

**MINUTES OF THE MEETING OF SCRUTINY
HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 15 JANUARY 2009**

MEMBERS

* Cllr C M Pannell - Chairman

* Cllr K J Baldry - Vice-Chairman

* Cllr J H Baverstock

* Cllr P H Cook

* Cllr G J Fielden

* Cllr R D Gilbert

* Cllr J W Squire

* Cllr J A Westacott MBE

* Denotes attendance

Also in attendance at the invitation of the Chairman:

Cllrs H D Bastone, J I G Blackler, J Brazil, P W Hitchins, J T Pennington, M F Saltern
and R J Tucker

Officers in attendance:

For all items: Strategic Director (Resources); Head of Financial Services; Member
Support Services Manager and Member Support Officer

SC.40/08 MINUTES

The minutes of the meeting of Scrutiny held on 17 December 2008 were confirmed as a correct record and signed by the Chairman.

SC.41/08 DECLARATIONS OF INTEREST

Members were invited to declare any interests in the items of business to be considered during the course of the meeting, but none were made.

SC.42/08 BUDGET PROPOSALS 2009/2010

Consideration was given to a report which updated Members on the budget position facing the Council. The report also outlined bids for additional expenditure and options available to address the funding shortfall.

The report concluded in stating that each year, the preparation of annual budgets became more challenging than before; this year was particularly difficult due to the general economic conditions, uncertainty in financial markets and falling interest rates. Uncertainty also existed over the future funding and structure of local government. Members' views were now sought as to how they wished to reconcile the competing demands of additional expenditure, service provision and sound financial management.

In presenting the report, Officers highlighted to the Group a paper which provided an update on the proposed budget gap following publication of the presented report and the outcome of the Executive meeting of 4 December 2008 (minute E.79/08 refers). The Head of Financial Services outlined the savings identified by the Corporate Management Team, the Concessionary Bus Fare scheme which, it was felt, would not be as costly as initially anticipated, and the increased council tax from a higher tax base due to increased numbers of properties within the district. However, additional pressures on the Council's monies were noted as being a reduction of investment income due to lower interest rates and a net reduction in car park income.

Officers advised that if Members were minded to support the potential budget bid of an E-Newspaper (as outlined in the circulated papers), the additional budget bid as proposed by the Executive (as tabled to the Group and referred to in minute E.79/08) towards the running costs of an additional street sweeper and a Community Grant Fund contribution, as proposed by the Community Policy Development Group (CPDG) at its meeting on 6 January 2009 (minute CPDG.27/08 para(6) refers), Members were looking at a revised potential budget gap of £494,000.

During discussion, the following points were raised:-

- (a) With regard to the proposal to reduce the contributions to selected Reserves (as one of the means to meet the challenge of the Budget shortfall), a Member asked for clarification as to who made the decision as to which Reserves would either receive no funds or reduced funds for 2009/10. In reply, officers advised that the decision on the level of balances and reserves was one of several to be taken by Members during the formulation of the 2009/10 Budget and the Medium Term Financial Strategy;
- (b) In respect of the Concessionary Bus Fares Scheme, a Member questioned whether there was still a risk that the Government may reclaim back some of the monies. In response, officers stated that it was rare for the sums to change from the provisional Revenue Support Grant indications given by the Government in December 2008. However, if there was a change when the final announcement was made by the Government, previous experience suggested that it tended to be a modest and manageable sum, and not on the scale of the anticipated budget saving associated with the Scheme of £250,000. However, if there was an unanticipated change when the final announcement was made, Members would be fully briefed as soon as was practically possible. Officers stated that the timing of the final Government announcement inhibited the budget setting process and both the Council and Local Government Association made representations on this matter each year. It was also confirmed that the £250,000 would not be ring fenced and could be spent according to the Council's own priorities;

- (c) A Member expressed his frustration and irritation with the current process of setting the budget. The Member did not believe that non-Executive Members had a meaningful say in the Budget setting process and stated that the level of detail in the financial information presented to them was insufficient to constitute 'a framework' for them to vote on the proposals. In contrast, other Members voiced their disagreement with this view, stating that they felt the financial information and format was sufficient for them to make a contribution to the budget setting process. Members also emphasised to the meeting that all Members would have a vote at the Council meeting on 5 February 2009 upon the Executive's final budget recommendations. If Members did not feel the final budget proposals were acceptable, then they could vote against them at the Council meeting. A number of Members welcomed the 'Revenue Summaries' information (as circulated with the presented Scrutiny agenda), stating that it was helpful for the income/expenditure details to be listed per department;
- (d) All Members welcomed the intention to have a zero increase in Council Tax for 2009/10;
- (e) As a consequence of the discussions at the CPDG meeting of 6 January 2009 (minute CPDG.27/08 discussion point (2) refers), officers advised that the Policy Development Groups would now receive service presentations from those services relating to their thematic area periodically. When these items were considered, the importance of considering outputs/outcomes and value for money, in addition to potential savings was stressed. However, it was acknowledged that this new process would give Members more opportunity to scrutinise expenditure in the detail that they felt was currently lacking;
- (f) On the issue of the proposed Budget, one Member felt it was misleading to describe it as a sustainable budget, as the proposed measures could not be repeated year on year, but that it was a 'one off' budget formulated in unprecedented times. Another Member disagreed that this was a 'one-off' budget and went further to suggest that, in the current economic climate, the Council should prepare itself for some even more difficult budgetary decisions in the future in order to avert future significant increases in council tax;

