

BUDGET SCRUTINY COMMITTEE

Minutes of a meeting of the Budget Scrutiny Committee of Bolsover District Council held in the Council Chamber, Sherwood Lodge, Bolsover, on Monday 26th November 2012 at 1400 hours.

PRESENT:-

Members:-

Councillor K. Reid – Chair

Councillors A. Anderson, R.J. Bowler, P. Bowmer, R. Brooks, J.A. Clifton, T.J. Connerton, C.P. Cooper, M.J. Dooley, S. W. Fritchley, H.J. Gilmour, J.E. Hall, R. A. Heffer, C. Munks, G.J. Parkin, T. Rodda, J.E. Smith, R. Turner, K.F. Walker, D.S. Watson, G.O. Webster and J. Wilson.

Officers:-

B. Mason (Director of Corporate Resources) and R. Leadbeater (Democratic Services Officer).

Also in attendance at the meeting was Councillor D. McGregor (Portfolio Holder for Corporate Efficiencies).

631. APOLOGIES

Apologies for absence were received from Councillors J.E. Bennett, T. Cook, M.G. Crane, B.W. Hendry and S. Wallis.

632. URGENT ITEMS

There were no urgent items of business.

633. DECLARATIONS OF INTEREST

There were no declarations of interest submitted.

BUDGET SCRUTINY COMMITTEE

634. MINUTES – 21ST SEPTEMBER 2012

Moved by Councillor M. Dooley, seconded by Councillor J. Smith

RESOLVED that the minutes of a meeting of the Budget Scrutiny Committee held on 21st September 2012 be approved.

635. MINUTES – 15TH OCTOBER 2012

Moved by Councillor M. Dooley, seconded by Councillor H.J. Gilmour

RESOLVED that the minutes of a meeting of the Budget Scrutiny Committee held on 15th October 2012 be approved, subject to the inclusion of Councillors R.J. Bowler, P.M. Bowmer, S.W. Fritchley, J.E. Hall, C. Munks, G.J Parkin and D. Watson as being in attendance.

636. BUDGET MONITORING REPORT

The Chair advised that Members would have 15 minutes to read the tabled report. The Director of Corporate Resources apologised for the lateness in providing the report to Members.

The report was presented for the Budget Scrutiny Committee's information which had previously been considered by the Executive.

General Fund

Members were advised that at the end of the second quarter, the budget against the actual expenditure to date showed an overspend of £0.107 million. The overspend covered several variances within the budget but reflected a shortfall of savings against the target at the half year point of £0.2 million. Members' attention was drawn to Appendix 1 which summarised the half year budget position. Members were advised that the majority of the required £0.975 million savings were likely be realised at the year end which was a significant achievement.

The detailed cost centre monitoring statement was shown in appendix 2 to the report.

The details of the grant to be received for 2013 were still to be advised by Central Government, however it was anticipated that the grant settlement would be harsher than had previously been assumed.

BUDGET SCRUTINY COMMITTEE

The autumn statement covering the overall position with respect to the public sector would be received by 5th December, however the details of the grant to be received by each authority was not likely to be advised until late December.

On current estimates there was a projected shortfall of £0.6 million for next year. To maintain progress on the budget expenditure plans had been formulated which considered those budget items that were under the control of the authority. When the actual grant figure was known by the end December the accuracy of the projections could then be considered within the context of up to date expenditure budgets. Members would be updated once details were available.

The Director of Corporate Resources added that the key message is that good progress had been made in the first 6 months of year and it should be possible to balance the budget without any call on General Fund reserves. The Council should be commended for this success.

Further to questions in respect of the affects of the Welfare Reform agenda and Revenue Support Grant, the Director of Corporate Resources responded that the level of Revenue Support Grant received would have a significant impact, with grant reductions possibly as high as 13% which would require further expenditure reductions to be made. The Government's priority services were likely to remain as education and social services with the other services bearing the main impact of further central government cuts. This was likely to continue year on year.

Members were advised that the internal budget monitoring process had been made easier by excluding recharges. Budget managers would now only be managing those costs directly under their control which would provide a less complicated system than previously in place. Recharges would still be included in the published accounts.

Attention was drawn to the detailed cost centres as outlined in the Appendix which provided information on how the overspend of £106,000 had been arrived at.

Housing Revenue Account

Members' attention was drawn to Appendix 3 of the report which set out the Housing Revenue Account for the first half of 2012/13. Expenditure was currently running in line with expectations and was underspent by £0.114k at the half year. Income from rents was now in line with the current budgets.

The Director of Corporate Resources advised that the HRA now operated under a localised approach with a longer time horizon and that the HRA had not been hit by the same level of grant reduction as other services.

BUDGET SCRUTINY COMMITTEE

Capital Programme

Members were advised that the funding of the Capital Programme was heavily dependent on two major capital receipts that were not likely to be received until the next financial year. The Authority is likely to be dependent on prudential borrowing to fund spending until the capital receipts in question are achieved. In response to questions, Members were advised that as these receipts had been delayed for legitimate reasons there would be no additional interest received and there was no cause for concern at this stage.

A revised budget report would be presented to Council in December. On confirmation of the grant settlement further reports would be provided to the Executive and Council in February to approve the budget in readiness for Council Tax to be set in March 2013.

Members asked questions in relation to the budget totals provided in the report and particularly with regard to the impact of Right to Buy on the Housing Revenue Account. The Director of Corporate Resources advised that any increase in sales could have a significant detrimental effect on the HRA with regard to lost rental income. It was added that the level of discount had also become more generous which was an added incentive to buyers and mortgages may be marginally easier to secure making Right to Buy sales more likely.

Councillor Dooley left the meeting.

Members raised concerns in respect of a potential increase in Council houses sold that were good condition. These were often low maintenance properties which provided rental income with little expense.

Further questions were raised in respect of the draft payment strategy. Members were advised that this had been discussed by the Improvement Scrutiny Committee. It was added that the Council continued to promote direct debit and other automated payment methods as these were cheap to operate. Face to face payments in Contact Centres would continue. Alternative forms of payment often brought significant cost of 45-50p. It was therefore cost effective to continue with cash offices as these being popular with customers while advice function could be provided from the same location at the same time.

The Portfolio Holder for Corporate Efficiencies stated that progress on the savings target of £975,000 was pleasing. Regular meetings were held with Directors and Assistant Directors and Scrutiny Committees and measures were in place to address the remaining £200,000 shortfall by 31st March 2013.

Members stated that some difficult decisions would need to be taken over the coming year with possible job or service cuts.

BUDGET SCRUTINY COMMITTEE

Members discussed the Strategic Alliance and the further savings available as a result of this which were considered to be minimal. The Director of Corporate Resources advised that every local authority was looking at achieving outcomes of scale by either shared or contracted out services.

Moved by Councillor J.E. Smith, seconded by Councillor R. Turner
RESOLVED that the report be noted.

637. SCRUTINY INVOLVEMENT AUDIT REPORT

This item was withdrawn.

The meeting concluded at 1507 hours.