

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 15 February 2005.

PRESENT: Councillor T Ward (In the Chair); Councillors Robson, Rogers and Wilson.

OFFICIALS: T Abraham, J Bennington, P Clark, J Ord, P Slocombe and E Williamson.

**** PRESENT BY INVITATION:** Councillor N J Walker (Executive Member, Resources).

**** APOLOGIES FOR ABSENCE** were submitted on behalf of the Chair, Councillor Carr and Councillors Booth, Cole, Dryden, Mawston and Rooney.

**** DECLARATIONS OF INTEREST**

No declarations of interest were made at this point of the meeting.

REVENUE BUDGET 2005/2006

The Director of Resources submitted a report which provided an update in respect of the Local Government Finance Settlement; set out the proposed Revenue Budget for 2005/06 in accordance with the agreed budget principles and the draft Revenue Budget approved by Executive on 21 December 2004; and sought comments on the 2005/06 General Fund Revenue Budget.

Central Government had announced the final 2005/06 Local Government Finance Settlement on 2 February 2005 which incorporated only minor changes from the provisional settlement previously given in December 2004. Middlesbrough's Formula Spending Share (FSS) had been confirmed as £174.489m, which was in line with the Consultation Paper and had been updated as a result of minor national data figures.

Reference was made to the budget consultation process which had included Members, Local Chamber of Commerce, Town Centre Company, School representatives, Community Councils, Works Council and Senior Managers.

Since the approval of the Draft Revenue Budget and during the consultation process a review of the Medium Term Financial Plan had identified a number of variances summarised as follows: -

- new legislative requirements had established Waste Acceptance Criteria for waste to be treated to a minimum standard (£275,000);
- future Partnership (HBS) provision for the maintenance and development of existing systems on a phased basis over the next seven years (£200,000);
- to meet current throughput of Waste Disposal and Refuse Collection (£155,000);
- to increase the take-up of Direct payments (£152,000);
- a Regeneration Initiative Fund to allow increased scope to contribute towards key initiatives and to attract additional external resources (£100,000);
- the Authority's additional responsibilities in accordance with the Traffic Management Act 2004 to establish a statutory post of Traffic Manager and to take a strategic approach that considered the needs of all highways users including utilities (£50,000);
- following consultation with the Business Community the net cost of the reduction in the proposed increases to car parking charges was reported as £40,000;
- a review of current Alley Gates provision had identified a requirement for additional resources for repairs and maintenance of existing and future planned schemes (£40,000);

- to allow proposals for the future of a significant number of Healthy Living Initiatives, the funding (New Opportunities Fund) for which had expired in 2005, to be considered fully during 2005 (£32,000), matched funded from the Primary Care Trust;
- a review of the Council's provision for pay and inflation and minor variations had identified a net budget reduction of £196,000;
- a review of the leasing Budget had identified savings of £70,000, which had been offset by additional expenditure of £70,000 in respect of wheelie bin replacements following a review of requirements, thus leaving a net saving of £100,000.

The draft 2005/06 revenue budget proposals maintained the Council's commitment to spend at FSS the proposed use for which was outlined in Appendix A of the report submitted.

The Executive at its meeting held on 15 February approved the amendments to the draft 2005/06 Revenue Budget as outlined above resulting in a budget requirement, (including Parish precepts) to be set at £175.080m as detailed in Appendix B of the report submitted. The level of Council Tax associated with the budget requirement represented a 4.8% increase on the current year's level for Middlesbrough Council's element of the Council Tax.

Members' sought clarification on a number of points and discussed a number of areas including the following: -

- provision had been made for the impact of the Housing Stock Transfer and this together with a restructuring of outstanding loans had resulted in efficiency savings of approximately £1m;
- as part of the ongoing process of identifying efficiency savings additional investment had been made, for example, in relation to environment specifically waste recycling, junk job service and weed control;
- possible impact as a result of any increase in the number of Band D properties;
- it was noted that over 50% of properties in Middlesbrough were within Bands A and B;
- the Council tax increase was regarded as being average in comparison with neighbouring authorities, North East and Councils with a similar profile as Middlesbrough;
- reference was made to a significantly improved outturn position in respect of Social Services as a result of a number of corporate and planned measures to achieve a consolidated position.

NOTED