- (g) The matter of vacancy management was discussed as a further proposed means of meeting the Budget shortfall and Members were assured that whenever a vacancy arose, the requirement for the post to be replaced would be considered in depth by the Strategic Management Team, with other alternative options, such as shared services, being explored. It was noted that currently the number of staff employed by the Council was reducing annually. In reply to a question, officers stated that the Council employed more members of staff than West Devon Borough Council (WDBC) for reasons including: the population of West Devon being almost half that of the South Hams; and WDBC contracting out some of their main services e.g. waste and revenue and benefits.

Officers proceeded to advise that the combined approach of vacancy management and shared service opportunities had been estimated to make a saving of £100,000 for 2009/10 (which was double the sum quoted in the original Executive Budget papers of 4 December 2008);

- (h) In light of the recent media reports regarding stockpiles of plastic, metal and paper, a Member queried whether there was still a market for the Council's waste material. In response, it was reported that officers had held a meeting with the Council's Contractors and assurances had been given that they were committed to the existing long term contract. It was noted that the Contactor had an arrangement in place whereby it was not reliant on sourcing a market. However in the current economic climate, Members reiterated that there could be no absolute guarantees. On the matter of waste, a Member noted that there had been a marked drop in the income from trade waste (from £30,000 to £10,000) which was a matter of concern and one that should be further investigated;
- (i) A Member did not believe that Licensing should be considered as a means of raising revenue, particularly at a time when businesses needed financial assistance, and suggested that this practice should be reviewed;

(j) **B1. E-NEWSPAPER**

Members queried whether the business community had been consulted with regard to this proposal, to ascertain if there was a need for this publication. In response, officers advised that this issue had not been raised at the Budget Consultation session with the Business Forum. Other Members also requested that organisations such as the Small Business Federation and the local Chambers of Trade be contacted to gauge their views on this proposal before the Executive meeting on 22 January 2009. Furthermore, these organisations often produced their own publications and the question was raised whether more research could be done into the possibilities of feeding relevant information from the Council through this channel of communication.

It was also suggested that as this was a pilot project, it could be funded from the Economic Development Reserve. Another Member questioned whether, with the uncertainty of Local Government Review (LGR), the Council should be initiating pilot projects at this time and it was added that once a service was provided it would be difficult to retract it and the current economic difficulties were likely to continue beyond the next twelve months. Members requested clarification as to whether the £10,000 was a set up fee or an annual maintenance cost. The Head of Financial Services advised that it was not a one off set up cost, but it was anticipated that the costs would be reduced for the following years.

When put to the vote, it was unanimously recommended that the Bid (as presented) be rejected, but alternative methods of producing and distributing the publication and alternative budgetary provision to fund the proposals be investigated.

(k) B2. MECHANICAL STREET SWEEPER

The Group unanimously supported this Bid. A Member questioned whether the £46,000 was sufficient, as it was their experience that the standard of street sweeping in their local parish had deteriorated in recent years. As a consequence, Members requested an update review of the street sweeping operation at the Scrutiny Group meeting on 24 September 2009;

(l) B3. COMMUNITY GRANT FUND

Members unanimously endorsed the recommendation of the CPDG to allocate an additional £10,000 into the Community Grant Fund.

(m) As had been discussed at previous Budget setting meetings, the matter of an earlier start time (from 9.30am to 9.00am) for the Concessionary Bus Fares Scheme was discussed. Members requested that this opportunity be reviewed (and fully costed) and be presented back to Members at a later date.

SC.42/08 SCRUTINY SHADOWING ROLES

Members confirmed that they were kept fully briefed by their Executive counterparts, and continued to meet frequently. One Member wanted to particularly comment on the work undertaken by the Executive Member with responsibility for Financial Affairs, who she felt was doing an excellent job in very difficult times.

SC.43/08 **AGENDA ITEMS FOR FUTURE MEETINGS OF SCRUTINY**

Local Government Review Update

Members requested that when Scrutiny received its update on the Local Government Review, it be in receipt of figures relating to the expenditure spent by each local authority in Devon on the Review.

English Heritage

The Group wished for English Heritage representatives to be invited to a future Scrutiny Group meeting to respond to Member questions.

Mobile Defibrillators

Following a discussion on the provision of mobile defibrillators in the area, it was agreed that Members would raise the issue in the first instance through the South Hams Strategic Partnership.

Street Sweeping

As raised during the discussion on the Budget above (Minute SC.41/08 refers), the Group requested an update review of the street sweeping operation at its meeting on 24 September 2009.

ICT Service

Members acknowledged that whilst the Policy Development Groups (PDGs) were going to review the services within their thematic areas, certain services did not sit within the remits of the PDGs. As a consequence, Scrutiny also wished to review the operations of such services and wished to commence with the ICT service at a future meeting.

(Meeting commenced at 10.00 am and concluded at 11.45 am).

Chairman