

BATH AND NORTH EAST SOMERSET

CORPORATE PERFORMANCE AND RESOURCES OVERVIEW AND SCRUTINY PANEL

Monday, 31st January, 2011

Present:- Councillors David Dixon (Chair), Rob Appleyard, Colin Barrett, Victor Clarke, Ian Gilchrist and Barry Macrae

Also in attendance: Andrew Pate (Strategic Director - Resources) and Michaela Gay (Senior Democratic Services Officer)

Councillor Malcolm Hanney – Cabinet Member for Resources

56 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

57 EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer drew attention to the emergency evacuation procedure.

58 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillor Cray.

59 DECLARATIONS OF INTEREST UNDER THE LOCAL GOVERNMENT ACT 1972

Councillor Hanney declared a personal non-prejudicial interest as Chairman of the Primary Care Trust (PCT).

60 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

61 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Councillor John Bull made a statement on the budget proposals. The statement was taken under item 8 on the agenda.

62 MINUTES OF PREVIOUS MEETING - 17TH JANUARY 2011

It was **RESOLVED** that the minutes of the meeting held on Monday 17th January 2011 be confirmed as a correct record and signed by the Chair.

63 MEDIUM TERM SERVICE AND RESOURCE PLANNING 2011/12-2013/14 AND BUDGET AND COUNCIL TAX 2011/12

The Chair invited Councillor John Bull to make his statement to the Panel. Councillor Bull set out his suggestion that “*part of the headroom sums of £944k and £336k as referred to in the budget papers be used to restore three of the proposed cuts in the children and young persons service as follows:*

- *‘Shout out’ advocacy service run by ‘Off the Record’ - £14,000*
- *Bath Contact Centre - £8,000*
- *£5k cut in the children’s society budget” - £5,000*

The Chair thanked Councillor Bull and informed him that this suggestion was noted by the panel and would be forwarded to the Cabinet for their consideration.

Andrew Pate – Strategic Director Resources and Support Services introduced the report. He updated the panel on the national financial settlement from the government which was almost unchanged, being £16,000 more than the provisional settlement. The Director explained that the value of several specific government grants were still unknown which is why there was a contingency provision within the headroom amount. He explained that the key action for the Panel at this meeting was to make recommendations to the Cabinet that meets on 2nd February 2011.

Councillor Malcolm Hanney – Cabinet Member for Resources thanked all officers involved in the budget process. He explained that the scale of cuts in government grants had been a lot to absorb and the authority had largely delivered through efficiency savings. He explained that this authority was in a relatively good position as a result of a lot of effort. Councillor Hanney commented on the suggestion by Councillor Bull as set out above, he explained that some funds had been put aside for children’s services and £336k was intended to help pump priming of community development - disadvantaged communities, regeneration and localism. He explained that in total £1.9m was going into community empowerment and that no decisions had been made in relation to the Local Strategic Partnership reward money included in this total of £1.3m. He explained that he could not make any promises today not knowing the full position on grants and all suggestions would be considered as part of the budget process.

The Panel asked the following questions and made the following points:

Councillor Dixon thanked officers that the budget had been easy to understand.

In response to a question from Councillor Macrae on the Council Tax grant, Councillor Hanney explained that the grant was built into the budget for the next four years but that it could be withdrawn after that.

Councillor Gilchrist asked about feedback in response to community consultation on the budget. The Strategic Director explained that along with a budget fair and meetings with residents associations plus local business, the Council website had also been used. He explained that the responses were generally positive although there were some responses on the website that

seemed to relate to people being directly affected. He explained that there was nothing that indicated the need to change direction.

Councillor Macrae asked if the Director was confident that in total all departments would remain within cash limits and was no overspend carried forward from previous years. The Strategic Director explained that there was still some time to go before the end of the year and some extra costs due to the severe winter but reported that overall he was confident of a net under spend although this was not guaranteed.

Councillor Macrae asked if any alternative budget proposals would have to go through the Section 151 officer. The Strategic Director explained there was guidance in the report on this and confirmed that the Section 151 officer would need to look at any proposed changes so that he could report to Cabinet on the viability of the proposals.

Councillor Dixon referred to the earmarked reserves and asked why the figures jumped around over the coming years. The Strategic Director explained that reserves would be used to fund the change programme and any severance costs. He further explained that those redundancy and early retirement costs would generally be picked up through 50% use of reserves and 50% from individual services, he explained that this was a medium term approach to financing severance costs. Councillor Hanney added that there would be further grant cuts and efficiency savings which get harder to deliver and that there would also be extra pressures from changes in Health Care and Academies. He explained that now was the time to plan for these changes.

Councillor Appleyard asked how much of the affordable housing reserve was going into Western Riverside and what was the situation with schemes outside of Bath. The Strategic Director explained that a substantial amount was going towards Western Riverside and that for schemes outside of Bath, provision for affordable housing would have to come from specific individual developments.

