

OVERVIEW AND SCRUTINY COMMITTEE

21st January 2009

**PRESENT:-**

**Conservative Group**

Councillor Jones (Chairman), Councillor Mrs. Farrington (Vice-Chairman) and Councillors Atkin, Mrs. Hood and Mrs. Plenderleith.

**Labour Group**

Councillors Bambrick and Lane.

**In Attendance**

Councillor Harrison (Conservative Group).

**APOLOGY**

An apology for absence from the Meeting was received from Councillor Mrs. Mead (Labour Group).

OS/33. **CONSOLIDATED BUDGET PROPOSALS 2009/10 AND FINANCIAL PLAN TO 2014 – CONSULTATION ON THE COUNCIL'S BUDGET**

The Chairman welcomed Councillor Harrison, Chairman of the Finance and Management Committee who had been invited to contribute to this item. Under Minute No. FM/84 of 15 January 2009, the Finance and Management Committee had considered this item. A copy of the report had been provided to the Overview and Scrutiny Committee and a presentation was given by the Head of Finance and Property Services. The report looked in turn at the Council's financial settlement, the General Fund 5 year financial projection, including the position of projected balances before considering the Council Tax and Capital Investment and financing.

The Overview and Scrutiny Committee took the opportunity to raise questions of Officers and the Chairman of the Finance and Management Committee and to discuss various topics. These included the changes to the accounting arrangements for salaries and the contributions made to part funded posts. There had been previous discussion about the alignment of such posts to the Council's priorities and the potential for future mainstream funding of them. An explanation was given of the Management Team's planned approach to look at this issue over the next 12 months and then to report back to the appropriate committees.

It was questioned how the assumed interest rate levels had been arrived at in the budget projections and confirmed that this was based on market commentators. The Committee discussed the implications of a delay in the projected period of economic recovery and it was noted that the quarterly monitoring arrangements gave the opportunity for review.

There was discussion about the Council Tax base and service cost increases, with particular reference to the potential for an additional refuse collection

round. Questions were submitted about the Gershon savings and it was noted that the budget projections provided the “worst case scenario”. Such savings were not accounted for until they were actually received. Questions were submitted about the funding proportions of partners involved in the Etwall Leisure Centre and how the school funded its contribution. There was discussion about commercial rent income, how rents were reviewed, the potential for rent reductions in the current economic climate and whether the use of holiday payments could be considered for tenants having difficulties. An assurance was provided that sympathetic consideration would be given wherever possible. Members spoke about the impact of the concessionary travel funding review and the robustness of the figures was confirmed.

On Capital, there was discussion about the replacement of vehicles and plant, with particular reference to refuse freighters. A flexible approach was used to make best use of all assets. It was questioned whether the fall in interest rates would have a positive impact on the repayments for covenant schemes. It was noted that these were fixed rate agreements.

Members proposed a number of areas for further investigation. A review could be undertaken of the Swadlincote Woodlands Scheme to examine the potential costs associated with future maintenance. With regard to Community Partnership funding, a review of the arrangements in place could look to find additional funding, based on the likelihood of further parish plans and schemes in the future. With regard to the Etwall Leisure Centre, the potential withdrawal of County Council funding would have an impact for remaining partners. It was noted that a report was due to be submitted to the Housing and Community Services Committee on this issue.

Finally, there was discussion about the budget setting arrangements, the precept deadline and it was suggested to delay the date of the final budget Council Meeting in future years. The Chairman of the Finance and Management Committee welcomed Overview and Scrutiny’s involvement in the three project areas identified.

Note: Councillors Bambrick and Harrison declared personal interests in those issues which involved Derbyshire County Council, as Members of that authority.

**It was agreed that the report be received and that recommendations be submitted to the Finance and Management Committee on the 3 potential review areas.**

C. JONES

CHAIRMAN

The Meeting terminated at 7.15 p.m.