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## OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 16 November 2005.

**PRESENT:** Councillor Carr (Chair); Councillors Mawston and Rogers.

**OFFICIALS:** J Bennington, G Brown, P Clark, A Crawford, J Ord, P Slocombe and E Williamson.

**PRESENT BY INVITATION:** Councillor N J Walker.

**\*\* APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Booth, Cole, Dryden, McTigue, Robson, Rooney, Ward and Wilson.

### **\*\* DECLARATIONS OF INTEREST**

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

### **SECOND QUARTER REVENUE BUDGET OUTTURN 2005/2006**

The Director of Resources presented the second quarter's review of revenue expenditure against the 2005/2006 Revenue Budget.

The report gave a summary of the main issues raised by means of the budget clinic process and the Board sought clarification on a number of issues which included the following:-

Children, Families and Learning – net spending pressures of +£343,000:

- an amount of £270,000 had been allocated from the 2005/2006 repairs and maintenance revenue budget towards the costs of consultancy fees for Building Schools for the Future a report on which would shortly be submitted to the Executive;
- the numbers of excluded pupils continued to increase and had resulted in additional spending pressures of approximately £20,000 which included pupils from the Academies for which the Council could not recover a percentage of pupil led funding from the school;
- an increase in the number of Children Looked After placements following Court judgements had resulted in budget pressures;
- a Working Group had been established to develop a long term strategy for the above area and would be considered as part of the medium term financial plan;
- details were given of the full year budget adjustments of £70,000 which had been reflected in 2005/2006 for the financing of two planned purchases from Five Rivers under the Prudential Borrowing arrangements;

Environment – a net saving of £144,000 had been projected:

- reference was made to an under recovery of car parking income of approximately £70,000 owing to the Executive decision not to increase such charges from 1 April 2005 which would be reflected in the medium term financial plan;
- there was a one-off pressure owing to the lost income at Clairville Stadium closed for major improvement work;
- the concerns regarding the required investment of approximately £550,000 to bring equipment at four gyms to current and economic standards would be examined as part of the medium term financial plan and possible support from Middlesbrough PCT pursued;
- it was noted that the projected costs of the first 10 kilometre Road Race may change depending on sponsorship raised and entry fees offsetting costs;

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- it was confirmed that a report would be prepared by CMT on the future proposals for the race, the required resources and the extent of likely sponsorship;

Regeneration and Cultural Services - a predicted break even situation

- a report on the future of the Enterprise Centres was to be submitted to CMT;

Social Care – a net saving of approximately £25,000 projected:

- demand led service had resulted in additional placements in respect of elderly mentally ill;
- specific reference was made to the figures which included windfall income of £452,000 from the PCT the future impact of which needed to be addressed;

Corporate Services –predicted saving of approximately £479,000:

- current payment rates for Members basic and special responsibility allowances were approximately £38,000 less than the budgeted level;

Central Provisions:

- a surplus of approximately £50,000 from Streetscene trading was expected leaving a projected shortfall of £200,000 on the trading surpluses budget;
- a review of central provisions had been identified, at this stage of the year, a projected net saving of approximately £750,000 on Net Capital Financing costs and an over commitment of £50,000 on the pay and prices provision.

The Board was encouraged by the current situation of projected net savings of approximately £805,000 within general fund services and acknowledged the Council's budget strategy and the degree of change as a result of pressures from demand led services as outlined.

**ORDERED** that the information provided be noted and the actions to be taken endorsed.

## **SECOND QUARTER CAPITAL BUDGET OUTTURN 2005/2006**

The Director of Resources submitted a report, which provided an update of the 2005/2006 second quarter's capital outturn position.

The main changes from the approved capital programme were summarised in Appendix A of the report in respect of the following: -

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| • Multi Teaching & learning Centre – Lift Installation | £100,000 |
| • Greater Middlehaven & North Ormesby redevelopment    | £50,000  |
| • Demolition of Coulby Newham School                   | £160,000 |

The budget and projected expenditure on the capital programme for 2005/2006 was summarised at Appendix B and the total cost of the programme over the period of the programme including previous and future years was summarised in Appendix c of the report.

Reference was made to slippage of approximately £879,000, which was shown at Appendix A of the report, which represented 20% of overall costs on a £40m capital programme. It was acknowledged that much work had been undertaken to reduce the slippage.

**ORDERED** that the information provided be noted.