Councillor Dixon asked some questions relating to the budget and how it reflected the Corporate Priorities. He asked about the Leisure Centre capital funding; the top up in Highways Maintenance funding and also asked when there would be a Corporate Plan refresh. The Strategic Director explained that it was more appropriate that the Corporate Plan be refreshed shortly after the elections rather than shortly before. He addressed the other points, he explained that investment in the Leisure Centre was associated with growth and economic prosperity, the city centre and the future of Bath Rugby. He further explained that the top up in Highways funding was due to the effects of the harsh weather. Councillor Hanney added that the Highways increase was about avoiding future costs. He explained that the Leisure Centre money was towards the overall costs, other contributions were expected.

Councillor Dixon asked if the Aquaterra contract come up for renewal soon. Councillor Hanney responded that discussions were taking place.

Councillor Appleyard asked about the extra £3m on highways in 2010/11, he asked if there was actually an increased level of activity or just a longer waiting list. Councillor Hanney stated that he was clear that the work was being done and the objective set out at the beginning of the year would be achieved. He said he understood that officers may wish they had more resources but that this had to be balanced against other priorities. He stated that he would report back regarding the increased activity levels.

Councillor Appleyard asked why this authority had a poor record on affordable housing. Councillor Hanney stated that he was not sure that this was the case and stated that the authority would like to be creating more affordable housing.

Councillor Gilchrist stated that he was pleased that Rossiter Road scheme allocations were unchanged and asked about the Council priority on climate change and its place in the budget. The Strategic Director pointed to the figure in the budget relating to the carbon levy (approx £300k), he explained that he would be working with services to avoid this levy. Councillor Hanney further explained that the Council continued in its ongoing commitment to recycling and collecting food waste as well as reducing the carbon impact of its offices.

Councillor Clarke asked if the reserves were ring fenced and whether they had adversely impacted on the Government settlement. The Strategic Director explained that reserves are not taken into account as a reason for reducing the government grant. Government statements are to the effect that Councils should be using their reserves to pay severance costs.

Councillor Barrett asked about a re-evaluation of properties. The Strategic Director explained that at a national level changes were being discussed in relation to local retention of business rates and there was a new homes bonus. Councillor Hanney explained that there was no confirmation of the amount of new homes bonus but the Council may wish to consider using some of it towards affordable housing in the future.

Councillor Appleyard asked if there had been a reduction in grants given to the Arts as an example. Councillor Hanney explained that there were few grants left as it was now mostly Service Level Agreements. He explained that he was generally looking for efficiencies in SLA's and those not delivering outcomes were being stopped.

Councillor Dixon made some comments in response to the comments that had been circulated to the Panel from the other Overview and Scrutiny Panels in relation to their Service Action Plans:

- Regarding Childrens Services Service Action Plan, he referred to the suggestion made by Councillor John Bull (details above and in the resolution to this minute);
- Regarding Adult Care and Housing Service Action Plan, he referred to the Healthier Communities and Older People OS Panel's view that "...it would be wrong to lose Community Learning as a valuable service that

would fit well within the Big Society idea and that the Council should look into other ways to keep that service running". Councillor Dixon asked that Councillor Hanney and Councillor Pritchard – Cabinet Member for Adult Social Services and Housing discuss this.

- Regarding Tourism, Leisure and Culture Service Action Plan, he referred to the Safer, Stronger Communities Panel request that there be no cuts or closures of libraries. Councillor Dixon asked that this be taken into account, especially considering the restructuring taking place in the library service.

Councillor Hanney said he would take away the comments on the Community Learning issue. He commented that in terms of smaller libraries, an alternative to closure can be some use of volunteers. He added that any changes would follow Trade Union consultation and the usual process.

Councillor Macrae stated that he was disappointed with the comments from other panels as they were supposed to propose alternatives. Councillor Dixon said he disagreed and that when you read the comments, most of the budget proposals are accepted by Panels, they have only raised a few concerns. He felt that the OS Panels had done a good job.

The Strategic Director noted the point made by Councillor Appleyard regarding licensing of street parties for the Royal Wedding.

The Chair thanked everyone for their contributions.

The Panel **RESOLVED** to:

1. Note the draft medium term financial plan, and revenue and capital budgets for the 2011/12 financial year and proposal for a Council Tax level for 2011/12 and ask the Cabinet to note the comments of the Panel as shown above; and
2. Ask the Cabinet to consider the comments of the other Overview and Scrutiny Panels; along with Councillor Bull's suggestion *'That part of the headroom sums of £944k and £336k as referred to in the budget papers be used to restore three of the proposed cuts in the children and young persons service as follows:*
 - *'Shout out' advocacy service run by 'Off the Record - £14k*
 - *Bath Contact Centre - £8k*
 - *Children's society budget' - £5k*

The meeting ended at 7.05 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services