

## OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 27 February 2007.

**PRESENT:** Councillor Carr (Chair), Councillors Cole, Rooney and T Ward.

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

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

**\*\*APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Mawston, Robson, Sanderson and Wilson.

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

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

### **\*\* MINUTES**

The minutes of the meeting of the Overview and Scrutiny Board held on 6 February 2007 were submitted and approved.

## **REVENUE BUDGET 2007/2008**

The Director of Resources submitted a report, which provided an update in respect of the 2007/2008 Local Government Finance Settlement confirmed at £73.227m for Middlesbrough. The report also set out the recommended Revenue Budget for 2007/2008, which had been prepared in accordance with the Budget Strategy as agreed by the Executive on 19 December 2006.

The budget consultation had been completed with appropriate stakeholders and included for the first time a meeting of the Youth Forum which had been well attended. The consultation exercise had also included Middlesbrough residents in the four geographical areas with a greater number in attendance in respect of south and west Middlesbrough.

The Medium Term Financial Plan identified a shortfall of £2.6m in available resources, and therefore services had been requested to identify efficiency savings of £1.8m.

Details were provided in Appendix A of the report submitted of the proposals for efficiency savings by Services in the sum of £1,044,000 (£360,000 Environment & Neighbourhood Services; £483,000 Children Families & Learning; £135,000 Regeneration; and £66,000 Strategic Resources) which were not reductions in service. Social Care had identified efficiency savings as part of their medium term financial plan.

The draft revenue budget had been based on £2.6m achievable efficiency savings in 2007/2008.

A summary was given of the variances, which had been identified following a review of the Medium Term Financial Plan. A review of the provisions for pay awards, inflation, including the impact of changes in interest rates on investments had identified a net reduction of £453,000. Specific reference was made to the detailed analysis which had been undertaken in respect of the current residential placement, fostering and adoption

costs fees for children looked after which had identified further ongoing pressures of £79,000 and £132,000.

Provision for the net impact of significant pressures within Children's Families and Learning had been made within the proposed 2007/2008 budget. The Executive at its meeting held on 19 December 2006 had agreed to undertake a review over the short, medium and long term as to options available to deliver agreed service levels within available resources. The temporary use of balances of £1.143m had been agreed for 2007/2008 to allow for appropriate consideration and option appraisal over the next year.

In response to Members' concerns in terms of the ongoing pressures in respect of Children, Families and Learning the Director of Resources referred to the significant changes within the service. The Director of Resources reiterated the extent of the work undertaken involving appropriate consultation, analysis, and option appraisal to achieve integration of services and generate efficiency savings.

Whilst the unpredictable nature of the agency and fostering placements was acknowledged Members sought assurances that the budget strategy could accommodate the likely increased costs and future pressures in this area.

The Executive Member for Resources confirmed the increased budget and use of balances based on the second quarter's budget outturn. Confirmation was also given of the ongoing work and regular meetings held on how to address the current problems.

The Executive at its meeting held on 13 February 2007 had agreed that the budget requirement for 2007/2008 (including Parish Precepts) be set at £117.714m as detailed in Appendix B of the report submitted.

Taking into account the matters set out at in Section 32 of the Local Government Act 1992 and the items outlined within the report the Executive had agreed that the basic amount of Council Tax (Band D) for 2007/2008 be £ 1,122.7919 being the average (Band D) Council Tax for the whole of the Borough.

The level of Council Tax associated with the budget requirements represented a 3.6% increase on the current year's level for Middlesbrough Council's element of the Council tax.

**NOTED**