.

Councillor Martin informed the Committee that in previous years Overview and Scrutiny had made a recommendation to Cabinet about the level of Council Tax to be set, however, this year there had been neither anything contained in the Committee report, nor in the debate at Committee about this. Councillor Armstrong replied that the budget for this year had been a particularly complicated process given that 8 Councils were to amalgamate, and as such, the full information was not yet available to make an informed decision on this. Councillor Stradling added that there were no recommendations regarding Council tax level because of both the complexity of this years budget process and also the LGR bid document had stated that the level of Council Tax would be set at the level of the lowest District Council precept. Councillor Southwell replied that the LGR bid document stated that the Council Tax level would be at the level of the lowest District Council precept, or lower.

Councillor Wilkes informed the Committee that the level of Member Revenue Budget should be recommended to be set at £50,000 per Member, and not £50,000 per electoral division. Should, come the end of the financial year, this not be needed, then it could be taken out of the budget.

Upon a vote being taken, the Committee agreed that the level of Member Revenue Budget be recommended at £50,000 per electoral division, however, this amount should not include the current £6,000 per Member allocation for Highways projects.

Resolved:

- (a) That in future budget cycles it is essential to ensure the early engagement of Non-Executive Members to allow for a full and detailed response to be prepared by Overview and Scrutiny.
- (b) That Cabinet agree the specific budget recommendations contained in the report in relation to each of the Service Directorates.
- (c) That as a result of the complex nature of this particular budget Overview and Scrutiny would recommend that Cabinet consider a standstill budget for 2009/10 thereby avoiding any significant cuts in services but maintaining a level of service that continues to meet local need.
- (d) That Members Revenue Budgets be allocated on the basis of £50,000 per electoral division with a view to increasing this figure in the 2010/2011 budget process.

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Signed by the Chairman of the Meeting held on 9 February 2009